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

FORM 10-K

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

For the fiscal year ended **September 30, 2026**

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

For the transition period from _____ to _____

Commission file number**: 001-39187**

CleanSpark, Inc.

(Exact name of registrant as specified in its charter)

Nevada	**87-0449945**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
10624 S. Eastern Ave, Suite A - 638 **Henderson, Nevada**	**89052**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(702) 989-7692**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	**CLSK**	**The Nasdaq Stock Market LLC**
Redeemable warrants, each exercisable for 0.069593885 shares of common stock at an exercise price of $165.24 per whole share	**CLSKW**	**The Nasdaq Stock Market LLC**

Securities registered pursuant to Section 12(g) of the Act: **N/A**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [X] No []

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [ ] No [X]

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 [X] 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 [X] No [ ]

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

☒ Large accelerated Filer	☐ Accelerated Filer
☐ Non-accelerated Filer	☐ Smaller reporting company
	☐ Emerging growth company

If an emerging growth company, 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. [ ]

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-based 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 whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).
Yes [ ] No [X]

The aggregate market value of the common stock held by non-affiliates as of March 31, 2026 (the last business day of the registrant's most recently completed second fiscal quarter), was approximately $2,158,000,000 based on the per share closing price as of March 31, 2026 quoted on the Nasdaq Capital Market for the registrant's common stock, which was $8.51.

As of November 20, 2026, there were 260,509,745 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the registrant's definitive proxy statement to be delivered to its stockholders in connection with the registrant's 2027 Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K. Such definitive proxy statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

CLEANSPARK, INC.
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September 30, 2026

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FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains certain statements that are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements may include terminology such as "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "potential," "positioned," "seek," "should," "target," "will," "would," and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or comparable terminology. These forward-looking statements include, but are not limited to, statements regarding future operating results, potential risks pertaining to these future operating results, future plans or prospects, anticipated benefits of proposed (or future) acquisitions, dispositions, and 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. These forward-looking statements are based on management's current expectations, estimates, forecasts, and projections about our business and the industry in which we operate, as well as the economy, trends, and other future conditions, are subject to significant risks and uncertainties, and are subject to changes based on various factors, some of which are beyond our control. Therefore, we can give no assurance that the results implied by these forward-looking statements will be realized. Furthermore, the inclusion of forward-looking statements should not be regarded as a representation by the Company or any other person that future events, plans, or expectations contemplated by the Company will be achieved. The following important factors, among others, could affect future results and events, causing those results and events to differ materially from those expressed or implied in our forward-looking statements:

- high volatility in the value attributable to our business;
- the rapidly changing regulatory and legal environment in which we operate, which may lead to unknown future challenges to operating our business or which may subject our business to added costs and/or uncertainty regarding our ability to operate;
- our ability to execute on our evolving business model and strategy, including our ability to diversify and expand into the market for high-performance computing ("HPC") and artificial intelligence ("AI") solutions and data centers;
- our limited experience with respect to new markets we are entering, including the market for HPC and AI services;
- our ability to secure additional hyperscaler customers;
- our ability to compete with our new HPC and AI services competitors, as we are facing a greater degree of competition compared to the bitcoin mining market;
- our ability to successfully integrate any newly acquired properties and assets;
- our ability to obtain adequate financing on a timely basis and/or on acceptable terms with regard to expansion into the HPC and AI markets and our existing operations, including the substantial additional capital required to fund the development of any future data center projects we may undertake;
- risks related to the significant additional indebtedness that we have incurred for purposes of funding the Sandersville project and may incur for any future data center projects we may undertake;
- our ability to timely achieve the Sandersville Lease milestones for, among other things, the construction of the Sandersville data center project and any future data center projects we may undertake, which will depend on a number of factors, including dependence on the performance of a third party to lead the construction of the Sandersville project, the ability to obtain the necessary equipment in a timely and cost-effective manner, and our ability to obtain necessary regulatory approvals and electrical power;
- our dependence on the ongoing supply of electrical power to the Sandersville project and any future data center projects after the completion of construction and interruptions thereof;
- the risk that expectations of future revenue and net operating income growth which we expect to result from undertaking data center projects, including the Sandersville Lease, may not be realized;
- the anticipated demand for large data centers and changes to HPC and AI infrastructure needs;
- the impacts of evolving global and U.S. trade policies and tariff regimes;
- our ability to maintain profitability in the future;

- economic dependency on regulated terms of service and power rates;
- our ability to keep pace with technology changes and competitive conditions;
- security and cybersecurity threats and hacks;
- our reliance on a third-party mining pool service provider for our mining revenue payouts;
- our dependency on third parties to maintain our cold and hot wallets that hold our bitcoin;
- changes to bitcoin mining difficulty;
- our reliance on a limited number of key employees;
- our ability to repay our 2030 Convertible Notes and 2032 Convertible Notes (as defined below) upon their maturity, unless earlier converted, redeemed, or repurchased in accordance with their terms;
- bitcoin's halving;
- risks relating to our in-house function to trade, for our own account, the bitcoin we have mined, and hedge risk relating to our bitcoin holdings; and
- other risks and uncertainties discussed under the caption "Risk Factors" in this Annual Report on Form 10-K.

For a further list and description of various risks, factors, and uncertainties that could cause future results or events to differ materially from those expressed or implied in our forward-looking statements, see the Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations sections contained in this document, and any subsequent reports on Form 10-Q and Form 8-K, and other filings we make with the U.S. Securities and Exchange Commission ("SEC"). Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements.

You should read this document completely and with the understanding that our actual future results or events may be materially different from what we expect. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

Information regarding market and industry statistics contained in this report is included based on information available to us that we believe is accurate, but that is not produced for purposes of securities filings or economic analysis. We have not independently verified any market, industry, or similar data presented in this Annual Report on Form 10-K and cannot assure you of its accuracy or completeness. Forecasts and other forward-looking statements obtained from these sources are subject to the same qualifications and the additional uncertainties accompanying any estimates of future market size, revenue, and market acceptance of products and services.

All forward-looking statements included in this Annual Report on Form 10-K are made only as of the date of this Annual Report on Form 10-K and we do not undertake any obligation to publicly update any forward-looking statements to reflect events or circumstances that subsequently occur, or of which we hereafter become aware. As a result, investors should not place undue reliance on these forward-looking statements.

PART I

Item 1. Business

As used in this Annual Report on Form 10-K, the terms "we," "us," "our," the "Company," "CleanSpark, Inc.," and "CleanSpark" mean CleanSpark, Inc. and its consolidated subsidiaries, unless otherwise indicated. Dollar amounts presented in this Annual Report on Form 10-K are presented in thousands, except per share amounts, per bitcoin amounts, and information set forth under the heading "Bitcoin Mining".

Overview

CleanSpark is a data center developer, until recently focused exclusively on bitcoin mining. We focus on providing scalable, energy-efficient digital infrastructure across the United States. We independently own, lease, and operate a large portfolio of data centers and power assets with locations primarily in Georgia, Tennessee, Mississippi, Wyoming, and Texas for a total contracted power capacity of approximately 1,818 megawatts ("MW") as of September 30, 2026. This contracted power capacity, together with up to 300 additional MW undergoing an approval process in Texas, represents a total development platform of up to approximately 2.1 gigawatts. Throughout the year ended September 30, 2026, we continued to acquire property throughout the United States with the intention to build out electrical infrastructure. In October 2025 and February 2026, we acquired properties and related power agreements in Texas to support the development of next-generation data center campuses. We intend to continue our growth in these regions and are actively developing plans for additional capacity in these states and other regions in the United States. We have no intention to mine, purchase, or hold any crypto assets other than bitcoin at this time or in the foreseeable future, and we did not hold any other crypto asset as of September 30, 2026.

We design our infrastructure to efficiently, profitably, and responsibly secure and support both bitcoin mining and AI and HPC workloads. We are currently analyzing our portfolio and pipeline of potential new developments and expansions of existing sites to identify opportunities for the maximum return on investment, which may include bitcoin mining, AI and HPC hosting and leasing, or a combination of both. We cultivate trust and transparency among our employees and the communities where we operate.

Beginning in fiscal year 2026, we operate and report our results in two reportable segments: Bitcoin Mining and Data Center Infrastructure. Bitcoin Mining encompasses our bitcoin mining operations, and Data Center Infrastructure encompasses the development of data center infrastructure for AI and HPC hosting and leasing. Previously, we operated as a single reportable segment focused on bitcoin mining. For additional information, see Note 17 - Segment Reporting in the notes to our Consolidated Financial Statements.

Data Center Infrastructure

Leveraging our power optimization, land acquisition, engineering, operations, and construction expertise, we have been actively pursuing opportunities to develop portions of our sites and power pipeline for AI, HPC, and other advanced data-center hosting and leasing applications. The expansion of AI technologies and the increasing electricity requirements of AI and HPC workloads have positioned our infrastructure as a competitive platform for hyperscalers, cloud service providers, and AI and HPC companies seeking reliable and energy-efficient capacity. AI and HPC workloads often rely on energy-intensive computing hardware, including graphics processing units and other specialized accelerators. Access to sufficient, reliable power and the infrastructure needed to deliver that power are therefore important considerations in developing facilities for these applications. As of September 30, 2026 and 2025, we had earned no revenues from our Data Center Infrastructure services business.

We continue to evaluate existing properties for potential conversion or dual-use development to support AI and HPC tenants and are advancing design and permitting activities for greenfield data-center sites. Our development approach focuses on sourcing sites with access to substantial power capacity, navigating utility and interconnection requirements, and executing complex infrastructure projects. We seek to combine these capabilities with our portfolio of power assets to support scalable, energy-efficient facilities for hyperscale, AI, and HPC customers.

On July 10, 2026, we entered into a lease agreement at our Sandersville, Georgia, campus (the "Sandersville Lease"), which is a 20-year triple-net infrastructure lease agreement with two five-year extension options, with a global technology company (the "Tenant") for 175 MW of critical information technology load at our Sandersville, Georgia campus. Under the Sandersville Lease, the Tenant will deploy production-grade infrastructure dedicated to a range of computing workloads. The Sandersville Lease is a triple-net lease, meaning that the Tenant is responsible for all costs, charges, indemnities, and expenses of every kind and nature associated with the leased premises, including maintenance capex and any future facility upgrades. We have concluded that the Data Center Infrastructure activities are considered a new operating segment and accordingly, disclosure in Note 17 - Segment Reporting of the audited Consolidated Financial Statements describes this activity.

Following the execution of the Sandersville Lease, management began planning the transition of the power capacity currently supporting bitcoin mining operations at the site exclusively to data center use and expects to fully decommission the existing bitcoin mining operations at the site during fiscal year 2028. For a discussion of risks associated with the Sandersville Lease and our Data Center Infrastructure strategy, please refer to "Risk Factors—Risks Related to Our Business." For a discussion of risks associated with our acquired properties and related power agreements in Texas to support the development of next-generation data center campuses, please refer to "Risk Factors—Risks Related to our Business—Our data center projects may be subject to new or rapidly evolving regulatory frameworks, and we may face increased public scrutiny or negative publicity as a result of our data center strategy."

Bitcoin Mining

Bitcoin mining has historically been our principal revenue generating business activity. Bitcoin was introduced in 2008 with the goal of serving as a digital means of exchanging and storing value. Bitcoin depends on a consensus-based network and a public ledger called a "blockchain," which contains a record of every bitcoin transaction ever processed. The bitcoin network is the first decentralized peer-to-peer payment network powered by users participating in the consensus protocol, with no central authority or intermediaries, that has wide network participation. All transactions on the bitcoin blockchain are transparent, allowing those running the appropriate software to confirm the validity of each and every transaction. To be recorded on the blockchain, each bitcoin transaction is validated through a proof-of-work consensus method, which entails demonstrating sufficient computation to validate transactions and post them on the blockchain. This process is called mining. Miners are rewarded with bitcoins, both in the form of newly created bitcoins and transaction fees paid in bitcoin, for successfully constructing a block with the required network difficulty and disseminating that block to the global network of nodes.

During September 2026, our operating mining units produced an average computing power of 36 exahash per second ("EH/s"), following our achievement of a peak of 50 EH/s during fiscal year 2025. In bitcoin mining, "hashrate" is a measure of the computing and processing power and speed by which a mining computer mines and processes transactions on the bitcoin network. A company's computing power, measured in hashrate, is a significant driver of its bitcoin mining revenue, and when compared to the global hashrate, determines the company's market share, making hashrate one of the most important metrics for evaluating bitcoin mining companies.

We owned approximately 335,168 miners, of which approximately 199,745 were in service as of September 30, 2026. The remainder consisted of new machines that are ready for installation at expansion sites, are under evaluation for relocation, are awaiting repair, or are ready for rapid deployment to increase overall hashrate when prevailing hashprice economics warrant. Our miners range in age from 1 to 70 months and have an average age of approximately 26 months. We estimate the useful lives of our miners to be three years, reflecting a change made in fiscal year 2024. We do not have scheduled downtime for our miners; however, we periodically perform unscheduled maintenance and curtailments on our miners. Downtime associated with unscheduled maintenance has not historically been significant. When performing unscheduled maintenance, we will typically replace the miner with a substitute miner to limit overall downtime. The miners in service as of September 30, 2026 had a range of energy efficiency (joules per terahash – "J/TH") of 13.5 to 23.5 J/TH with an average operating energy efficiency of 14.8 J/TH.

We obtain bitcoin from our mining operations by contributing all of our computing power to a single mining pool operator, which is currently our sole customer for bitcoin mining services under a contract terminable at any time by either party. In exchange, we earn variable consideration in the form of bitcoin rewards, determined daily using a predetermined formula based on our contributed computing power. The consideration is included in revenue once it is no longer constrained, when we can reasonably estimate the rewards and determine that a significant reversal is unlikely, and our sole performance obligation of providing computing power is satisfied. Revenue is not disaggregated into block rewards and transaction fees.

From time to time, we sell bitcoin to support operations and strategic growth, and we may also use bitcoin as collateral for lending or derivative trading arrangements. In April 2025, we launched an institutional-grade in-house trading function as we shifted to a balanced approach between monetizing new production and building long-term holdings, and we plan to continue to integrate these strategies into our regular treasury management activities. As part of this strategy, we began entering into bitcoin-linked derivative contracts to economically hedge the volatility of bitcoin prices and to generate liquidity in support of core operating activities. These contracts serve as a strategic alternative to selling bitcoin directly and are intended to monetize our bitcoin holdings while managing exposure to adverse price movements. The types of derivatives utilized for this purpose may include bitcoin forwards, options, and other structured instruments. These contracts are typically short-term in nature and may be cash-settled or settled in-kind. Treasury management activities may support cash management, strategic growth, bitcoin balance hedging, the generation of incremental other income, or other general corporate purposes. Currently, we do not employ a fixed formula for when or how much bitcoin to sell, and decisions are made by management based on working capital needs, real-time market conditions, risk management objectives, and broader strategic considerations.

For the fiscal year ended September 30, 2026, we mined approximately 7,236 bitcoins, net of mining pool fees, representing a decrease of 7.9% compared to the 7,857 bitcoins mined in fiscal year 2025. This reduction was primarily due to increased network difficulty and a reduced share of the global network due to periods of lower uptime as the Company proactively curtailed certain miners as a result of uneconomic conditions associated with bitcoin price volatility. The Company seeks to enhance efficiency of its Bitcoin Mining operations.

Through CleanSpark and our wholly owned subsidiaries, we have operated in the bitcoin mining sector since December 2020 and we maintain real property holdings associated with our data center and bitcoin mining operations. A complete list of our subsidiaries is filed as Exhibit 21.1 to this Form 10-K.

Markets, Geography, and Major Customers

Strictly speaking, there is no customer market for mining bitcoin, but we consider our mining pool operator a customer because it compensates us for providing processing power to the mining pool (see Part I, Item 1A., "Risk Factors"—"Our reliance on a third-party mining pool service provider for our mining revenue payouts may adversely affect an investment in us."). Our data centers are also well-suited to support hyperscale cloud providers, AI providers, and various other technology companies. We are in the process of developing our customer base in relation to our Data Center Infrastructure services business through our data centers, and as of September 30, 2026, we had one global technology company tenant under the Sandersville Lease.

We own and operate our own facilities and do not lease our facilities to other mining companies or private individuals that mine (although as noted above, we do lease our Data Center Infrastructure facilities to tenants). Our wholly-owned operations are located in the States of Georgia, Tennessee, Mississippi, Wyoming, and Texas in the United States. We previously maintained a hosting relationship with a facility in New York State through an agreement with Coinmint, LLC. This agreement expired in the first half of the 2025 fiscal year and was not renewed, after which all hosted bitcoin mining operations ceased.

The Company continues to operate its established bitcoin mining business while exploring opportunities to leverage certain of its facilities for its expanding Data Center Infrastructure services initiatives.

Georgia Operations

As of September 30, 2026, our Georgia facilities have a developed data center infrastructure backed by approximately 633 MW, which supports an operational hashrate of 20.16 EH/s. Our Georgia operations are geographically spread across fourteen cities.

Following the execution of the Sandersville Lease, management began planning the transition of the power capacity currently supporting bitcoin mining operations at the site exclusively to data center use and expects to fully decommission the existing bitcoin mining operations at the site during fiscal year 2028.

Mississippi Operations

As of September 30, 2026, our Mississippi facilities have a developed data center infrastructure backed by approximately 63 MW, which supports an operational hashrate of 2.96 EH/s. Our Mississippi operations are located in five cities.

Tennessee Operations

As of September 30, 2026, our Tennessee facilities have a developed data center infrastructure backed by 209 MW, which supports an operational hashrate of 9.95 EH/s. We operate ten wholly owned mining locations in Tennessee, including three sites acquired through our October 2024 acquisition of GRIID Infrastructure, Inc.

Wyoming Operations

As of September 30, 2026, we operate two wholly owned mining facilities in Wyoming, both of which utilize immersion cooling technology to enhance efficiency and performance. Together, these sites are backed by approximately 110 MW of data center infrastructure power, which supports an operational hashrate of 2.95 EH/s.

See Part I - Item 2, Properties for additional detail regarding the company's properties and geographic presence.

Texas Operations

In October 2025, the Company acquired approximately 271 acres in Austin County, Texas, and executed long-term power agreements totaling 285 MW to support a new data center campus. In February 2026, the Company acquired approximately 447 acres in Brazoria County, Texas, and executed long-term power agreements totaling 300 MW with the potential for an additional 300 MW of future expansion. The sites in Texas are intended to provide additional capacity for future high-performance computing operations.

Distribution, Marketing, and Strategic Relationships

We have developed strategic relationships with well-established companies in key areas, including utilities, traditional and renewable energy, infrastructure, construction, and bitcoin mining equipment procurement.

Our Data Center Infrastructure development efforts also draw on our experience in sourcing sites with access to power and navigating utility and interconnection requirements. We believe these capabilities, together with our utility and infrastructure relationships, support our ability to align power infrastructure planning with data center development and address the evolving infrastructure requirements of hyperscale, AI, and HPC customers.

In January 2026, May 2025, and April 2025, we executed agreements with Bitmain Technologies Delaware Limited ("Bitmain"), one of our key mining equipment suppliers, to acquire new-generation miners under terms that allowed payment in bitcoin at negotiated premiums to prevailing market prices. As part of these transactions, we secured embedded options to repurchase the transferred bitcoin at the same premium prices, providing additional flexibility in managing our bitcoin holdings. These arrangements reflected our ability to leverage supplier relationships to structure mutually beneficial terms, including innovative settlement mechanisms and optionality features.

We believe these arrangements strengthen our infrastructure growth pipeline, enhance optionality in treasury management, and reinforce the depth of our strategic supplier relationships. Additional details, including specific pricing, payment schedules, and related derivative positions, are provided in Note 6 - Investments and Derivatives to our Consolidated Financial Statements.

Materials and Suppliers

We work with a selected group of construction companies and equipment and materials suppliers to support the development of our data centers, including facilities designed for AI and HPC workloads. These projects require construction materials and specialized electrical and mechanical infrastructure, including transformers, switchgear, backup power equipment, and cooling systems. Rapid growth in demand for AI and HPC data center capacity has increased demand for specialized equipment, construction services, and skilled labor, contributing to higher construction costs and elevated equipment lead times across the industry. The materials, equipment, and services required for each project vary based on site conditions, facility design, power density, and customer specifications.

We engage in high efficiency bitcoin mining by using Application-Specific Integrated Circuits ("ASICs"). These specialized computers, often called miners, have few manufacturers. Most of the machines we purchased this year were manufactured by Bitmain, one of the leading manufacturers of bitcoin miners.

In addition to ASICs, mining equipment includes networking equipment, power cords, racking, other specialized equipment, transformers, and energy equipment. We rely on utility providers for our power needs. These utilities buy into local energy mixes to source power. We make every effort to establish our facilities in locations serviced by utilities that source a substantial portion of their energy from clean and renewable sources.

We have exposure to market fluctuations in energy prices through our power providers. We actively manage these risks through activities such as the deployment of advanced software solutions to increase unit efficiency and energy curtailment when appropriate. These energy market prices may be significantly impacted by market conditions and geopolitical events. Historically, our methodology and operations have been efficient and resilient enough to withstand market pressures and global events, but there can be no certainty that we will not be negatively affected in the future.

Inflationary pressures impact virtually all aspects of our materials and suppliers, including power prices, and could impact our fiscal year ending September 30, 2027.

Environmental Issues

No significant pollution or other types of hazardous emissions result from our direct operations, and it is not anticipated that our operations will be materially affected by federal, state, or local provisions concerning environmental controls. Our costs of complying with environmental, health, and safety requirements have not historically been material.

Some local, state, and federal policymakers have expressed concerns over the energy consumption of data centers (including those supporting bitcoin mining, HPC, and AI workloads) and the ancillary effects on the environment from that energy consumption. These concerns generally relate to grid reliability, carbon emissions, and water usage for cooling. We carefully monitor existing and pending climate change legislation, regulation, and international treaties or accords for any material effect on our business or markets that we serve, our operational results, our capital expenditures, or our financial position.

We purchase energy from the electrical grid, and our energy mix varies from period to period based on a variety of factors including weather, temperature, demand, and how the grid operator ultimately procures and utilizes energy resources. Historically, one of our strategies had been to prioritize sustainable and environmentally friendly sources of energy, including nuclear energy sources. However, as we have accelerated our expansion efforts, including through multiple acquisitions of companies and assets, where we have focused on reliability and cost of the power, our overall energy source mix has changed, subject to the factors mentioned above. As a result, our current sources of energy include a significant portion of both non-carbon sources (including hydro, nuclear, wind, and solar) and carbon sources (including coal and natural gas). We do not, however, currently have sufficient data to quantify the current energy mix at each of our sites, and any such data we receive is subject to the timing and details of the energy source mix information disclosed by our energy providers, including portions of the energy mix which are not disclosed by the energy providers.

Competition

Bitcoin mining is a global activity. Our competitors include large, publicly listed mining companies, large private mining companies, and, in some cases, independent, individual miners who pool resources. We define our principal competitors as other publicly traded bitcoin miners because there is widely available information about their operations. We believe our principal competitive advantages include our energy background, the efficiency of our mining fleet, and our operational expertise in managing uptime of our owned and operated facilities. We strategically use bitcoin we mine as a store of value, to fund operational growth, and as collateral for borrowing activities. We are dedicated to working with communities to help stabilize energy usage to capture stranded power that can assist with reducing power rates for residential purchasers of power. Within the United States, our major competitors include:

- MARA Holdings, Inc.;
- Riot Platforms, Inc.;
- Core Scientific, Inc.;
- Keel Infrastructure Corp.;
- IREN Limited;
- Cipher Digital Inc.; and
- TeraWulf Inc.

As we expand into the development and operation of large-scale data centers supporting HPC and AI workloads, we also face competition from established data-center operators and infrastructure providers with significant capital resources and long-term power supply commitments. These competitors include Equinix, Inc., Digital Realty Trust, Inc., and CoreWeave, Inc., among others, as well as certain of our bitcoin mining competitors. We compete in this market for access to suitable land and power, engineering talent, and customers seeking scalable, energy-efficient data-center capacity.

Intellectual Property

We do not currently own any patents in connection with our existing and planned bitcoin mining-related or Data Center Infrastructure operations. We do rely, and expect to continue relying, upon trade secrets, trademarks, service marks, trade names, copyrights, and other intellectual property rights.

Government Regulation

Data Center Infrastructure

As we expand into the development and operation of large-scale data centers supporting HPC and AI workloads, our facilities are subject to extensive federal, state, and local laws, ordinances, and regulations. Compliance with, or changes to, the requirements under these legal and regulatory regimes may cause us to incur significant additional costs or adversely impact our ability to compete on favorable terms with competitors. Failure to comply with such requirements could result in delays, the shutdown of a non-complying facility, the imposition of liens, fines, and/or civil or criminal liability and/or costly litigation before the agencies and/or in state or federal court.

The development of advanced AI systems has raised concerns about possible misuse, bias, and the displacement of human workers. Governments and regulatory bodies are considering measures to ensure responsible development and deployment of AI systems, including guidelines for transparency, accountability, and fairness.

We are monitoring evolving federal, state, and municipal policies that impact data center operations, including energy efficiency mandates, water use, property regulations, and reporting and disclosure requirements. For additional discussion regarding the potential risks existing and future regulation pose to our business, see Part I, Item 1A. “Risk Factors” beginning on page 12 of this Annual Report on Form 10-K.

Bitcoin Mining

Bitcoin mining is largely an unregulated activity at both the state and federal levels. We anticipate that bitcoin mining will be a focus for increased regulation in the near- and long-term, and we cannot predict how future regulations may affect our business or operations.

State regulation of bitcoin mining is important with respect to where we conduct our mining operations. The majority of our mining facilities are located in Georgia, Mississippi, and Tennessee, which have favorable regulatory environments for bitcoin miners. We also had co-location operations in New York, which had generally been more aggressive in its regulation of bitcoin mining. We terminated our agreement with our hosting facility in New York, and, effective January 1, 2025, we no longer maintained any co-location activities in the state.

In addition, federal regulators have increased their enforcement activity in the digital asset industry. Federal agencies such as the SEC and Commodity Futures Trading Commission (“CFTC”) have brought a number of enforcement actions, including actions against significant players in the industry. In fiscal year 2023, for example, the CFTC brought 47 actions involving conduct related to digital asset commodities, representing more than 49 percent of all actions filed by the CFTC during that time period. Increased enforcement by agencies like the SEC and CFTC has resulted in part from the failure of FTX Trading Ltd. (“FTX”) in November 2022 and the resulting market turmoil that such failure caused.

While these statements tend to focus more on digital asset exchanges and other players in the digital asset space and less on bitcoin miners, the failure of large exchanges may impact the adoption and value of bitcoin. Additionally, because we sell our bitcoin on exchanges, we may also be impacted by exchange failures in that respect. For those reasons, we carefully vet the exchanges we use for adequate compliance with U.S. laws as well as liquidity, using the information available to us, but we cannot be certain that we will be able to avoid the negative effects of a large exchange failure.

As the regulatory and legal environment evolves, we may become subject to new laws and regulations, including by the SEC, CFTC, and other agencies, which may affect our mining and other activities.

Protection of Bitcoin Assets

Our share of bitcoins mined from our pool is initially received by us in wallets we control, which are maintained by Coinbase, Inc. (“Coinbase”), a U.S.-based digital assets exchange. We sell portions of the bitcoin we mine and utilize hot wallets to hold this bitcoin immediately prior to selling for working capital purposes. We hold any remainder of our bitcoin in cold storage. Bitcoin held in cold storage is reconciled monthly and associated with unique blockchain addresses, with their activity recorded on the blockchain. For security reasons, Coinbase does not disclose the geographic location of its cold storage wallets to its customers. Our custody agreement with Coinbase provides that Coinbase will obtain and maintain at its sole expense insurance coverage in such types and amounts as are commercially reasonable for the custodial services provided under the custody agreement. We do not carry additional insurance coverage on our bitcoin holdings. Further, we are not aware of any insurance providers or other third parties (e.g., auditors) having inspection or other verification rights associated with digital assets held in storage.

Bitcoins we mine or hold for our own account may be subject to loss, theft, or restriction on access. Hackers or malicious actors may launch attacks to steal, compromise, or seize bitcoins, such as by attacking the bitcoin network source code, exchanges, miners, third-party platforms (including Coinbase), cold and hot storage locations or software, or by other means. We may be in control and possession of substantial holdings of bitcoin, and as we increase in size, we may become a more appealing target of hackers, malware, cyberattacks, or other security threats.

See Part I, Item 1C. "Cybersecurity" of this Annual Report on Form 10-K.

Insurance

We have property insurance coverage for our bitcoin miners under a multi-tiered insurance program for a total of $300,000 in limits. The program includes storm, wind, and hail coverage, as well as earthquake and flood coverage subject to lower sublimits. The Company also maintains cybersecurity liability insurance with combined primary and excess limits totaling $10,000 to provide protection against certain data security, privacy, and network interruption events, including covered cyber-related business interruption losses. We do not maintain business interruption coverage under our property insurance program. Our insurance coverage is subject to applicable policy terms, conditions, exclusions, and sublimits. We engage our insurance broker annually to solicit underwriters to provide proposals to renew our current coverage or update our policies to meet our needs, prior to the policies' respective expiration dates.

Our data center site under construction in Sandersville, Georgia, is insured during construction under a Contractor Controlled Insurance Program procured and maintained by our design builder. The Company is an additional insured under the program, which is structured to satisfy the insurance requirements of the site lease. Coverage is subject to applicable policy terms, conditions, exclusions, deductibles, and sublimits.

Human Resources

We believe that our future success depends, in no small part, on our ability to continue to attract, hire, and retain qualified personnel. As of September 30, 2026, we had 341 staff members, all located in the United States, of whom 337 were full-time. We believe that we have adequate personnel and resources with the specialized skills required to successfully carry out our operations. Employees participate in equity incentive plans and receive compensation in the form of salary and benefits designed to attract, retain, and motivate employees. We continually seek to hire and retain talented professionals, although the competition for such personnel in our segments is significant. None of our employees are represented by a labor union, and we have never experienced a work stoppage. We believe we have a strong and engaging relationship with our employees.

We cultivate trust and transparency among our employees, the communities we operate in, and the people around the world who depend on bitcoin as we jointly strive to build the infrastructure of the future.

Company Information

CleanSpark, Inc. is a Nevada corporation, and the Company's principal executive offices are located at 10624 S. Eastern Ave., Suite A-638, Henderson, Nevada 89052. The Company was formerly known as Stratean Inc. and changed its name to CleanSpark, Inc. in November 2016. We maintain a corporate website at www.cleanspark.com. The Company may use its website and social media accounts, including X (formerly Twitter) at x.com/cleanspark_inc and LinkedIn at linkedin.com/company/cleanspark-inc, as additional means of communicating general information about the Company. Investors should rely only on information included in the Company's filings with the SEC when making investment decisions.

Information contained on our website or social media accounts is not incorporated by reference into, and should not be considered part of, this Annual Report on Form 10-K.

We file reports with the SEC. These reports include annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, Section 16 filings on Form 3, Form 4, and Form 5, and other related filings and exhibits, each of which is provided on our website free of charge as soon as reasonably practicable after we electronically file such materials with or furnish them to the SEC. In addition, the SEC maintains a website (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including the Company.

Item 1A. Risk Factors

We are subject to various risks that may materially harm our business, prospects, financial condition and results of operations. An investment in our common stock is speculative and involves risk. In evaluating an investment in shares of our common stock, you should carefully consider the risks described below, together with the other information included in this Annual Report on Form 10-K.

The risks described below are not the only risks we face. If any of the events described in the following risk factors actually occurs, or if additional risks and uncertainties later materialize that are not presently known to us or that we currently deem immaterial, then our business, prospects, results of operations and financial condition could be materially adversely affected. In that event, the trading price of our common stock could decline, and you may lose all or part of your investment in our shares. The risks discussed below include forward-looking statements, and our actual results may differ substantially from those discussed in these forward-looking statements.

Risk Factors Summary

Below is a summary of the principal factors that make an investment in our common stock speculative or risky. This summary does not address all of the risks we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below and should be carefully considered, together with other information included in this Annual Report on Form 10-K.

Risks Related to Our Business

- we may not realize the anticipated benefits of our Data Center Infrastructure strategy;
- building out our Data Center Infrastructure operations could draw resources and power away from bitcoin mining and add operational complexity;
- the potential that we may be unable to timely achieve the financing, construction and delivery milestones required under the Sandersville Lease and any future leases we may enter into with AI and HPC tenants;
- our exposure to significant liability in connection with our data center leases;
- our need to raise substantial additional capital to execute our AI and HPC data center strategy and the impact of our expansion on our liquidity;
- changes in AI and HPC infrastructure needs;
- our expectations regarding future revenue and net operating income from the Sandersville project may not be realized;
- volatile and unpredictable cycles in the emerging and evolving industries in which we operate;
- the highly competitive nature of the markets in which we operate;
- future strategic acquisitions and other arrangements that we engage in, which could disrupt our business, cause dilution to our stockholders, reduce our financial resources and harm our operating results;
- our ability to complete our future strategic growth initiatives on time and within our anticipated cost;
- increased compliance costs as a result of our strategic acquisitions;
- our reliance on third-parties such as construction contractors and suppliers to meet our expansion efforts;
- risks related to the cost and availability of labor, inflation and rising costs;
- the availability of, and access to, interconnection facilities and transmission and generation systems;
- our need for significant electrical power;
- risks related to negative publicity about us, our data center tenants or other third parties we work with, or about the wider data center and AI infrastructure industry;
- our reliance on our management team, and any failure by management to properly manage growth;
- our current dependence on the price of bitcoin to achieve profitability, which has historically been volatile;
- our limited operating history and history of operating losses and negative cash flow;
- our exposure to pricing risk and volatility associated with the value of bitcoin;
- our reliance on a third-party mining pool service provider for our mining revenue payouts;
- the possibility that banks and financial institutions may not provide services to businesses that engage in cryptocurrency-related activities;
- bitcoins we mine or hold for our own account may be subject to loss, theft or restriction on access;
- potential actions of malicious actors or botnets;
- the loss or destruction of private keys required to access our bitcoins and potential data loss relating to our bitcoins;
- potential failures of digital asset exchanges and custodians;

- our ability to adopt technology in response to changing security needs or trends and reliance on a third party, Coinbase, for custody of our bitcoin holdings;
- the limited rights of legal recourse available to us following any loss of our bitcoins;
- damage to the properties included in our mining operation and potential inability to get adequate insurance coverage for same;
- the possibility that large holders of bitcoin may sell bitcoin into the market in large amounts all at once, thereby impacting the growth of the price of bitcoin;
- the potential that, in the event of a bankruptcy filing by a custodian, bitcoin held in custody could be determined to be property of a bankruptcy estate and we could be considered a general unsecured creditor thereof;
- the limited precedent for financial accounting of digital assets, and the possibility of future accounting requirements for transactions involving digital assets;
- our limited insurance protection exposes us and our stockholders to the risk of loss of our bitcoin for which no person is liable; and
- our bitcoin treasury function exposes us to speculative trading activities, dependence on financial intermediaries, lack of exchange protections in over-the-counter transactions and heightened counterparty and insolvency risks when using both U.S. and non-U.S. counterparties.

Risks Related to Governmental Regulation and Enforcement Operations

- our data center projects may be subject to new or rapidly evolving regulatory frameworks, and we may face increased public scrutiny or negative publicity as a result of our data center strategy;
- there are risks in connection with noise pollution and community opposition related thereto that may have a negative effect on our business;
- impacts of changing environmental regulation and public energy policy;
- potential liability pursuant to environmental, health and safety laws and regulations, including applicable zoning, building-code and energy-efficiency standards and worker health and safety laws and regulations;
- potential changes in laws and regulations applicable to mining bitcoin, bitcoin itself or interpretations thereof, including, without limitation, banking regulations and securities regulations and regulations governing mining activities, both in the U.S. and in other countries;
- we may incur additional compliance costs if deemed subject to the Commodity Exchange Act;
- the risk that the SEC or another regulatory body considers bitcoin or any other cryptocurrency to be a security;
- changing environmental regulation and public energy policy;
- if we fail to qualify for certain state government tax incentives or to comply with local tax regulations, we may have increased tax costs;
- future developments regarding the treatment of digital assets for U.S. federal income and applicable state, local and non-U.S. tax purposes;
- potential exposure to specifically designated nationals or blocked persons as a result of our interactions with the bitcoin network;
- the U.S. political and economic environment could materially impact our operations;
- regulations and taxes that target energy could increase our cost and adversely affect our business; and
- we may face risks related to processing of personal data and/or confidential information.

Risks Related to Our Securities

- the price of our common stock may be volatile and could fluctuate widely in price;
- any future issuance of preferred stock may adversely affect holders of our common stock, as shares of preferred stock may have additional rights, preferences and privileges as compared to our common stock;
- we are currently the subject of a shareholder class action, and may be subject to shareholder litigation in the future; our costs of defending such litigation, arbitration and other proceedings and any adverse outcome of such litigation, arbitration or other proceeding may have a material adverse effect on our business and the results of our operations;
- we have financed our strategic growth primarily by issuing new shares of our common stock, which dilutes the ownership interests of current stockholders;
- the capped call transactions entered into in connection with the 2030 Convertible Notes (as defined below) may affect the value of the 2030 Convertible Notes and the market price of our common stock;
- we are subject to counterparty risk with respect to the capped call transactions, as the option counterparties are financial institutions whose default or insolvency could materially harm us;
- the issuance, conversion, or exercise of convertible notes and other convertible securities, options, and warrants will dilute our stockholders' ownership; and
- the accounting treatment for convertible debt securities such as the Notes, including recognition of higher non-cash interest expense, inclusion of shares in diluted earnings per share, and potential reclassification of the Notes as a current liability, may materially impact our reported results of operations and financial condition.

Risks Related to Our Business

We may not realize the anticipated benefits of our Data Center Infrastructure strategy.

Our data center strategy is in its early stages, and the success of our data center business is uncertain and may not develop as anticipated. The performance of our data center business may be affected by various factors, including the availability, reliability, and timing of power supply; increased community scrutiny of data center resource use, including land, water, and power, resulting in stricter requirements from permitting authorities; supply chain disruptions, including constraints in local labor availability; changes in tariff policies or the adoption of more restrictive trade regulations; and our ability to retain and continue to develop the specialized expertise required to operate and scale a data center business. If we are otherwise unable to successfully implement or execute our data center strategy, our business, prospects, financial condition, and results of operations would be materially and adversely affected.

To date, we have only secured one infrastructure lease agreement with a data center customer (the Sandersville Lease). For our data center strategy to be successful, we will need to enter into additional infrastructure lease agreements in a timely and cost-effective manner. Further, we may need to acquire additional power capacity and properties. It is uncertain whether we will be able to attract and retain additional data center customers—including hyperscalers, cloud service providers, and AI and HPC companies—to support the development and commercialization of data centers on our properties. If we are unable to secure and retain additional customers, we may be unable to monetize our current and future properties, and the anticipated benefits of our initiative may not materialize, which may materially and adversely impair our business, prospects, financial condition, and results of operations.

We may be unable to timely achieve the financing, construction and delivery milestones required under the Sandersville Lease and any future leases we may enter into with AI and HPC tenants, which could result in rent abatements or termination of the relevant leases.

The Sandersville Lease requires us to satisfy specified financing, construction and delivery milestones, as well as other covenants and conditions. Although deliveries under the Sandersville Lease are expected to begin in the fourth quarter of 2027, our ability to meet that schedule depends on numerous factors, many of which are outside our control.

Completion of the Sandersville project requires substantial specialized equipment, which may not be obtained on a timely basis. Supply chain constraints, long lead times, price increases and competition from other developers and operators, many of which may have greater resources than we do, could impair our ability to procure equipment when needed and on acceptable terms. Any inability to obtain required equipment on a timely and cost-effective basis could delay construction, increase our costs, jeopardize our ability to satisfy our milestones under the Sandersville Lease, and adversely affect the returns we expect from the project.

The completion of the Sandersville data center project also depends on obtaining necessary regulatory approvals and on the availability of adequate electrical power. Delays or failures in obtaining required approvals, or a lack of sufficient power capacity, could delay or prevent completion of the project and cause us to miss our milestones under the Sandersville Lease. In addition, following the completion of construction, the project depends on the ongoing supply of electrical power, and any interruptions in that supply could disrupt the Tenant's operations, expose us to liability or reduced revenue, and adversely affect our relationship with the Tenant. There can be no assurance that adequate power will remain available on acceptable terms or without interruption throughout the term of the Sandersville Lease.

Further, we are dependent on a third party to lead the development of the Sandersville project, and we are subject to risks related to the performance of such third party and the third party's personnel and suppliers. If the third party or its personnel or suppliers fail to perform their obligations in a timely and satisfactory manner, or at all, we may experience delays or cost overruns and may be unable to satisfy our construction and delivery milestones under the Sandersville Lease. Our reliance on a third party for a project of this scale and complexity reduces our direct control over the timing, quality and cost of the work, and any deficiency in the third party's performance could have a material adverse effect on our business, financial condition and results of operations.

We expect that our leases with any future AI and HPC data center tenants will be subject to similar risks and uncertainties. If we fail to timely satisfy applicable milestones due to any of the risks and uncertainties discussed above, the consequences could include rent abatements and/or termination of applicable AI and HPC data center leases. Any such rent abatement would reduce the revenue we expect to derive from the projects, and a termination of the Sandersville Lease or any other AI and HPC data center lease would deprive us of the substantial contracted revenue on which our development plans and financing arrangements are premised, either of which could have a material adverse effect on our business, financial condition, results of operations and our ability to service our existing indebtedness.

Our existing contract with the Tenant and any future contracts with HPC data center customers could subject us to significant liability.

We have entered into the Sandersville Lease with the Tenant, and aim to enter into additional, similar agreements with other tenants, pursuant to which we provide data center space, power, environmental controls, physical security and connectivity products to our HPC data center customers. These contracts typically contain indemnification and liability provisions, in addition to service level commitments, which could potentially impose a significant cost on us in the event of losses arising out of certain breaches of such agreements, services to be provided by us or our subcontractors, or third-party claims. HPC data center customers increasingly are looking to pass through their regulatory obligations and other liabilities to their outsourced data center providers, and we may not be able to limit our liability or damages in an event of loss suffered by such customers, whether as a result of our breach of an agreement or otherwise. If such an event of loss occurred, we could be liable for material monetary damages and could incur significant legal fees in defending against such an action, which could adversely affect our financial condition and results of operations.

We may enter into lease agreements, such as the Sandersville Lease, for HPC data center facilities prior to their development. If we fail to complete the facilities in a timely manner, the customer may be entitled to terminate its agreement, seek damages or penalties against us or pursue other remedies and we may be required to find a new customer for the space. If we are not able to complete an HPC data center in a timely manner, or if development costs are higher than we currently estimate, our financial condition, results of operations and cash flow could be materially adversely affected.

Additionally, a customer's decision to lease space and power at our facilities typically involves a significant commitment of resources and due diligence on the part of our customers regarding the adequacy of our facilities. As a result, in the future we may expend significant time and resources in pursuing a particular transaction that may not result in revenue. Economic conditions, including market downturns and the implementation of new tariffs and more restrictive trade regulations, may impact customers' ability to plan future business activities, which could cause customers to slow spending or delay decision making. Our inability to adequately manage the risks associated with these developments may adversely affect our business, financial condition and results of operations.

We will need to raise substantial additional capital to execute our AI and HPC data center strategy, and such capital may not be available on favorable terms or at all.

We expect to seek substantial debt financing at the parent and/or subsidiary level in connection with the Sandersville Lease and future data center projects. We may also seek additional equity or equity-linked financing. Incurring any such indebtedness may increase our leverage and debt service obligations, and the related financing agreements may contain covenants that restrict our operating and financial flexibility. A high level of indebtedness could make it more difficult for us to satisfy our obligations under our existing and future indebtedness, limit our ability to obtain additional financing, and increase our vulnerability to adverse economic and industry conditions. There can be no assurance that we will generate sufficient cash flow, including from the contracted revenue under the Sandersville Lease, to service such indebtedness.

In September 2026, CSDC Finance I, LLC ("CSDC Finance"), our wholly-owned indirect subsidiary, issued $2,276.0 million aggregate principal amount of its 7.875% Senior Secured Notes due 2031 (the "2031 Senior Secured Notes"). See "—Our indebtedness, including the secured indebtedness of our subsidiaries, could adversely affect our financial health and prevent us from fulfilling our debt obligations" for more information regarding the 2031 Senior Secured Notes. The net proceeds of the 2031 Senior Secured Notes will be used primarily to finance the remaining cost of the Sandersville Facility. In the event of cost overruns with respect to the Sandersville Facility, CSDC Finance may seek to raise additional capital, which may or may not be available on commercially reasonable terms, or will be reliant on the completion guarantee from CleanSpark (as further described below), which may not be sufficient to fund completion of construction. In such case, we would be unable to satisfy our construction and delivery milestones under the Sandersville Lease, which could result in rent abatements or termination of the Sandersville Lease and could materially and adversely affect our business and financial condition.

Our ability to raise additional capital depends on conditions in the capital and credit markets, our financial performance and other factors, many of which are beyond our control, and additional financing may not be available to us on acceptable terms, or at all. If we are unable to raise the capital necessary to fund our projects on a timely basis, we may be unable to satisfy our construction and delivery milestones.

Even if we are able to raise sufficient capital to fund the development of the Sandersville project and any other data center initiatives, we must carefully evaluate and effectively manage capital expenditures and operating results. However, we may be unable to accurately project our future capital needs or sufficiently allocate resources to address such needs. If we underestimate these capital requirements, we may not be able to complete development of the Sandersville project or any future data center project, both of which would materially and adversely impair our results of operations.

Our business expansion into AI and HPC services may be capital intensive and could affect our liquidity, results of operations and financial condition.

Our expansion into HPC, data center and AI infrastructure development has increased capital intensity and shifted the timing of cash inflows relative to capital outlays. Developing and constructing data center campuses requires substantial up-front capital expenditures for land, substations, interconnection and specialized cooling systems, which may temporarily reduce liquidity.

This business expansion introduces uncertainties that could impact our liquidity and capital resources. Increased capital expenditure requirements for new HPC, data center and AI infrastructure projects may accelerate cash deployment, increase short-term liquidity needs and result in the depletion of our bitcoin holdings. The timing of cash inflows may shift, as hosting and leasing revenues generally materialize after construction completion and customer onboarding, resulting in a lag between capital investment and revenue realization. Although our bitcoin-backed liquidity and treasury activities provide flexibility, we may need to seek additional financing, through debt, equity, or infrastructure-oriented funding, to meet project-scale capital demands or to preserve bitcoin holdings during periods of market volatility.

Changes in AI and HPC infrastructure needs could reduce the demand for, and value of, the Sandersville project and our other prospective AI and HPC data center projects.

Our expectations regarding the Sandersville project and other prospective AI and HPC data center projects are based in part on current trends in AI and HPC infrastructure demand. The market for data center infrastructure supporting AI and HPC workloads is rapidly evolving, and changes to AI and HPC infrastructure needs, including changes in technology, computing architectures, customer requirements and industry demand, could adversely affect the value of the project and the demand for the infrastructure we are developing. If the demand for AI and HPC data center capacity does not develop as we expect, or declines, the assumptions underlying the Sandersville Lease and our broader land-and-power strategy may prove incorrect, which could adversely affect our results of operations and prospects.

Our expectations regarding future revenue and net operating income from the Sandersville project and any future data center projects may not be realized.

Our estimates regarding the future revenue and net operating income generated by the Sandersville Lease and any future data center projects are based on numerous assumptions regarding timing, costs, financing, the performance of a third party, power availability, the exercise of extension options and other matters, including the risks and uncertainties discussed above, many of which are beyond our control. Further, the extension options of the Sandersville Lease are exercisable at the Tenant's discretion, and if the Tenant elects not to exercise them, we would not realize the incremental contracted revenue associated with the extension periods, and our long-term returns from the project would be correspondingly reduced. As such, there is no certainty that our expectations of future revenue and net operating income growth will be realized. Actual results may differ materially from our estimates, and investors should not place undue reliance on them. If the anticipated revenue and net operating income from the Sandersville project are not realized, our ability to service and repay our existing and future indebtedness could be adversely affected.

Building out our Data Center Infrastructure operations could draw resources and power away from bitcoin mining and add operational complexity.

Our strategic expansion into data center development may divert capital, personnel, infrastructure and other resources away from our existing bitcoin mining business. In particular, allocating power capacity to data center workloads may reduce the power available for bitcoin mining, which is a highly competitive and capital-intensive industry. Reduced power availability for mining could limit our ability to deploy additional hash rate at the pace of our competitors, potentially diminishing our market position and profitability. Operating multiple distinct business lines may also increase operational complexity and place additional demands on our management, technical teams, and support personnel. Managing these potentially competing priorities may strain our resources, increase the risk of operational inefficiencies, and negatively affect our overall performance, strategic execution, and financial results. Any such developments could materially and adversely affect our business, prospects, financial condition, and results of operations.

Our future success is difficult to predict because we operate in emerging and evolving industries that are subject to volatile and unpredictable cycles.

The data center, bitcoin mining and related industries are emerging and evolving, which may lead to period-to-period variability in our operating results and may make it difficult to evaluate our future prospects. If we are not able to timely and appropriately adapt to changes in our business environment or to accurately assess where we are positioned within a business cycle, our business, financial condition or results of operations may be materially and adversely affected.

The markets in which we participate are highly competitive, and as we enter new markets, we are competing against companies with greater resources and capitalization.

We compete across multiple dimensions of the data center and power infrastructure value chain and competition is intensifying as the AI infrastructure build-out accelerates. Our ability to retain our AI and HPC data center tenants, enter into additional infrastructure lease agreements in a timely and cost-effective manner, obtain long-lead equipment and deliver projects on schedule depends in part on our competitive positioning. If we fail to compete effectively, our business, results of operations and financial condition could be materially and adversely affected.

The AI infrastructure build-out has created acute supply chain bottlenecks, with delivery windows for high-voltage transformers, switchgear, gas turbines and other key equipment now extending multiple years. Competitors with larger procurement volumes, longer-standing vendor relationships or the ability to offer more favorable commercial terms may secure equipment and labor ahead of us, which could delay the Sandersville Facility and any additional AI infrastructure projects, and increase our costs.

If we are unable to compete effectively across these dimensions, that could materially and adversely affect our business, financial condition, cash flows, prospects and results of operations.

We may experience increased compliance costs as a result of future strategic acquisitions.

Future strategic acquisitions could carry substantial compliance burdens, which may limit our ability to realize the anticipated benefits of such acquisitions, and which may require our management and personnel to shift their focus to such compliance burdens and away from their other functions. Such increased costs and compliance burdens could affect our ability to realize the anticipated benefits of such strategic acquisitions, and our business, results of operations and financial condition may suffer as a result.

We have engaged in, and in the future may engage in, strategic acquisitions and other arrangements that could disrupt our business, cause dilution to our stockholders, reduce our financial resources and harm our operating results.

We have regularly engaged in strategic transactions, including acquisitions of companies, technologies and personnel, such as our recent asset and business acquisitions related to our Georgia, Mississippi, Wyoming, Texas and Tennessee properties, and, as part of our growth strategy, in the future, we expect to seek additional opportunities to expand our new Data Center Infrastructure business or grow our mining operations, including through purchases of miners and facilities from other operating companies, including companies in financial distress. Our ability to grow through future acquisitions will depend on the availability of, and our ability to identify, suitable acquisition and investment opportunities at an acceptable cost, our ability to compete effectively to attract those opportunities and the availability of financing to complete acquisitions. Previous acquisitions have required, and future acquisitions will likely require, us to issue common stock that would dilute our current stockholders' percentage ownership, assume or otherwise be subject to liabilities of an acquired company, record goodwill and non-amortizable intangible assets that will be subject to impairment testing on a regular basis and potential periodic impairment charges, incur amortization expenses related to certain intangible assets, incur large acquisition and integration costs, immediate write-offs, and restructuring and other related expenses and/or become subject to litigation.

The benefits of an acquisition may also take considerable time to develop, and we cannot be certain that any particular acquisition will produce the intended benefits in a timely manner or to the extent anticipated or at all. We may experience difficulties integrating the operations, technologies and personnel of an acquired company or be subjected to liability for the target's pre-acquisition activities or operations as a successor in interest. Such integration may divert management's attention from normal daily operations of our business. Future acquisitions may also expose us to potential risks, including risks associated with entering markets in which we have no or limited prior experience, especially when competitors in such markets have stronger market positions, the possibility of insufficient revenues to offset the expenses we incur in connection with an acquisition and the potential loss of, or harm to, our relationships with employees and suppliers as a result of integration of new businesses.

We face competition for acquisitions in the HPC, AI, and data center market. Such competition may make it more challenging to complete strategic acquisitions, and may result in such acquisitions having higher valuations than initially anticipated. Certain of our data center competitors have significant advantages over us, including greater access to capital which allows them to respond more quickly to new or changing opportunities. If we cannot continue to grow and expand our data center business through strategic acquisitions, our competitiveness may be affected along with our operating results, which could impact our financial condition and market price of our securities.

A significant part of our success will depend on our reliance on and ability to manage our construction contractors and suppliers, including AI and HPC equipment suppliers, in order to meet our expansion efforts in keeping with planned timelines and cost estimates, and any failure to do so could materially and adversely affect our results of operations and relations with our customers.

Our business depends upon the construction of the Sandersville Facility and future data center facilities. We cannot guarantee we will complete all or any portion of the Sandersville Facility or future data center facilities on time or within our cost estimates, or at all, due in part to a variety of factors outside of our control, including changes in the regulatory environment, the ongoing challenges to the global supply chain, the implementation of new tariffs and more restrictive trade policies, increased inflation, any changes to conditions within the United States labor market, work stoppages, cost overruns, the inability of contractors to perform their obligations under construction contracts, defects in plans, and natural phenomena including weather patterns and natural disasters, physical attacks, protests or other community activity.

Construction of the Sandersville Facility and any future data center is subject to substantial execution risks as construction of a data center is complex and capital-intensive, requiring the coordinated execution of civil works, high-voltage electrical infrastructure construction, substation upgrades, construction of backup power generation systems, construction of cooling systems and other building systems, and data hall build-out. Construction of the Sandersville Facility involves multiple phases with interdependent construction workstreams, and delays in any workstream, errors in sequencing, delayed component delivery, delayed governmental approvals such as construction permits or design misalignment could significantly impact deployment timelines, construction costs or overall project operability. The Sandersville Facility's construction timelines are estimates based on current expectations and are subject to change based on a variety of factors, including permitting delays, interconnection timing, equipment delivery schedules, weather conditions, labor availability and construction progress. The Sandersville Facility's construction timeline extends over multiple years and there can be no assurance that the Sandersville Facility will reach commercial operation by the final target completion date, at our anticipated costs or at all.

The availability of qualified contractors, skilled labor and specialized construction resources is subject to intense competition in the current market environment, and we may face difficulty in securing adequate construction resources at reasonable costs or on acceptable timelines. Construction cost overruns may arise from increases in the cost of labor, materials, or equipment, unforeseen site conditions, design changes or regulatory requirements imposed during the construction period.

Procurement of critical long-lead equipment and materials, including high-voltage transformers, switchgear, other high-voltage equipment, generators, cooling systems, inverters and substation components needed for our power infrastructure, is essential to maintaining construction schedules, and global supply chain constraints or vendor delays could impair our ability to meet commencement dates under our relevant data center leases. In particular, global supply constraints on various equipment and materials needed for the Sandersville Facility's construction, which are subject to concentrated manufacturing capacity and significant demand from hyperscale and AI-focused customers, may limit the ability to complete the construction of the Sandersville Facility on the anticipated timeline, which could in turn delay rent commencements or otherwise adversely affect our revenue and results of operations. Supply chain disruptions, tariffs, export controls, trade restrictions and geopolitical factors may further limit the availability or increase the cost of these items.

In addition, we rely on a limited number of suppliers to support our bitcoin mining operations. There can be no assurance that such key suppliers and manufacturers will provide components, products or miners in a timely and cost-efficient manner or otherwise meet our needs and expectations. Any disruption in the operations of such key suppliers or manufacturers could have an adverse impact on our bitcoin mining operations.

We face significant risks related to the cost and availability of labor.

Our success is heavily dependent on our ability to secure labor for the construction of the Sandersville Facility within our timeline and budgeted costs. Construction, operation, and maintenance of the Sandersville Facility require highly skilled personnel. While we have an established in-house construction team and external contractors through which we aim to leverage their existing pool of talent and construction workforce for the construction of the Sandersville Facility, there may be a limited supply of such personnel as a result of many factors, including intense competition to attract and retain the services of such persons. As a result, we and our general contractor may face shortages of qualified labor to construct, manage and operate the Sandersville Facility, higher than anticipated labor costs or an inability to monitor, motivate and retain qualified personnel. An inability to recruit and retain such individuals could decrease productivity in the construction and operations of the Sandersville Facility. Competition for skilled personnel could also require us or the General Contractor to pay higher wages, which could also result in higher labor costs and result in our actual costs exceeding our budget estimate.

This competition may increase as additional data center and other large-scale infrastructure projects are developed and constructed in the United States, and any labor shortages affecting the region may materially and adversely affect our ability to successfully construct the Sandersville Facility within our current estimated timeline and budget. Labor is subject to external factors that are beyond our control, including our industry's highly competitive market for skilled workers and leaders, cost inflation, overall macroeconomics, workforce participation rates, pandemics, epidemics, and other health risks and/or labor disputes or work stoppages. If either we or the General Contractor cannot attract and retain qualified personnel for the construction of the Sandersville Facility, this could have a material adverse effect on our business, results of operations and cash flow.

Our ability to successfully develop and operate projects is impacted by the availability of, and access to, interconnection facilities and transmission and generation systems, and is subject to third-party risks.

In recent years, the time and costs required to secure and expand interconnection facilities and transmission systems have increased, complicating project planning and creating additional contractual and financial risk for projects under construction. We may face difficulties in securing access to interconnection facilities and transmission systems for the Sandersville Facility and any future data center projects in a timely manner and at a reasonable cost and may face curtailment resulting from transmission or generation facility downtime, which could materially and adversely affect our results of operations and cash flow.

We are dependent on third parties for the expansion and upgrades of our existing substations, and the timely performance by such third parties is critical to achieving certain phase completion dates and commencement of rent payments under the Sandersville Lease.

Any failure by such contractors (or replacement contractors) to complete the necessary interconnection facilities and transmission and generation systems to operate the Sandersville Facility may result in increased construction costs, delays in construction timeline, delay of rent commencement and potential breach and termination of the Sandersville Lease, any of which could materially and adversely affect our operations and our ability to repay the notes.

Inflation and rising costs could adversely affect our business, financial condition and results of operations.

Inflation and rising costs for labor, equipment, materials and services could adversely affect our business. We have experienced and may continue to experience cost increases for materials and equipment used in the construction of the Sandersville Facility. Labor costs have also increased due to demand for skilled workers in the construction industries.

If the current rate of inflation continues or accelerates, our costs may increase faster than our revenues. Any of these factors could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

We are subject to risks associated with our need for significant electrical power.

The operation of a bitcoin mining and Data Center Infrastructure facility requires significant amounts of electrical power. Any facility we currently operate or establish in the future can only be successful if we can continue to obtain sufficient electrical power for that site on a cost-effective basis. Our operations are conducted across a mix of fully-owned campuses, leased properties and active hosting agreements, each of which has unique power agreements. Geopolitical events including the war in Ukraine and the conflict in Iran and inflationary impacts have caused power prices to increase worldwide; if power prices continue to increase while bitcoin prices decrease, our ability to profitably mine bitcoin would be negatively impacted.

We anticipate our demand for electrical power will continue to grow as we complete the Sandersville Facility, develop additional data center projects, and ramp up operations. Competition for access to electrical supply and data center locations with adequate power availability is intense, and we compete for such access with well-capitalized competitors and other large-scale electricity consumers.

We rely, and will continue to rely, on third parties, third party infrastructure, governments, and global supplies to provide a sufficient amount of power to maintain the Sandersville Facility and any future data centers and meet the needs of the Tenant and future HPC hosting and colocation partners or tenants. These parties may be unable or unwilling to approve, or may condition or delay, the connections, capacity expansions, special or negotiated rate arrangements, and infrastructure investments necessary to support data center growth, or may grant them only at costs that limit the economic efficiency and viability of certain facilities, such as by requiring us to bear grid upgrade or interconnection costs beyond those attributable to serving our facilities—representing a larger share of costs than is required under existing or prior regulatory constructs. Interconnection queues for large new electricity loads have also lengthened substantially in many regions, which could delay or limit our access to grid power. Utility providers and regulators may also reallocate previously committed capacity that our data center facilities may require. In many jurisdictions, a single utility provider has substantial control over the terms, timing, and cost of the service and infrastructure necessary to power our data center facilities. The commercial and regulatory priorities of utility providers may differ from ours, including with respect to which infrastructure investments are made, how their costs are allocated, and whether alternative or self-supplied generation arrangements are permitted and on what conditions. Utility providers and other stakeholders may also seek regulatory or legislative measures affecting large electricity loads, self-supply, or alternative power generation arrangements. The outcomes of our negotiations and regulatory proceedings involving utilities are uncertain, and unfavorable results could increase our costs, delay our projects, or limit the alternatives available to us.

Our facilities separately depend on access to reliable water for cooling, which in some regions is scarce, subject to use restrictions, or increasingly costly. Any of the foregoing could adversely affect the availability of the power or water we require, increase our costs, or limit our ability to develop, expand, or operate our HPC data centers, which could adversely affect our business, financial condition, and results of operations.

While we have power secured indefinitely and for the full amount contracted under the Sandersville Lease as of the date of this Annual Report on Form 10-K, we may lose such arrangements if there is a default under the relevant power agreement.

We may curtail the energy used by our operations in times of heightened energy prices or in the case of a grid-wide electricity shortage either voluntarily or by agreement with utility providers. We may also encounter other situations where utilities or government entities restrict or prohibit the provision of electricity to mining or data center operations. In these cases, our ability to produce bitcoin and support our Data Center Infrastructure customers may be negatively affected.

Because we also expect to expand to additional sites, there may be significant competition for suitable locations with access to affordable power.

Additionally, our facilities could be adversely affected by a power outage. Although we maintain limited backup power at certain sites, it would not be feasible to run data centers on back-up power generators in the event of a government restriction on electricity or a power outage. To the extent we are unable to receive adequate power supply and are forced to reduce or cease our operations due to the availability or cost of electrical power, our business would be adversely affected.

We rely heavily on our management team, whose continued service and performance are critical to our future success. Any failure by management to properly manage growth, including hiring and retaining competent and skilled management and other personnel, could have a material adverse effect on our business, operating results and financial condition.

We currently have four executive officers — our Chief Executive Officer, S. Matthew Schultz, our President and Chief Financial Officer, Gary Vecchiarelli, our Chief Operating Officer and Executive Vice President, Taylor Monnig, and our Chief Development Officer and Executive Vice President, Scott Garrison — who are responsible for our management functions and are responsible for strategic development, financing and other critical functions. Our future success depends significantly on the continued service and performance of our existing management team. The departure, death, disability or other extended loss of services of any member of our management team, particularly with little or no notice, could cause delays on projects, frustrate our growth prospects and could have an adverse impact on our industry relationships, our project exploration and development programs, other aspects of our business and our financial condition, results of operations, cash flow and prospects.

Our success, growth prospects and ability to capitalize on market opportunities also depend to a significant extent on our ability to identify, hire, motivate and retain qualified managerial personnel, including additional senior members of management. Our growth may be constrained by resource limitations as competitors and customers compete for increasingly scarce human capital resources. The demand for professionals familiar with data center and bitcoin mining operations and other skilled workers is currently high. Our competitors may be able to offer a work environment with higher compensation or more opportunities than we can. Any new personnel we hire may not be or become as productive as we expect, as we may face challenges in adequately or appropriately integrating them into our workforce and culture. If we are unable to attract and retain a sufficient number of skilled personnel, our ability to successfully implement our business plan, grow our company and maintain or expand our mining operations may be adversely affected, and the costs of doing so may increase, which may adversely impact our business, financial condition and results of operations.

Our planned expansion in the AI and HPC industry could also place significant demands on our management, operations, systems, accounting, internal controls and financial resources. If we experience difficulties in any of these areas, we may not be able to expand our business successfully or effectively manage our growth. Any failure by management to manage growth and to respond to changes in our business could have a material adverse effect on our business, financial condition and results of operations.

Negative publicity about us, our data center tenants or other third parties we work with, or about the wider data center and AI infrastructure industry, including concerns regarding energy consumption, water usage, environmental impact, community disruption and broader societal threat of AI, could adversely affect our ability to develop and operate the Sandersville Facility and any future data center facilities and harm our reputation and materially and adversely affect our business, financial condition and results of operations.

Negative publicity about our company, our platform, solutions, or services, or the data center and AI infrastructure industry generally, even if inaccurate or untrue, could adversely affect our reputation and the confidence in our business, which could harm our business, operating results, financial condition and prospects. Harm to our reputation can arise from many sources, including employee misconduct, misconduct by our partners, consultants, suppliers and outsourced service providers, failures of our data centers, or adverse actions taken by us, our tenants, or our respective affiliate entities. Additionally, negative publicity with respect to our partners, investors, or service providers could also affect our business, operating results, financial condition and prospects to the extent that we rely on these partners or if our customers or prospective customers associate our company with these parties. From time to time, political and public sentiment may result in a significant amount of adverse press coverage and other adverse public statements affecting us. Adverse press coverage and other adverse statements, whether or not driven by political or public sentiment, may also result in investigations by regulators, legislators and law enforcement officials, internal investigations, or legal claims. Addressing any adverse publicity, governmental scrutiny, enforcement, or other legal proceedings is time consuming and expensive and, regardless of the factual basis for the assertions being made, can have a negative impact on our reputation, on the morale and performance of our employees, and on our relationships with regulators, customers and other counterparties. The direct and indirect effects of negative publicity, and the demands of responding to and addressing it, could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Our historical results have depended on the price of bitcoin, and bitcoin price volatility may continue to affect our results, cash flows and ability to fund our data center development during our transition.

Historically, substantially all of our revenue has come from bitcoin mining. We are moving our power and site capacity toward HPC data center development and continue to mine bitcoin at certain sites as an interim use of that capacity. As a result, our results of operations and liquidity will continue to depend in part on the price of bitcoin until the transition is complete. The price of bitcoin has historically been highly volatile and may be influenced by political, economic and regulatory conditions, speculation, real or perceived scarcity and malicious actors. Bitcoin prices can also affect network difficulty and global hashrate. A decline in the price of bitcoin, or an increase in network difficulty, could reduce our mining revenue below our operating costs and result in decreased liquidity. It could also reduce the cash flow available to fund construction of our data center campuses and require us to record impairments of our mining equipment and infrastructure. In addition, the timing of our transition is uncertain. We may decommission mining capacity before our data center leases generate revenue, or we may continue mining longer than we expect. Either outcome could adversely affect our business, financial condition and results of operations.

We have a limited operating history and a history of operating losses and negative cash flow, and we may never achieve consistent profitability.

Our limited operating history makes it difficult to evaluate our business and predict our future results of operations. Although we have achieved profitable quarters in the past, to date, we have not maintained consistent profitability from period to period, and no assurances can be made that we will achieve consistent profitability in the near future, if ever. From the Company’s inception through September 30, 2026, we sustained $1,142,986 in cumulative net losses, and we had a net loss from our continuing operations for the fiscal year ended September 30, 2026 of $987,092. We have generated losses as we have executed our business plan and expanded our bitcoin mining activities as bitcoin prices have at times been in a bear market. The extent to which we will continue to recognize losses in our continuing operations is dependent on bitcoin prices and our ability to execute the transition to HPC data center development, among other factors.

The value of bitcoin has historically been subject to wide swings, and we are exposed to bitcoin's price volatility and surrounding risks.

The market price of one bitcoin in our principal market ranged from approximately $57,700 to $126,300 during the fiscal year ended September 30, 2026, $58,900 to $124,500 during the fiscal year ended September 30, 2025 and ranged from approximately $26,500 to $73,800 during the fiscal year ended September 30, 2024. While bitcoin prices are determined primarily using data from various exchanges, over-the-counter markets and derivative platforms, they have historically been volatile and are impacted by a variety of factors. Such factors include, but are not limited to, the worldwide growth in the adoption and use of bitcoin, the maintenance and development of the software protocol of the bitcoin network, changes in consumer demographics and public tastes, fraudulent or illegitimate actors, real or perceived scarcity, and political, economic, regulatory or other conditions. Furthermore, pricing may be the result of, and may continue to result in, speculation regarding future appreciation in the value of bitcoin, or our share price, making prices more volatile.

During periods of market stress and extreme volatility, we may be unable to timely liquidate or hedge our bitcoin or related positions, and exchange-driven liquidations or auto-deleveraging could materially and adversely affect our liquidity, results of operations and financial condition.

Our business model depends, in part, on our ability to sell bitcoin to fund operating expenses and capital investments and, as applicable, to manage risk through trading and hedging activities. In stressed markets, the ability to execute routine spot sales, reduce positions, or hedge exposure can be impaired by exchange outages, degraded market quality, fragmented liquidity, or exchange risk controls that activate in ways that limit trading. Periods of acute volatility can cause order books to thin rapidly as market makers withdraw, spreads widen, and prices dislocate across venues. At the same time, certain centralized exchanges may experience interface or API failures, throttling of order intake, rejection of "reduce-only" or risk-reducing orders, delayed deposits and withdrawals, and other infrastructure constraints. In these conditions, we may be unable to sell bitcoin or adjust hedges at intended sizes or prices—or at all—precisely when we need liquidity most.

Significant market events highlight these risks. In October 2025, a widespread "flash crash" in digital asset markets reportedly resulted in more than $19 billion of leveraged positions being liquidated over a brief period, with significant price dislocations, liquidity gaps, exchange outages, and the activation of auto-deleveraging ("ADL") mechanisms and insurance funds across multiple trading venues. Participants reported order rejections, forced liquidations at prices disconnected from prevailing market levels, and constraints that prevented risk-reducing trades. When exchanges deploy ADL or similar controls, profitable or hedged positions can be forcibly closed, sometimes at disadvantageous prices, and without the ability to hedge the resulting exposure. These dynamics can amplify volatility and further diminish the ability of market participants to obtain liquidity during stress.

If we are unable to sell bitcoin, unwind positions, or establish or maintain hedges during such periods, our liquidity could be adversely affected and our exposure to further price movements could increase. Our reliance on third-party exchanges and intermediaries, the concentration of liquidity in a limited number of venues, and our use of both hot and cold wallets may further limit our ability to respond quickly to market stress. Any of the foregoing could materially and adversely affect our results of operations, cash flows and financial condition, including by increasing realized losses, delaying planned sales of bitcoin, or reducing our capacity to fund operating or capital needs.

The sale of our bitcoins to pay for expenses at a time of low bitcoin prices could adversely affect an investment in us.

We sell our bitcoins to pay for operating expenses and growth on an as-needed basis. Consequently, we may sell our bitcoins at a time when bitcoin prices are low, which could adversely affect an investment in us. We have begun to use a substantial portion of the bitcoin we mine to fund operations and to fund capital expenditures. We produced 7,236 bitcoin net of Foundry fees, sold 1,532 bitcoin, and transferred 6,068 bitcoin to settle derivatives during the year ended September 30, 2026.

The development and acceptance of competing blockchain platforms or technologies may cause consumers to use alternative distributed ledgers or other alternatives.

The development and acceptance of competing blockchain platforms or technologies may cause consumers to abandon bitcoin. As we exclusively mine bitcoin and expect to exclusively mine bitcoin in the future (as opposed to mining other cryptocurrencies), we could face difficulty adapting to emergent digital ledgers, blockchains or alternatives thereto. This could prevent us from realizing the anticipated profits from our investments. Such circumstances could have a material adverse effect on our business, prospects or operations and potentially the value of any bitcoin we mine or otherwise acquire or hold for our own account and therefore harm investors.

Bitcoin is subject to halving; the reward for successfully solving a block will halve several times in the future and its 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. In an event referred to as bitcoin "halving," the bitcoin reward for mining any block is cut in half. For example, the mining reward for bitcoin declined from 6.25 to 3.125 bitcoin on April 19, 2024. This process is scheduled to occur once every 210,000 blocks. It is estimated that bitcoin will next halve in April 2028 and then approximately every four years thereafter until the total amount of bitcoin rewards issued reaches 21 million, which is expected to occur around 2140. Once 21 million bitcoin are generated, the network will stop producing more. Currently, there are more than 20 million bitcoin in circulation. While bitcoin prices have had a history of price fluctuations around halving events, there is no guarantee that any such price change will be favorable or would compensate for the reduction in mining reward. If a corresponding and proportionate increase in the price of bitcoin does not follow these anticipated halving events, the revenue from our mining operations would decrease, and we may not have an adequate incentive to continue mining and may cease mining operations altogether, which may adversely affect an investment in us.

Furthermore, such reductions in bitcoin rewards for uncovering blocks may result in a reduction in the aggregate hashrate of the bitcoin network as the incentive for miners decreases. Miners ceasing operations would reduce the collective processing power on the network, which would adversely affect the confirmation process for transactions and make the bitcoin network more vulnerable to malicious actors or botnets obtaining control in excess of 50% of the processing power active on the blockchain. Such events may adversely affect our activities and an investment in us.

Our reliance on a third-party mining pool service provider for our mining revenue payouts may adversely affect an investment in us.

We currently rely on Foundry Digital's open access mining pool ("pool") that supports bitcoin to receive our mining rewards and fees from the network. Our pool has the sole discretion to modify the terms of our agreement at any time, and, therefore, our future rights and relationship with our pool may change. In general, mining pools allow miners to combine their computing and processing power, increasing their chances of solving a block and getting rewarded by the bitcoin network. The rewards, distributed proportionally to our contribution to the pool's overall mining power, are distributed by the pool operator. Should our pool operator's systems suffer downtime due to a cyber-attack, software malfunction or other similar issues, our ability to mine and receive revenue will be negatively impacted. Furthermore, while we receive daily reports from our pool detailing the total processing power provided to the pool and the proportion of that total processing power we provided to determine the distribution of rewards to us, we are dependent on the accuracy of our pool's record keeping. Therefore, we have little means of recourse against our pool's operator if we 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 pool, we may experience reduced rewards for our efforts, which would have an adverse effect on our business and operations.

Forks in the bitcoin network may occur in the future, which may affect the value of bitcoins held by us.

A small group of contributors can propose refinements or improvements to the bitcoin network's source code that alter the protocols and software that govern the bitcoin network and the properties of bitcoin, including the irreversibility of transactions and limitations on the mining of new bitcoin. This is known as a "fork." In the event a developer or group of developers proposes modifications to the bitcoin network that are not accepted by a majority of miners and users, but that are nonetheless accepted by a substantial plurality of miners and users, two or more competing and incompatible blockchain implementations could result. This is known as a "hard fork."

The value of bitcoin after the creation of a fork is subject to many factors, including, but not limited to, the value of the fork product, market reaction to the creation of the fork product and the occurrence of forks in the future. As such, existing forks, such as Bitcoin Cash and Bitcoin Gold, and future forks may have a negative effect on bitcoin's value and may adversely affect an investment in us.

The open-source structure of the bitcoin network protocol means that the contributors to the protocol are generally not directly compensated for their contributions in maintaining and developing the protocol. A failure to properly monitor and upgrade the protocol could damage the bitcoin network and an investment in us.

As an open-source project, bitcoin does not generate revenues for its contributors, and contributors are generally not compensated for maintaining and updating the bitcoin network protocol. The lack of guaranteed financial incentives for contributors to maintain or develop the bitcoin network and the lack of guaranteed resources to adequately address emerging issues with the bitcoin network may reduce incentives to address the issues adequately or in a timely manner. To the extent that contributors may fail to adequately update and maintain the bitcoin network protocol, there may be 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.

Banks and financial institutions may not provide banking services, or may cut off services, to businesses that engage in cryptocurrency-related activities.

A number of companies that engage in bitcoin and/or other cryptocurrency-related activities have been unable to find banks or financial institutions that are willing to provide them with bank accounts and other services. Similarly, a number of companies and individuals or businesses associated with cryptocurrencies may have had and may continue to have their existing bank accounts closed or services discontinued with financial institutions. To the extent that such events may happen to us, they 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.

Bitcoins held by us are not subject to FDIC or SIPC protections.

We do not hold our bitcoins with a banking institution or a member of the FDIC or the Securities Investor Protection Corporation ("SIPC"), and, therefore, our bitcoins are not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions. As a result, we may suffer a loss with respect to our bitcoins that are not covered by insurance, and we may not be able to recover any of our carried value in these bitcoins if they are lost or stolen or suffer a significant and sustained reduction in conversion spot price. If we are not otherwise able to recover damages in connection with these losses, our business and results of operations may suffer, which may have a material negative impact on our stock price.

We maintain our cash at financial institutions, often in balances that exceed federally insured limits.

We maintain the majority of our cash and cash equivalents in accounts at banking institutions in the United States that we believe are of high quality. Cash held in these accounts often exceeds the Federal Deposit Insurance Corporation ("FDIC") insurance limits. If such banking institutions were to fail, we could lose all or a portion of the amounts held in excess of such insurance limitations. The FDIC took control of three such banking institutions, Silicon Valley Bank on March 10, 2023, Signature Bank on March 12, 2023 and First Republic Bank on May 1, 2023. While we did not have an account at any of these three banks, in the event of the failure of any of the financial institutions where we maintain our cash and cash equivalents, there can be no assurance that we would be able to access uninsured funds in a timely manner or at all. Any inability to access or delay in accessing these funds could adversely affect our business and financial position. Our ability to open accounts at certain financial institutions is limited by the policies of such financial institutions to not accept clients that are in the digital asset industry.

Bitcoins we mine or hold for our own account may be subject to loss, theft or restriction on access.

There is a risk that some or all of our bitcoins could be lost or stolen. Bitcoins are stored in and accessed by cryptocurrency sites commonly referred to as "wallets." A hot wallet refers to any cryptocurrency wallet that is connected to the Internet. Generally, hot wallets are easier to set up and access than wallets in cold storage, but they are also more susceptible to hackers and other technical vulnerabilities. Cold storage refers to any cryptocurrency wallet that is not connected to the Internet. Cold storage is generally more secure than hot storage, but is not ideal for quick or regular transactions. As of September 30, 2026, we held approximately 98% of our bitcoin in cold storage and 2% in hot wallets. Due to our usage of cold storage, we may experience lag time in our ability to respond to market fluctuations in the price of our cryptocurrency assets.

We currently mine bitcoin by contributing to and benefiting from our pool's processing power. Our share of bitcoins mined from our pool is initially received by us in wallets we control, which are maintained by Coinbase. We currently sell the majority of the bitcoin we mine and utilize hot wallets to hold this bitcoin immediately prior to selling for working capital purposes. We hold any remainder of our bitcoin in cold storage. Bitcoins we mine or hold for our own account may be subject to loss, theft or restriction on access. Hackers or malicious actors may launch attacks to steal, compromise or secure bitcoins, such as by attacking the bitcoin network source code, exchanges, miners, third-party platforms (including Coinbase), cold and hot storage locations or software, or by other means. We may be in control and possession of substantial holdings of bitcoin, and as we increase in size, we may become a more appealing target of hackers, malware, cyber-attacks or other security threats.

In addition, our borrowings under the Master Loans (as defined below) are collateralized by approximately $139,128 of bitcoin as of September 30, 2026. Pursuant to the terms of the Coinbase Master Loan and related security agreements, Coinbase may obtain the right to sell, pledge, rehypothecate, assign, use or otherwise dispose of any bitcoin posted as collateral under that facility. The Two Prime Master Loan prohibits the use or rehypothecation of posted collateral, subject to contractual remedies upon our default. Under either arrangement, a counterparty default could prevent us from recovering posted collateral promptly or in full. Any of these events may adversely affect our operations and, consequently, our investments and profitability.

We may not have adequate sources of recovery if our bitcoin holdings are lost, stolen or destroyed.

We rely on Coinbase to facilitate the custody of our bitcoins. If our bitcoin holdings are lost, stolen or destroyed under circumstances rendering a party, including Coinbase, liable to us, the responsible party may not have the financial resources sufficient to satisfy our claim. For example, as to a particular event of loss, the only source of recovery for us might be limited, to the extent identifiable, to other responsible third parties (e.g., a thief or terrorist), any of which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim of ours. While Coinbase maintains insurance coverage of such types and amounts as Coinbase asserts to be commercially reasonable for its custodial services provided under the Company's custody agreement with Coinbase, including certain commercial crime insurance of limited aggregate principal amount which covers losses stemming from fraud, security breach, hack and asset theft, such insurance coverage may be insufficient to protect the Company against all losses of its bitcoin holdings held in custody with Coinbase, whether or not stemming from security breaches, cyberattacks or other types of unlawful activity. See the below risk factor entitled, "Our limited insurance protection exposes us and our stockholders to the risk of loss of our bitcoin for which no person is liable."

Our ability to adopt technology in response to changing security needs or trends and reliance on a third party, Coinbase, for custody pose a challenge to the safekeeping of our bitcoin holdings.

The history of digital asset exchanges has shown that exchanges and large holders of digital assets must adapt to technological change in order to secure and safeguard their digital assets. All of the bitcoin we hold is held in either cold or hot storage by Coinbase. We rely on Coinbase's security systems, derived from established, industry-best practices, to safeguard our bitcoin holdings from theft, loss, destruction or other issues relating to hackers and technological attack. We believe that we may become a more appealing target of security threats as the size of our bitcoin holdings grows. To the extent that either Coinbase or we are unable to identify and mitigate or stop new security threats, our bitcoin holdings may be subject to theft, loss, destruction or other attack, which could adversely affect an investment in us. To the extent that Coinbase is no longer able to safeguard our assets, we would be at risk of loss if safeguarding protocols fail.

If a malicious actor or botnet obtains control of more than 50% of the processing power on the bitcoin network, such actor or botnet could manipulate the network to adversely affect us, which would adversely affect an investment in us.

If a malicious actor or botnet, a collection of computers controlled by networked software coordinating the actions of the computers, obtains over 50% of the processing power dedicated to mining bitcoin, such actor or botnet may be able to construct fraudulent blocks or prevent certain transactions from completing in a timely manner, or at all. The malicious actor or botnet could control, exclude or modify the order of transactions, though it could not generate new units or transactions using such control. The malicious actor or botnet could also "double-spend," or spend the same bitcoin in more than one transaction, or it could prevent transactions from being validated. In certain instances, reversing any fraudulent or malicious changes made to the bitcoin blockchain may not be possible.

Although there are no known reports of malicious activity or control of blockchains achieved through controlling over 50% of the processing power on the bitcoin network, it is believed that certain mining pools may have exceeded, and could exceed, the 50% threshold on the bitcoin network. This possibility creates a greater risk that a single mining pool could exert authority over the validation of bitcoin transactions. To the extent that the bitcoin ecosystem, and the administrators of mining pools, do not have adequate controls and responses in place, the risk of a malicious actor obtaining control of the processing power may increase. If such an event were to occur, it could have a material adverse effect on our business, prospects or operations and potentially the value of any bitcoin we mine or otherwise acquire or hold for our own account and harm investors.

The loss or destruction of private keys required to access our bitcoins may be irreversible. Our loss of access to our private keys or our experience of a data loss relating to our bitcoins could adversely affect an investment in us.

Bitcoins may only be controlled by the possessor of both the unique public and private keys relating to the local or online digital wallet in which they are held. We publish the public key relating to digital wallets in use when we verify the receipt or transfers of bitcoins to and from our wallets and disseminate such information into the network on an anonymous basis, but we safeguard the private keys relating to such digital wallets. Digital asset exchanges, such as Coinbase, where we hold our bitcoin, engage in similar practices. To the extent such private keys are lost, destroyed or otherwise compromised, we will be unable to access our bitcoins and such private keys may not be capable of being restored by any network. Any loss of private keys relating to digital wallets used to store our bitcoins, whether by us or digital asset exchanges where we hold our bitcoin, could have a material adverse effect on our business, prospects or operations and potentially the value of any bitcoin we mine or otherwise acquire or hold for our own account.

The digital asset exchanges on which cryptocurrencies, including bitcoin, trade are relatively new and largely unregulated, and thus may be exposed to fraud and failure. Such failures may result in a reduction in the price of bitcoin and other cryptocurrencies and can adversely affect an investment in us.

Digital asset exchanges on which cryptocurrencies trade are relatively new and, in most cases, largely unregulated. Many digital exchanges do not provide the public with significant information regarding their ownership structure, management teams, corporate practices or regulatory compliance. As a result, the marketplace may lose confidence in, or may experience problems relating to, cryptocurrency exchanges, including prominent exchanges handling a significant portion of the volume of digital asset trading.

A perceived lack of stability in the digital asset exchange market and the closure or temporary shutdown of digital asset exchanges due to business failure, hackers or malware, government-mandated regulation, or fraud, may reduce confidence in digital asset networks and result in greater volatility in cryptocurrency values. These potential consequences of a digital asset exchange's failure could adversely affect an investment in us. On October 29, 2026, $6.3 billion of digital currency was stolen from Binance's hot wallet, allegedly by a North Korea-linked hacking group. Binance initially halted all trading and then processed $4.65 billion of asset withdrawals on November 1, 2026 and stated it would absorb any losses. The assets involved included bitcoin, Ethereum, USDT, USDC and others.

We may face several risks due to disruptions in the digital asset markets, including but not limited to the risk from depreciation in our stock price, financing risk, risk of increased losses or impairments in our investments or other assets, risks of legal proceedings and government investigations, and risks from price declines or price volatility of digital assets.

In the second half of 2022 and beginning of 2023, some of the well-known digital asset market participants, including Celsius Network, Voyager Digital Ltd., Three Arrows Capital and Genesis Global Holdco LLC, declared bankruptcy, resulting in a loss of confidence in participants of the digital asset ecosystem and negative publicity surrounding digital assets more broadly. In November 2022, FTX, the third-largest digital asset exchange by volume at the time, halted customer withdrawals, and shortly thereafter, FTX and its subsidiaries filed for bankruptcy.

In response to these and other similar events (including significant activity by various regulators regarding digital asset activities, such as enforcement actions, against a variety of digital asset entities, including Coinbase, Kraken and Binance), the digital asset markets, including the market for bitcoin specifically, have experienced extreme price volatility and several other entities in the digital asset industry have been, and may continue to be, negatively affected, further undermining confidence in the digital asset markets and in bitcoin. These events have also negatively impacted the liquidity of the digital asset markets as certain entities affiliated with FTX and platforms such as Coinbase, Kraken and Binance have engaged, or may continue to engage, in significant trading activity. If the liquidity of the digital asset markets is negatively impacted by these or similar events, digital asset prices (including the price of bitcoin) may continue to experience significant volatility and confidence in the digital asset markets may be further undermined. It is not possible to predict at this time all of the risks that these or similar events may pose to us, our service providers, or the digital asset industry as a whole.

Although we had no direct exposure to FTX or any of the above-mentioned cryptocurrency companies (with the exception of Coinbase, which is discussed in the below risk factor entitled, "*Potential that, in the event of a bankruptcy filing by a custodian, bitcoin held in custody could be determined to be property of a bankruptcy estate and we could be considered a general unsecured creditor thereof*"), nor any material assets that may not be recovered or may otherwise be lost or misappropriated due to the above-mentioned bankruptcies, the failure or insolvency of large exchanges like FTX or other significant players in the digital asset space may cause the price of bitcoin to fall and decrease confidence in the ecosystem, which could adversely affect an investment in us. Such market volatility has had a material and adverse effect on our results of operations and financial condition, and we expect our results of operations to continue to be affected by bitcoin's price as the results of our operations are significantly tied to the price of bitcoin. If we do not continue adjusting our short-term strategy to optimize our operating efficiency in the current dynamic market conditions, such market conditions could have a further negative result on our business, prospects or operations.

Any potential use of emerging technologies like AI, machine learning and generative artificial intelligence could lead to unintended consequences and result in reputational harm and litigation.

We continue to evaluate emerging technologies like AI, machine learning and generative AI for incorporation into our business. State and federal regulations relating to these emerging technologies are quickly evolving, and should we adopt such technologies, we may require significant resources to maintain our business practices while seeking to comply with U.S. laws. Any failure to accurately identify and address our responsibilities and liabilities in this new environment could negatively affect any solutions we develop that incorporate such technologies and could subject us to reputational harm, regulatory action or litigation, any of which may harm our financial condition and operating results. These same risks apply to our use of third-party service providers who are implementing these tools into the products or services they provide to us.

Security threats to us could result in a loss of our bitcoin holdings or damage to our reputation and brand, each of which could adversely affect an investment in us.

Security breaches, computer malware and computer hacking attacks have been a prevalent concern in the digital asset exchange markets, for example since the launch of the bitcoin network. Any security breach caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses, could harm our business operations or result in loss of our bitcoin holdings. Any breach of our infrastructure could result in damage to our reputation, which could adversely affect an investment in us. Furthermore, we believe that, as our assets grow, we may become a more appealing target for security threats such as hackers and malware.

We rely on Coinbase's security systems, derived from established, industry-best practices, to safeguard our bitcoin holdings from theft, loss, destruction or other issues relating to hackers and technological attacks. Nevertheless, Coinbase's security systems may not be impenetrable and may not be free from defect or immune to acts of God, and any loss due to a security breach, software defect or act of God may be borne by us.

Our security system and operational infrastructure may be breached due to the actions of outside parties, error or malfeasance of an employee of ours, or otherwise, and, as a result, an unauthorized party may obtain access to our private keys, data or bitcoin. Additionally, outside parties may attempt to fraudulently induce employees of ours to disclose sensitive information in order to gain access to our 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, we may be unable to anticipate these techniques or implement adequate preventative measures. If an actual or perceived breach of our security systems occurs, the market perception of the effectiveness of our security systems could be harmed, which could adversely affect an investment in us.

In the event of a security breach, we may be forced to cease operations, or suffer a reduction in assets, the occurrence of each of which could adversely affect an investment in us.

A loss of confidence in our security systems, or a breach of our security systems, may adversely affect us and the value of an investment in us.

We will take measures to protect ourselves and our bitcoin from unauthorized access, damage or theft; however, it is possible that our security systems may not prevent improper access to, or damage or theft of, our bitcoin holdings. A security breach could harm our reputation or result in the loss of some or all of our bitcoin. A resulting perception that our measures do not adequately protect our bitcoin holdings could result in a loss of current or potential stockholders, reducing demand for our common stock and causing our shares to decrease in value.

Bitcoin transactions are irrevocable and stolen or incorrectly transferred bitcoin may be irretrievable. As a result, any incorrectly executed digital asset transactions could adversely affect an investment in us.

Bitcoin transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the transaction or, in theory, control or consent of a majority of the processing power on the bitcoin network. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of bitcoin or a theft of bitcoin generally will not be reversible, and we may not be capable of seeking compensation for any such transfer or theft. It is possible that, through computer or human error, or through theft or criminal action, our bitcoin could be transferred from us in incorrect amounts or to unauthorized third parties. To the extent that we are unable to seek a corrective transaction with such third party or are incapable of identifying the third party which has received our bitcoin through error or theft, we will be unable to revert or otherwise recover incorrectly transferred bitcoin. To the extent that we are unable to seek redress for such error or theft, such loss could adversely affect an investment in us.

We may face risks of Internet disruptions, which could have an adverse effect on not only the price of bitcoin but also our ability to mine bitcoin.

A disruption of the Internet may adversely affect the mining and use of cryptocurrencies, including bitcoin. Generally, cryptocurrencies and our businesses of mining bitcoin are dependent upon the Internet. For example, a significant disruption in Internet connectivity could disrupt bitcoin's network operations until the disruption is resolved and have an adverse effect on the price of bitcoin and our ability to mine bitcoin.

A failure or degradation of cloud service providers or other critical Internet infrastructure, including our own, could disrupt our operations and third-party platforms we rely on, including digital asset exchanges and custodians, and could materially and adversely affect our business, results of operations, cash flows and financial condition.

Our operations depend on the reliable performance of third-party cloud service providers and core Internet infrastructure. We, our counterparties and service providers (including mining pool operators, exchanges where we sell bitcoin, custodians, brokers, data vendors and payment processors) utilize cloud hosting, compute, networking, storage, messaging and identity services to deliver core functionality. Outages, service degradations, misconfigurations, software defects, capacity constraints, distributed denial-of-service attacks, domain name system (DNS) failures and other incidents at these third parties can interrupt (or materially impair) our ability to monitor and manage our sites, access wallets, transmit or settle transactions, receive mining pool payouts, execute sales or hedges, or otherwise conduct routine business activities. Even when our own systems remain available, dependencies on the availability and performance of exchanges, custodians and intermediaries, many of which are hosted on the same cloud platforms, can prevent or delay our ability to convert bitcoin to cash, move collateral, respond to market moves or satisfy time-sensitive obligations.

Recent events illustrate this risk. In October 2025, a widespread outage at a major cloud provider's U.S. East region disrupted thousands of applications globally, including financial and communications platforms. Several crypto trading venues and brokers publicly attributed platform disruptions to that cloud incident. During such events, order intake may be throttled, APIs and user interfaces may become intermittently unavailable, deposits and withdrawals may stall, and message backlogs can persist even after headline service restoration. These conditions can effectively lock participants out of venues, exacerbate price dislocations, and impede risk-reducing actions. If we cannot timely sell bitcoin, adjust hedges, post collateral, or access custodial services due to third-party cloud failures or exchange downtime, our liquidity could be adversely affected and our exposure to market volatility could increase.

Our concentration of critical functions with a limited number of cloud providers and Internet infrastructure vendors, and our reliance on third parties that themselves depend on the same providers, heighten correlated failure risk. Multi-region or multi-cloud failover strategies may not fully mitigate these risks due to service-level limitations, data-consistency constraints and operational complexity. Moreover, service level agreements typically limit remedies to credits and exclude consequential losses, and we may be unable to recover losses from affected providers or intermediaries. Any of the foregoing, alone or in combination with periods of market stress, could materially and adversely affect our business, results of operations, cash flows and financial condition, including by increasing realized losses, delaying planned sales of bitcoin, and constraining our ability to fund operating or capital needs.

The limited rights of legal recourse available to us expose us and our investors to the risk of loss of our bitcoins for which no person is liable.

At this time, there is no specifically enumerated U.S. or foreign governmental, regulatory, investigative or prosecutorial authority or mechanism through which to bring an action or complaint regarding missing or stolen cryptocurrency; though law enforcement agencies like the FBI have recovered stolen bitcoin, that recovery has required significant amounts of time. To the extent that we are unable to recover our losses from such action, error or theft, such events could have a material adverse effect on our business, prospects or operations and potentially the value of any bitcoin we mine or otherwise acquire or hold for our own account.

Demand for bitcoin is driven, in part, by its status as a prominent and secure cryptocurrency. It is possible that a cryptocurrency other than bitcoin could have features that make it more desirable to a material portion of the digital asset user base, resulting in a reduction in demand for bitcoin.

Bitcoin holds a "first-to-market" advantage over other cryptocurrencies. This first-to-market advantage is driven in large part by having the largest user base and, more importantly, the largest combined mining power in use. Nonetheless, another form of cryptocurrency could become materially popular due to either a perceived or exposed shortcoming of the bitcoin network or a perceived advantage of another form of digital currency. If another form of digital currency obtains significant market share, this could reduce the interest in, and value of, bitcoin and the profitability of our bitcoin operations.

Our facility costs may exceed our revenues, which could seriously harm our business and adversely impact an investment in us.

Data center and mining operations are costly and our expenses may increase in the future. Increases in data center and mining expenses may not be offset by corresponding increases in revenue (e.g., the value of bitcoin mined). Our expenses may become greater than we anticipate, and our investments to make our business more cost-efficient may not succeed. Further, even if our expenses remain the same or decline, our revenues may not exceed our expenses to the extent the price of bitcoin decreases without a corresponding decrease in bitcoin network difficulty. Increases in our costs without corresponding increases in our revenue would adversely affect our profitability and could seriously harm our business and an investment in us.

The properties included in our operations may experience damage, including damage that may not be covered by insurance.

Our current facilities, any future sites we establish, and properties we operate will be subject to a variety of risks relating to physical condition and operation, including but not limited to:

- power loss, including due to planned or rolling blackouts;
- construction or repair defects or other structural or building damage;
- equipment failure;
- any noncompliance with or liabilities under applicable environmental, health or safety regulations or requirements or building permit requirements;
- theft, sabotage and vandalism;
- network connectivity downtime;
- security breaches to infrastructure;
- any damage resulting from natural disasters and climate change, such as hurricanes, earthquakes, fires, floods and windstorms; and
- claims by employees and others for injuries sustained at our properties.

Although our facilities are equipped with standard security measures normally associated with a traditional data center, and insured by tier one insurance providers, our facilities could still be rendered inoperable, temporarily or permanently, as a result of a fire or other natural disaster or by a terrorist attack or other events outside of our control. For a summary of our insurance coverage, see "Business—Insurance."

Any failure in the critical systems of our properties and the services they provide, including a breakdown in critical plant, equipment or services, such as the cooling equipment, generators, uninterruptable power systems, backup batteries, routers, switches, or other equipment, power supplies, or network connectivity, whether or not within our control, could result in service interruptions and data losses for our tenants as well as equipment damage, which could significantly disrupt the normal business operations of our tenants and harm our reputation and reduce the revenue generated by our data center facilities.

The measures we have taken, and may take in the future, to prevent and insure against these risks may prove to not be sufficient or effective.

Increased scrutiny and changing expectations from stakeholders with respect to our ESG practices and the impacts of climate change may result in additional costs or risks.

Companies across many industries have faced scrutiny related to their ESG practices. Investor advocacy groups, certain institutional investors, investment funds and other influential investors are also increasingly focused on ESG practices and in recent years have placed increasing importance on the non-financial impacts of their investments. In May 2021, the SEC proposed rule changes that would require public companies to include certain climate-related disclosures in their periodic reports, including information about climate-related risks that are reasonably likely to have a material impact on their business, results of operations or financial condition, and certain climate-related financial statement metrics in a note to their audited financial statements noting that such rule changes were proposed in response to investor demands for consistent and comparable data on climate change. Furthermore, increased public awareness and concern regarding environmental risks, including global climate change, may result in increased public scrutiny of our business and our industry, and our management team may divert significant time and energy away from our operations and towards responding to such scrutiny and reassuring our employees. The implementation of the SEC's proposed rule changes was stayed in April 2024 in response to consolidated legal challenges. In June 2025, the SEC formally withdrew the proposed rule. However, should any similar future rule changes ultimately become effective, we, as a public company, may also face increased oversight from the SEC with respect to our climate-related disclosures.

The physical risks of climate change may also impact the availability and cost of materials and natural resources, sources and supplies of energy, and demand for AI and HPC compute and bitcoin and other cryptocurrencies, and could increase our insurance and other operating costs, including, potentially, to repair damage incurred as a result of extreme weather events or to renovate or retrofit facilities to better withstand extreme weather events. If environmental laws or regulations or industry standards are either changed or adopted and impose significant operational restrictions and compliance requirements on our operations, or if our operations are disrupted due to physical impacts of climate change, our business, capital expenditures, results of operations, financial condition and competitive position could be negatively impacted.

Our operations and profitability may be adversely affected by competition from other methods of investing in cryptocurrencies.

We compete with other users and/or companies that are mining bitcoin and other potential financial vehicles, including securities backed by or linked to bitcoin. Market and financial conditions, and other conditions beyond our control, may make it more attractive to invest in other financial vehicles, or to invest in cryptocurrencies directly, which could limit the market for our shares and reduce their liquidity. The emergence of other financial vehicles and exchange-traded funds has increased scrutiny on cryptocurrencies, and such scrutiny could be applicable to us and impact our ability to successfully establish or maintain a public market for our securities. Such circumstances could have a material adverse effect on our business, prospects or operations and potentially the value of any bitcoin we mine or otherwise acquire or hold for our own account, and harm investors.

From time-to-time, as market conditions change, large holders of bitcoin may sell large amounts all at once into the market, thereby constraining the growth of the price of bitcoin.

There are very large holders of bitcoin, including other miners, that may choose or be forced to sell large quantities of bitcoin all at once or over a short period of time. Such an increase in selling volume could create downward pressure on the market price of bitcoin.

Potential that, in the event of a bankruptcy filing by a custodian, bitcoin held in custody could be determined to be property of a bankruptcy estate and we could be considered a general unsecured creditor thereof.

Most of the bitcoin we hold is held in either cold or hot storage by Coinbase, Nydig, and Bitgo. The treatment of bitcoins held by custodians that file for bankruptcy protection is generally uncharted territory in U.S. Bankruptcy law. We cannot say with certainty whether our bitcoin held by custodians, should they declare bankruptcy, would be treated as property of the bankruptcy estate and, accordingly, whether we would be treated as a general unsecured creditor with respect to our bitcoin held by those custodians. If we are treated as a general unsecured creditor, we may not be able to recover our bitcoin in the event of a bankruptcy of our current or future custodians.

Since there has been limited precedent set for financial accounting of digital assets, including bitcoin, it is unclear how we will be required to account for transactions involving digital assets.

There has been limited precedent set for the financial accounting of cryptocurrencies and related revenue recognition, and guidance provided by the Financial Accounting Standards Board ("FASB") or the SEC is evolving. For example, effective for fiscal years beginning after December 15, 2024, the FASB adopted new accounting standards for fungible digital assets. Among other things, the new standards require U.S. businesses to use fair-value accounting for certain digital assets, including bitcoin. In addition, the accounting policies of many companies are being subjected to heightened scrutiny by regulators and the public, and we have received comments from the staff of the SEC's Division of Corporation Finance Office of Crypto Assets (the "Staff") during fiscal year 2023 related to the accounting of our bitcoin-related operations, which have been resolved. Such changes in regulatory or financial accounting standards or interpretations by the SEC, particularly as they relate to the Company and the financial accounting of our bitcoin-related operations, could result in changes in our accounting treatment and the necessity to restate our financial statements, and could negatively impact our business, prospects, financial condition and results of operations and our ability to raise capital.

Changes to global hashrate and machine efficiency may impact competitiveness and operations.

Generally, a bitcoin miner's chance of solving a block on the bitcoin blockchain and earning a bitcoin reward is a function of the miner's hashrate (i.e., the amount of computing power devoted to supporting the bitcoin blockchain), relative to the global network hashrate. As demand for bitcoin has increased, the global network hashrate has increased, and to the extent more adoption of bitcoin occurs, we would expect the demand for bitcoin would increase, drawing more mining companies into the industry and further increasing the global network hashrate. As new and more powerful and energy-efficient mining servers are deployed, the global network hashrate will continue to increase, meaning a miner's respective percentage of the total daily rewards will decline unless it deploys additional hashrate at pace with the growth of global hashrate. Accordingly, to compete in this highly competitive industry, we believe we will need to continue to acquire new miners, both to replace those lost to ordinary wear and tear and other damage, and to increase our hashrate to keep up with a growing global network hashrate.

During recent years, we grew our hashrate, in part, by acquiring newer, more powerful and energy-efficient miners through sales and purchase agreements with suppliers, and we plan to continue to acquire new miners to compete effectively in the market. These new miners are highly specialized servers that are very difficult to produce at scale. As a result, there are limited producers capable of producing large numbers of sufficiently effective miners. The cost of these miners is directly correlated to bitcoin prices and the profitability of bitcoin mining. Demand for new miners increased in response to increased bitcoin prices in 2021 followed by a decrease in demand due to falling bitcoin prices in 2022. We observed the price of these new miners followed changes in demand, resulting in elevated machine prices when bitcoin mining economics are high and significantly lower prices when these economics are strained. As a result, positive bitcoin economics may negatively impact our future equipment costs and increase the competition to secure mining equipment. If we are unable to acquire sufficient numbers of new miners or access sufficient capital to fund our acquisitions, our results of operations and financial condition may be adversely affected, which could adversely affect investments in our securities.

Global economic conditions, including continuing or worsening inflationary issues and associated changes in monetary policy and potential economic recession, and geopolitical events such as the Russia-Ukraine conflict, and the subsequent imposition of sanctions as a result of the Russia-Ukraine conflict, the Israeli-Palestinian conflict and the conflict with Iran, could adversely affect our business, financial condition and results of operations.

General economic and political conditions such as economic recessions, interest rates, rising inflation, commodity prices, foreign currency fluctuations, international tariffs, social, political and economic risks, hostilities or the perception that hostilities may be imminent, military conflict and acts of war, including further escalation of the Russia-Ukraine conflict and the related response, including sanctions or other restrictive actions, by the United States and/or other countries, as well as the Israeli-Palestinian conflict, could adversely impact our business, supply chain or partners. The U.S. inflation rate steadily increased since 2023 and into 2026. These inflationary pressures, as well as disruptions in our supply chain, have increased the costs of most other goods, services and personnel, which have in turn caused our capital expenditures and operating costs to rise. Sustained levels of high inflation caused the U.S. Federal Reserve and other central banks to increase interest rates, which have raised the cost of acquiring capital and reduced economic growth, either of which—or the combination thereof—could hurt the financial and operating results of our business. In addition, the extent and duration of the situation in Ukraine, resulting sanctions and resulting future market disruptions are impossible to predict, but could be significant.

The effects of such global economic conditions, including continuing or worsening inflationary issues and associated changes in monetary policy or potential economic recession, and geopolitical events could adversely affect our ability to access the capital and other financial markets, and if so, we may need to consider alternative sources of funding for some of our growth and operations and for working capital, which may increase our cost of, as well as adversely impact our access to, capital.

Geopolitical crises may trigger large-scale purchases of bitcoin, which could rapidly increase the price of bitcoin. This may, however, also increase the likelihood of a subsequent price swing in the opposite direction as crisis-driven purchasing behavior dissipates, ultimately decreasing the value of bitcoin or any other digital asset in our possession. Such risks are similar to the risks of purchasing commodities in generally uncertain times, such as the risk of purchasing, holding or selling gold.

Alternatively, global crises and economic downturns may discourage investment in bitcoin and digital assets in general as investors shift their investments towards less volatile asset classes. Such events could have a material adverse effect on our business, prospects or operations and potentially the value of bitcoin we mine or otherwise acquire or hold for our own account.

Divestitures and discontinued operations could negatively impact our business, and retained liabilities from businesses that we have sold could adversely affect our financial results.

In connection with the execution of our historical strategy to focus primarily on bitcoin mining, we completed several divestitures, including the divestiture of a part of our former energy business. We intend to make further dispositions, including of assets related to our bitcoin mining operations, which we may not be able to complete on favorable terms or at all. If we do not realize the expected benefits of these divestitures or our post-completion liabilities and continuing obligations are substantial and exceed our expectations, our financial position, results of operations and cash flows could be negatively impacted.

Further, in the course of our discontinued operations, we may become subject to legal actions based on a claim that our legacy energy products are or were defective in workmanship or have caused personal or other injuries. We may also be subject to lawsuits and other claims in the future if our legacy products or installed systems malfunction, including, for example, if any of our energy system offerings (such as installed racking systems, photovoltaic modules, batteries, inverters, or other products) causes injuries. Because energy systems and many of our other products are electricity-producing devices, it is possible that customers or their property could be injured or damaged by our products, whether due to product malfunctions, defects, improper installation or other causes. Further, since our products are used in systems that are made up of components sourced from third-party manufacturers, we may be subject to product liability claims even if our products do not malfunction. Additionally, any of our products could be subject to recalls due to product malfunctions or defects.

The successful assertion of product liability claims against us could result in potentially significant monetary damages that could require us to make significant payments, as well as subject us to adverse publicity, thereby damaging our reputation and competitive position. We rely on third-party manufacturing warranties provided by our manufacturing partners and our general liability insurance to cover product liability claims and have not obtained separate product liability insurance. Such warranties and insurance coverage may not be adequate to cover all potential claims. Moreover, even if such warranties and insurance coverage are sufficient, any successful claim could significantly harm our business, reputation, financial condition and results of operations.

Our limited insurance protection exposes us and our stockholders to the risk of loss of our bitcoin for which no person is liable.

We do not currently maintain our own insurance coverage for our bitcoin holdings, which are held in custody by Coinbase. In addition, while Coinbase maintains insurance coverage of such types and amounts as Coinbase asserts to be commercially reasonable for its custodial services provided under the Company's custody agreement with Coinbase, including certain commercial crime insurance of limited aggregate principal amount which covers losses stemming from fraud, security breach, hack and asset theft, such insurance coverage may be insufficient to protect the Company against all losses of its bitcoin holdings held in custody with Coinbase, whether or not stemming from security breaches, cyberattacks or other types of unlawful activity. Therefore, a loss may be suffered with respect to our bitcoin that is not covered by insurance and for which no person is liable for damages, which could adversely affect our operations and, consequently, an investment in us.

We are exposed to risks relating to our bitcoin treasury function.

In April 2025, we launched the treasury function, and we plan to continue to integrate it into our regular treasury management activities. Our expansion into such treasury management activities for our bitcoin holdings subjects us to unforeseen risks, challenges and uncertainties, and there is no guarantee that we will generate revenue from such activities or realize any of the other anticipated benefits of such activities. The transactions in which the bitcoin treasury function may engage could involve significant risks. Trading in bitcoin and bitcoin related financial products is a speculative activity. The price of bitcoin has been subject to significant historical volatility and may be subject to influence from malicious actors, real or perceived scarcity, political, economic, and regulatory conditions, and speculation, making its price more volatile.

We established relationships to engage in derivative transactions that permit our bitcoin treasury function to trade in bitcoin and bitcoin related financial products; however, there can be no assurance that we will be able to maintain such relationships or establish such relationships. An inability to establish or maintain such relationships could limit our treasury activities, create losses, preclude us from engaging in certain transactions, financing, derivative intermediation and counterparty services and prevent us from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and counterparty services provided by any such relationships before we establish additional relationships could have a significant impact on our business due to our reliance on such counterparties.

Some of the markets in which we may effect transactions in bitcoin will not be "exchange-based", including "over-the-counter" or "interdealer" markets (i.e., principal-to-principal contracts between us and third parties entered into privately, rather than on an exchange). As a result, we are not afforded the regulatory and financial protections of an exchange or its clearinghouse (or of the government regulator that oversees such exchange and clearinghouse), and in privately negotiated transactions, the risk of the negotiated price deviating materially from fair value is substantial. This exposes us to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing us to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where we have concentrated our transactions with a single or small group of counterparties. Furthermore, there is a risk that any of our counterparties could become insolvent and/or the subject of insolvency proceedings. If one or more of our counterparties were to become insolvent or the subject of insolvency proceedings, there exists the risk that the recovery of bitcoin from our counterparties, including, but not limited to, broker-dealers, will be delayed or be of a value less than the value of the bitcoin originally entrusted to such counterparty.

We may use counterparties located in jurisdictions outside the United States. Such counterparties are subject to the laws and regulations in non-U.S. jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to our assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency on us and our assets.

Risks Related to Governmental Regulation and Enforcement Operations

Our data center projects may be subject to new or rapidly evolving regulatory frameworks, and we may face increased public scrutiny or negative publicity as a result of our data center strategy.

Data centers are increasingly scrutinized by federal, state, and local authorities, and have been subject to scrutiny by environmental activists and negative public perception, due to concerns regarding energy consumption, land use, carbon emissions, water usage, environmental impacts, data-sovereignty considerations and national-security-related issues. Regulators may impose new permitting requirements, energy-efficiency standards, carbon-reduction mandates, sustainability reporting rules, or operational or other restrictions specific to or otherwise impacting data centers, AI infrastructure, or high-density compute environments. For example, on July 14, 2026, New York State Governor Kathy Hochul signed an executive order barring the construction of new hyperscale data centers using 50 megawatts or more of power for up to one year in the state of New York. Additionally, on August 3, 2026, Texas Governor Greg Abbott sent a letter to the Electric Reliability Council of Texas and the Public Utility Commission of Texas, which directed a comprehensive verification and audit of all data centers advancing through the interconnection process within the state before they are approved to move forward, and in July a temporary data center and battery energy storage system moratorium was imposed by Austin County. Further, on November 3, 2026, Gina Hinojosa was elected Governor of Texas. During her campaign, Governor-elect Hinojosa repeatedly called for an immediate statewide moratorium on data center development. She stated that she would halt approvals until the Texas legislature passes legislation that, among other things, gives communities a greater voice in data center siting, protects household utility rates, addresses water usage and ends tax incentives for data centers. We cannot predict whether, when or to what extent any such moratorium, legislation or other restrictions will be enacted or implemented, or how long they would remain in effect. Even without a statewide moratorium, the Texas legislative session beginning in 2027 could bring stricter rules on who pays for grid infrastructure, water use and data center tax incentives.

Such governmental actions and regulations, at the federal level or by state and local governments in the States of Texas and Georgia, where our properties are located, could increase our capital expenditures, delay development timelines, limit expansion opportunities, limit projects from moving forward through commercialization, or require costly modifications to existing infrastructure. Any restrictions or new policy initiatives targeting large-scale compute operations, including those supporting AI/HPC workloads, could limit our opportunities to acquire additional properties and restrict our ability to build out our data center operations on any of our existing or future properties, which may adversely affect our data center business or limit the economic viability of our strategic diversification initiatives. In addition, many U.S. and international governmental bodies and regulators have proposed, enacted or are in the process of developing new regulations related to the use of AI and machine learning technologies, including the EU AI Act, Colorado AI Act, California Bot Disclosure Law, and Utah AI Policy Act, as well as regulations on certain high-risk automated decisions, such as those in the employment context. For example, the EU AI Act, which applies beyond the European Union’s borders and establishes obligations for AI providers and those deploying AI systems, sets out a risk-based framework that subjects certain AI technologies to numerous compliance obligations, such as transparency, conformity and risk assessment, monitoring and human oversight requirements. Under the EU AI Act, non-compliant companies may be subject to administrative fines of up to 35 million Euros or 7% of a company's total worldwide annual turnover for the preceding financial year, whichever is higher. Certain of our activities subject us to the EU AI Act and other U.S. and non-U.S. laws governing AI or data processed in connection with AI. In addition to formal legislation, governmental authorities may take enforcement or administrative actions that restrict the use of specific AI technologies. For example, federal agencies have designated Anthropic as a supply chain risk. We expect other jurisdictions may adopt similar or potentially more restrictive laws, which may render the use of such technologies challenging and may adversely affect our ability to execute our data center expansion strategy.

Given the evolving nature of digital asset and data-center regulation, and the difficulty of predicting the outcomes of ongoing or future governmental actions, we cannot assure you that future regulatory or legislative developments will not have a material adverse effect on our business, prospects, financial condition, or operations. Even in the absence of new regulations or legislation, increased public scrutiny or negative publicity regarding the development and environmental impact of HPC data centers could harm our reputation, which may adversely affect our business, financial condition and results of operations.

There are risks in connection with noise pollution and community opposition related thereto that may have a negative effect on our business.

The Company's operations involve the use of a large number of high-powered data centers and cooling systems that generate significant noise. This noise generated by our data centers can pose several risks to the Company's business including community complaints, reputational damage, litigation risk, regulatory risk, operational constraints, increased costs and opposition to expansion. These risks could lead to fines or penalties imposed by local governments, requirements to implement costly noise mitigation measures, restrictions on the Company's operating hours, reduction of scale of the Company's operations, stricter noise control regulations on the Company's operations, potential shutdown of data centers that cannot meet local noise regulations, damages resulting from lawsuits and difficulty obtaining necessary permits and approvals for expanding existing data centers or establishing new site operations. The inherently noisy nature of large-scale bitcoin mining and data center operations presents ongoing risks to the Company's business that may negatively affect its financial condition and results of operations.

We are subject to environmental, health and safety laws and regulations, including public energy policy and applicable zoning, building-code and energy-efficiency standards and worker health and safety laws and regulations, and these laws and regulations and any changes to them may materially adversely affect our brand, reputation, business, results of operations and financial position.

We and our operations and properties are subject to laws and regulations governing health and safety, the discharge of pollutants into the environment or otherwise relating to health, safety and environmental protection requirements in the jurisdictions in which we operate. These laws and regulations may impose numerous obligations that are applicable to us, including acquisition of a permit or other approval, or completion of environmental reviews and assessments, 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 or areas with endangered plants or species; imposition of specific health and safety standards addressing worker protection from work related health and safety risks; imposition of certain zoning, building code and energy-efficiency standards for the sites at which we operate; and imposition of significant liabilities for pollution, including investigation, remedial and clean-up costs, which can be joint and several. Failure to comply with these requirements may expose us to fines, penalties and/or interruptions in our operations, among other sanctions, that could have a material adverse effect on our financial position, results of operations and cash flows. Failure to obtain, secure renewal of, or maintain permits or tightening of restrictions within our permits, or the failure to meet the zoning, building code, health and safety and energy-efficiency standards imposed by regulations applicable to our sites, could have a material adverse effect on our business, including our ability to recruit and retain personnel, or cause us to incur material expenses. Moreover, it is not uncommon for neighboring landowners, community groups, activists and other third parties to file claims for personal injury, property damage and nuisance allegedly caused by noise or the release of hazardous substances into the environment.

The trend of increased environmental regulation is not linear and can fluctuate depending on the administration and jurisdiction, even within the same county. For example, although the Trump Administration initially withdrew the U.S. from the Paris Agreement in November 2020, the U.S. reentered the Paris Agreement in February 2021 under the Biden Administration, but the Trump Administration again withdrew from the Paris Agreement on January 20, 2025. In addition, a number of governments or governmental bodies have introduced or are contemplating environmental and energy legislative and regulatory changes in response to the increasing focus on power consumption required to operate large-scale data centers. A changing legislative environment could create economic and regulatory uncertainty for the data center industry, due to the high energy demand, which could make the industry a target for future environmental and energy laws and regulations. If new laws or regulations are imposed, or if existing laws or regulations are modified, the assumptions we have made underlying the cost of construction of the Sandersville Facility and future data center facilities may be inaccurate, and we may incur additional costs to complete construction and/or operate such facilities.

Our AI and HPC data center operations require a substantial amount of power. They can only be successful, and ultimately profitable, if we can obtain sufficient electricity, on a timely and cost-effective basis, to deliver the capacity we have contracted to our tenants. Our development plans are based in part on our understanding of current energy, environmental and land-use laws, and of the rules of the grid operators, transmission providers and utilities that serve our sites. Regulators and grid operators are increasingly focused on the effect of large electrical loads, including data centers, on grid reliability and on costs for other customers. For example, Texas has enacted legislation requiring new processes and requirements for interconnecting loads of 75 MW or more to the ERCOT system. These include security payments with interconnection requests and a new approval for co-locating generation with large loads. ERCOT has also adopted a batched process for evaluating large-load interconnection requests. Changes like these, along with mandatory curtailment during grid emergencies, minimum transmission charges, ride-through requirements or energy-efficiency mandates, could delay or reduce the energization of our sites, increase our costs, or affect our ability to meet delivery schedules and uptime commitments under our leases.

In addition, some federal, state, and local policymakers have expressed concern about the energy and water use of data centers. Some jurisdictions have adopted or are considering moratoria, permitting freezes or restrictions on large data centers, and others may follow. New climate-related requirements, such as renewable energy mandates, emissions limits, or environmental monitoring and reporting obligations, could impose significant costs on us, our tenants and our suppliers. They could also put us at a competitive disadvantage compared with operators in jurisdictions without such requirements. Negative public perception of the energy use of data centers, whether or not justified, could lead to further adverse regulation, community opposition to our projects or harm to our reputation. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations. Despite closely following developments in this area and changes in the regulatory landscape in the United States, we cannot predict with precision or quantify how or when challenges may arise and ultimately impact our business.

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, costs to purchase renewable energy credits or allowances, and other costs to comply with such regulations. Specifically, imposition of a tax or other regulatory fee in jurisdictions where we operate or on electricity that we purchase could result in substantially higher energy costs and could in turn put our facilities at a competitive disadvantage. Any future climate change regulations could also negatively affect 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, and energy disclosure and use regulations, we cannot predict how legislation and regulation will affect our financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increasing awareness and any negative publicity in the global marketplace about potential impacts on climate change or energy use 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, prospects, results of operations and cash flows.

In addition, data center construction projects and related infrastructure construction projects have increasingly been targeted in environmental protests by groups advocating for increased environmental regulation. These protests have resulted in material delay to certain data center projects in the United States and may continue to impact projects in the future. Any such protest activity with respect to the Sandersville Facility and any future data center facilities could result in a delay in construction or otherwise adversely impact the political or regulatory environment with respect to our data center facilities, each of which could adversely impact our business.

If regulatory changes or interpretations of our bitcoin mining activities require our registration as an MSB under the regulations promulgated by FinCEN under the authority of the BSA, or otherwise under state laws, we may incur significant 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 adverse effect on our business and the results of our operations.

To the extent our bitcoin mining activities cause us to be deemed a money services business (an "MSB") under the regulations promulgated by the Financial Crimes Enforcement Network ("FinCEN") under the authority of the U.S. Bank Secrecy Act (the "BSA"), we may be required to comply with FinCEN regulations, including those that would mandate us to implement anti-money laundering programs, make certain reports to FinCEN and maintain certain records.

To the extent that our cryptocurrency activities cause us to be deemed a "money transmitter" (an "MT") or be given an equivalent designation under state law in any state in which we operate, we may be required to seek a license or otherwise register with a state regulator and comply with state regulations that may include the implementation of anti-money laundering programs, maintenance of certain records and other operational requirements. Currently, the New York State Department of Financial Services maintains a comprehensive "BitLicense" framework for businesses that conduct "virtual currency business activity." Effective August 2020, Louisiana enacted the Virtual Currency Businesses Act. The implementing regulations were formally adopted in late 2022. In October 2023, California enacted the Digital Financial Assets Law, which requires registration for certain digital financial asset business activities. The Digital Financial Assets Law took effect on July 1, 2026. We will continue to monitor for developments in state-level legislation, guidance or regulations applicable to us.

Such additional federal or state regulatory obligations in the United States or obligations that could arise under the regulatory frameworks of other countries may cause us to incur significant expenses, possibly affecting our business and financial condition in a material and adverse manner. Furthermore, we and our service providers may not be capable of complying with certain federal or state regulatory obligations applicable to MSBs and MTs or similar obligations in other countries. If we are deemed to be subject to such additional regulatory oversight and registration or licensing requirements, we may be required to substantially alter our bitcoin mining activities and possibly cease engaging in such activities. Any such action may adversely affect our business operations and financial condition and an investment in our company.

Current regulation regarding the exchange of bitcoins under the CEA by the CFTC is unclear; to the extent we become subject to regulation by the CFTC in connection with our exchange of bitcoin, 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 bitcoins. Generally, the CFTC, the federal agency that administers the CEA, regards bitcoin and other cryptocurrencies as commodities. This position has been supported by decisions of federal courts.

However, 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 promulgations by the CFTC, may impact the classification of bitcoin and, therefore, may subject bitcoin to additional regulatory oversight by the agency. Although to date the CFTC has not enacted regulations governing non-derivative or non-financed, margined or leveraged transactions in bitcoin, 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 bitcoin, in interstate commerce (e.g., manipulation and engaging in certain deceptive practices).

We cannot be certain as to how future regulatory developments will impact the treatment of bitcoin under the law. Any requirements imposed by the CFTC related to our mining activities or our transactions in bitcoin could cause us to incur additional extraordinary, non-recurring expenses, thereby potentially materially and adversely impacting an investment in the Company.

Moreover, if our mining activities or transactions in bitcoin were deemed by the CFTC to constitute a collective investment in derivatives for our stockholders, 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 potentially materially and adversely impacting an investment in the Company. 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 the Company.

While no provisions of the CEA or CFTC rules, orders, or rulings (except as noted herein) appear to be currently applicable to our business, this is subject to change.

If the SEC or another regulatory body considers bitcoin to be a security under U.S. securities laws, we may be required to comply with significant SEC registration and/or other requirements.

In general, novel or unique assets such as bitcoin and other digital assets may be classified as securities if they meet the definition of investment contracts under U.S. law. In recent years, the offer and sale of digital assets other than bitcoin, most notably Kik Interactive Inc.'s Kin tokens and Telegram Group Inc.'s TON tokens, have been deemed to be investment contracts by the SEC. While we believe that bitcoin is unlikely to be considered an investment contract, and thus a security under the investment contract definition, we cannot provide any assurances that digital assets that we may mine or otherwise acquire or hold for our own account, including bitcoin, will never be classified as securities under U.S. law. This would obligate us to comply with registration and other requirements by the SEC and, therefore, cause us to incur significant, non-recurring expenses, thereby potentially materially and adversely impacting an investment in the Company.

In the future, if the SEC or other regulators determine that bitcoin or other digital assets we hold qualify as securities, we may be required to register as an investment company under the Investment Company Act of 1940, as amended. This classification would subject us to additional periodic reporting, disclosure requirements, and regulatory compliance obligations, significantly increasing our operational costs. Furthermore, state regulators may conclude that digital assets are securities under state laws, requiring us to comply with state-specific securities regulations. States like California have stricter definitions of "investment contracts" than the SEC, increasing the risk of additional regulatory scrutiny.

It may be illegal now, or in the future, to mine, acquire, own, hold, sell or use bitcoin or other cryptocurrencies, participate in blockchains or utilize similar cryptocurrency assets in one or more countries, the ruling of which could adversely affect us.

Although currently cryptocurrencies generally are not regulated or are lightly regulated in most countries, several countries, such as China, India and Russia, may continue taking regulatory actions in the future that could severely restrict the right to mine, acquire, own, hold, sell or use cryptocurrency assets or to exchange any such cryptocurrency assets for local currency. For example, in China, India, and Russia, it is illegal to accept payment in bitcoin and other cryptocurrencies for consumer transactions and banking institutions are barred from accepting deposits of cryptocurrencies. In addition, in March 2021, the governmental authorities for the Chinese province of Inner Mongolia banned bitcoin mining in the province due to the industry's intense electrical power demands and its negative environmental impacts. If other countries, including the U.S., implement similar restrictions, such restrictions may adversely affect us. For example, in New York State, a two-year moratorium on certain bitcoin mining operations that run on carbon-based power sources was signed into law on November 22, 2022. The moratorium expired on November 22, 2024, without renewal or an extension. Nevertheless, such circumstances could have a material adverse effect on us, 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 thus harm investors.

If we fail to qualify for certain state government tax incentives or to comply with local tax regulations, we may have increased tax costs.

We expect to continue to negotiate for certain sales and use tax incentives from U.S. state governments in exchange for encouraging investment and employment. Our interpretations and conclusions regarding these potential tax incentives are not binding on any taxing authority. If our assumptions about, or interpretation or implementation of, tax and other laws are incorrect; if tax laws or regulations are substantially modified or rescinded; if the tax incentives from which we benefit in the jurisdictions in which we operate are substantially modified or rescinded; if we fail to meet the conditions of any of the tax incentives; or if we do not prevail in disputes with tax authorities, we could suffer material adverse tax and other financial consequences, including owing significant amounts of taxes and penalties that would increase our expenses, reduce our profitability and adversely affect our cash flows, results of operations and financial condition.

Future developments regarding the treatment of digital assets for U.S. federal income and applicable state, local and non-U.S. tax purposes could adversely impact our business.

Due to the new and evolving nature of digital assets and the absence of comprehensive legal guidance with respect to digital assets and related transactions, many significant aspects of the U.S. federal income and applicable state, local and non-U.S. tax treatment of transactions involving digital assets, such as the purchase and sale of bitcoin and the receipt of staking rewards and other digital asset incentives and rewards products, are uncertain, and it is unclear what guidance may be issued in the future with respect to the tax treatment of digital assets and related transactions.

Current Internal Revenue Service ("IRS") guidance indicates that for U.S. federal income tax purposes digital assets such as bitcoins should be treated and taxed as property, and that transactions involving the payment of bitcoins for goods and services should be treated in effect as barter transactions. The IRS has also released guidance to the effect that, under certain circumstances, hard forks of digital currencies are taxable events giving rise to taxable income and guidance with respect to the determination of the tax basis of digital currency. Further, the IRS has clarified that staking rewards received must be included in gross income for the taxable year in which the taxpayer gains dominion and control over the awarded cryptocurrency, and the income is recognized at the fair value at that date. While current IRS guidance creates a potential tax reporting requirement for any circumstance where the ownership of a bitcoin passes from one person to another, it preserves the right to apply capital gains treatment to those transactions, which is generally favorable for investors in bitcoin.

There can be no assurance that the IRS will not alter its existing position with respect to digital assets in the future or that other state, local and non-U.S. taxing authorities or courts will follow the approach of the IRS with respect to the treatment of digital assets such as bitcoin for income tax and sales tax purposes. Any such alteration of existing guidance or issuance of new or different guidance may have negative consequences including the imposition of a greater tax burden on investors in bitcoin or a greater cost on the acquisition and disposition of bitcoin, generally, and potentially have a negative effect on the trading price of bitcoin or otherwise negatively impact our business. In addition, 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 applicable state, local and non-U.S. tax purposes.

Our interactions with the bitcoin network may expose us to SDN or blocked persons or cause us to violate provisions of law that did not contemplate distributed ledger technology.

The Office of Foreign Assets Control ("OFAC") of the Treasury requires us to comply with its sanction program and not conduct business with persons named on its specially designated nationals ("SDN") list. However, because of the pseudonymous nature of blockchain transactions, we may inadvertently and without our knowledge engage in transactions with persons named on OFAC's SDN list. We also may not be adequately capable of determining the ultimate identity of the persons with whom we transact.

The U.S. political and economic environment could materially impact our business operations and financial performance, and uncertainty surrounding the potential legal, regulatory and policy changes by the current U.S. presidential administration may directly affect us and the global economy.

The political and economic environment in the U.S. and elsewhere has resulted in, and may continue to result in, uncertainty. Changing regulatory policies because of the evolving political environment or otherwise could pose challenges to our business model and materially and adversely affect our business, financial condition and results of operations. For example, in March 2025, the U.S. federal government established a strategic bitcoin reserve, which could significantly affect bitcoin prices through large-scale purchasing programs, potentially creating increased price volatility or artificial price suppression that could make our mining operations less profitable or unprofitable.

Furthermore, the government might exercise greater influence over the bitcoin network, which could affect mining difficulty rates, transaction processing, or other technical aspects of the network in ways that could adversely impact our operations. These changes could affect market sentiment and institutional adoption of bitcoin in unpredictable ways that could impact bitcoin's value. For example, in July 2025, the Guiding and Establishing National Innovation for U.S. Stablecoins Act of 2025 became the first federal law specifically regulating the issuance, custody and other stablecoin-related matters in the United States. It is difficult to predict whether, or when, a bill that would regulate digital asset markets and digital asset trading platforms may become law or whether any new law will lead to Congress granting additional authorities to the SEC or other regulators, what the nature of such additional authorities might be, how additional legislation and/or regulatory oversight might impact the ability of digital asset markets to function or how any new regulations or changes to existing regulations might impact the value of digital assets generally and bitcoin specifically. In September 2026, the Digital Asset Market Clarity Act of 2025 stalled in the U.S. Senate and failed to receive the required vote to advance. The consequences of increased federal regulation of digital assets and digital asset activities could have a material adverse effect on our business and operations.

Our ability to conduct business can also be significantly impacted by changes in tariffs, customs policies, changes in or repeals of trade agreements and the imposition of other trade restrictions or retaliatory actions imposed by various governments. For example, since the first quarter of 2025, the United States has introduced trade policy actions that have increased import tariffs across a wide range of countries at various rates, including from certain jurisdictions from which we import mining equipment and other products and components. If tariffs, trade restrictions or trade barriers are expanded or increased, then our exposure to future taxes and duties on imported products and components could be significant and could have a material effect on our financial results, including the illustrative financial information included in this filing.

We have faced complications related to the import of our miners and other mining equipment in the past and may again in the future. The global supply of miners is unpredictable and presently heavily dependent on manufacturers headquartered in China, with manufacturing in Asia, which was severely affected by the emergence of the COVID-19 pandemic. We currently utilize several types of ASIC miners as part of our mining operation, including Bitmain Antminers, Canaan Avalon miners and MicroBT WhatsMiners, with supply chains in China, Malaysia, Indonesia or Thailand. Geopolitical matters, including the relationship of the U.S. with other countries, trade restrictions and tariffs, or the threat of trade restrictions or tariffs, may impact our ability to import miners or other equipment necessary for our operations. In addition, officials of CBP have broad discretion regarding products imported into the United States, and the CBP has on occasion, and may again in the future, detained and/or seized imported miners and other equipment necessary to the operation of our miners, which has resulted in significant costs to us. If any of our mining equipment is detained and/or seized again in the future, we may not be able to obtain adequate replacement parts for our existing miners and other equipment or obtain additional miners and other equipment from manufacturers on a timely basis, or at all. Such events could have a material adverse effect on our business, prospects or operations and potentially the value of any bitcoin we mine or otherwise acquire or hold for our own account, and harm investors.

The timeline, structure, and scope of any potential regulatory policies are uncertain, making it difficult for us to plan for or mitigate these risks effectively. In addition, we cannot predict what further action may be taken with respect to tariffs or trade relations between the U.S. and other governments. Any such changes could fundamentally alter the competitive and regulatory landscape in which we operate, and political tensions as a result of trade policies could reduce trade volume, investment, technological exchange, and other economic activities between major international economies, resulting in a material adverse effect on global economic conditions and the stability of global financial markets, all of which could have a material adverse effect on our business, financial condition, and results of operations. The price of bitcoin has historically been volatile and is impacted by a variety of factors, including political, economic, regulatory or other conditions.

We may face risks related to processing of personal data and/or confidential information.

We, our data center tenants, and our respective vendors are subject to laws, rules, regulations, industry standards, and other requirements relating to the processing and security of information that relates to individuals and/or constitutes "personal data," "personal information," "personally identifiable information," or similar terms under applicable data privacy laws (collectively, "Personal Information"). The possession and use of Personal Information in conducting the Sandersville Facility's operations subject us to significant legal and regulatory burdens. For example, in the United States, the Federal Trade Commission and state regulators enforce a variety of data privacy issues, such as promises made in privacy policies or failures to appropriately protect information about individuals, as unfair or deceptive acts or practices in or affecting commerce in violation of the Federal Trade Commission Act or similar state laws. In addition, certain states have adopted or modified data privacy and security laws and regulations that may apply to our business. These laws may require us to notify vendors, tenants or other parties with whom we or they have commercial relations of a data security breach and to respond to regulatory inquiries and to enforcement proceedings. Global privacy and data protection legislation, enforcement, and policy activity in this area are rapidly expanding and evolving and may be inconsistent from jurisdiction to jurisdiction.

Applicable laws, rules and regulations relating to privacy and data security are in some cases relatively new, and the interpretation and application of these laws are uncertain. Compliance requirements and any failure or perceived failure to comply with applicable laws, rules, industry standards, regulations, and other requirements may cause us to incur substantial costs, subject us to proceedings by individuals or governmental entities or others and cause us to incur penalties or other significant legal liability or lead to changes in our business practices. Further, these proceedings and any subsequent adverse outcomes may subject us to significant negative publicity and an erosion of trust. If any of these events were to occur, it could have a material adverse effect on our business, results of operations, and financial condition. Moreover, we cannot determine the impact that future interpretations or applications of future requirements, laws, regulations and standards may have on our business.

In connection with certain of these laws and regulations, we are, or may become, subject to audits and assessments, and we may be required to obtain and maintain certain certifications. Audit failure or findings of non-compliance can lead to significant fines or decertification from engaging in certain activities. Further, our data center tenants may expect us to comply with more stringent privacy and data security requirements than those imposed by laws, regulations or self-regulatory requirements, and we may be, or may become, obligated contractually to comply with additional or different standards relating to our handling or protection of data, including Personal Information, on or by our offerings. It may be costly for us to comply with such laws or contractual requirements.

We or our affiliates may not be able to adequately obtain, maintain, enforce or protect our intellectual property rights that are material to our business. Failure to protect intellectual property rights or adhere to the terms and conditions of use of intellectual property rights in relation to the Sandersville Facility or any future leases may undermine our competitive position, and litigation to protect those rights may be costly and may not be resolved in our favor.

In the ordinary course of completing and operating the Sandersville Facility and any other future AI and HPC data centers, we may benefit from limited license or sublicense rights to certain intellectual property rights of third parties arising from customary contractual passthroughs (including under equipment, engineering, manufacturing, construction, or similar agreements), rather than from separate, standalone license agreements. Such rights, where applicable, will be in the ordinary course, limited in scope and subject to applicable license terms. If we do not comply with these terms, the applicable licensed intellectual property, technologies and other confidential information may no longer be available to us or available only on less favorable terms, which could adversely impact our business, results of operations and financial condition.

We or our affiliates may also be unable to detect or determine the full extent of any unauthorized use of our or our affiliate's intellectual property rights. Intellectual property rights we acquire or license may be generated through the use of U.S. government funding and may therefore be subject to retained U.S. government rights, including a non-exclusive, non-transferable, irrevocable worldwide license for the U.S. government to use the intellectual property for any governmental purpose.

Additionally, our data center tenants may occasionally provide our employees access to proprietary intellectual property and confidential information, including technology, business policies and plans, and trade secrets. Additionally, any future replacement data center leases may require us to not use or disclose such intellectual property or information and to indemnify tenants for any loss they may suffer as a result of any unauthorized use or disclosure. We and our tenants use security technologies and other methods designed to prevent employees from making unauthorized copies or using or disclosing such intellectual property and confidential information without authorization. The confidentiality agreements that we and our tenants enter into with our respective employees limit access to and distribution of our tenants' intellectual property and other confidential information as well as our information. However, these steps may not be adequate to safeguard the applicable intellectual property and confidential information. Moreover, any replacement data center leases may not include any limitation on our liability with respect to breaches of our obligation to keep the intellectual property or confidential information we receive from them confidential. In addition, we may not always be aware of intellectual property registrations or applications relating to intellectual property belonging to our current or replacement tenants. As a result, if we or any of our agents misappropriate a tenant's proprietary rights, such tenant may consider us liable for such act and seek damages and compensation from us.

While it is our policy to enter into confidentiality agreements with our contractors, consultants and other third parties to protect our trade secrets and other proprietary information, there can be no assurances that: (i) our confidentiality agreements will not be breached; (ii) such agreements will provide meaningful protection for our trade secrets or other proprietary information; or (iii) adequate remedies will be available in the event of any misappropriation or unauthorized use or disclosure of such trade secrets or proprietary information. In addition, we cannot guarantee that we have entered into confidentiality agreements or intellectual property assignment agreements with all independent contractors, consultants, or other third parties that have or may have had access to our trade secrets or other proprietary or confidential information, or that have otherwise developed intellectual property for us, or that these agreements will be effective in controlling access to, and use and distribution of, our intellectual property and proprietary information. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret or know-how is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, trade secrets and know-how can be difficult to protect and some courts inside the United States are less willing or unwilling to protect trade secrets and know-how. Furthermore, competitors or other third parties may independently discover our trade secrets, copy, or reverse engineer our products or portions thereof, or develop similar technology.

Risks Related to Our Securities

The price of our common stock may be volatile and could fluctuate widely, which could result in substantial losses for investors.

The market price of our common stock is likely to be highly volatile and could fluctuate widely in response to various factors, many of which are beyond our control, including, without limitation:

- announcements by us or our competitors of new leases, tenants, or development or financing transactions, or the failure to announce or complete anticipated transactions;
- the timing of construction, energization and delivery of our data center capacity, including delays or cost overruns;
- the financial condition of, or our relationships with, our key tenants, particularly given our tenant concentration;
- changes in investor sentiment toward AI and AI infrastructure, including changes in expected demand for HPC data center capacity;
- fluctuations in the price of bitcoin, while we continue to operate bitcoin mining capacity;
- technological innovations or new products and services by us or our competitors;
- government regulation;
- intellectual property disputes;
- additions or departures of key personnel;
- sales of our common stock;
- hedging or arbitrage trading activity in our common stock;
- our ability to integrate operations, technology, products and services;
- our ability to execute our business plan;
- operating results below expectations;
- loss of any strategic relationship;
- industry developments;
- changes in energy, environmental or other laws, regulations or grid operator requirements affecting our sites;
- economic and other external factors; and
- period-to-period fluctuations in our financial results.

Historically, the trading price of our common stock has been correlated with the price of bitcoin. As we move our business toward HPC data center operations, the trading price of our common stock may become less correlated with bitcoin and more sensitive to developments in the AI and data center industries, which may themselves be volatile. These fluctuations could cause the trading price of our common stock to decline regardless of our operating performance and could adversely affect our ability to raise capital.

In addition, the stock market in general, and the market for technology and AI-related stocks in particular, has experienced significant price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of particular companies. These broad market fluctuations have caused, and may continue to cause, the trading price of our common stock to decline. A continuation or worsening of the levels of market disruption and volatility seen in the recent past could have an adverse effect on our ability to access capital, on our business, financial condition, results of operations, cash flow and prospects, and on the market price of our common stock. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. We may become involved in this type of litigation in the future. Litigation of this type may be expensive to defend and may divert our management's attention and resources from the operation of our business.

We have the right to designate and issue additional shares of preferred stock. If we were to designate and/or issue additional preferred stock, it is likely to have rights, preferences and privileges that could adversely affect the common stock.

We are authorized to issue 10,000,000 shares of blank-check preferred stock, with such rights, preferences and privileges as may be determined from time to time by our Board of Directors. Our Board of Directors is empowered, without stockholder approval, to issue preferred stock in one or more series, and to fix for any series the dividend rights, dissolution or liquidation preferences, redemption prices, conversion rights, voting rights and other rights, preferences and privileges for the preferred stock. For example, on August 30, 2024, we filed a certificate of designation (the "Certificate of Designation") with the Nevada Secretary of State, effective as of the time of filing, designating the rights, preferences, privileges and restrictions of our Series X Preferred Stock, par value $0.001 per share (the "Series X Preferred Stock"), in connection with a vote to increase the number of shares of our common stock authorized for issuance from 300,000,000 shares to 600,000,000 shares (the "Authorized Share Increase") at our special meeting of stockholders held on October 25, 2024. The Certificate of Designation provided that each share of Series X Preferred Stock would have 1,000 votes and vote together with the outstanding shares of our common stock and Series A Preferred Stock on the Authorized Share Increase. Each outstanding share of Series X Preferred Stock was redeemed automatically and effective immediately after we published the final results of the stockholder vote on the Authorized Share Increase.

Currently, 2,000,000 shares are designated as Series A Preferred Stock, of which 1,750,000 shares are outstanding. Each share of Series A Preferred Stock will automatically convert into three shares of common stock in connection with the consummation of a change of control event. The holders of our Series A Preferred Stock are entitled to vote together with the holders of our common stock on all matters submitted to stockholders at a rate of forty-five (45) votes for each share of Series A Preferred Stock held. On March 20, 2026, the Company filed a First Amended and Restated Certificate of Designation of Series A Preferred Stock (the "Amended and Restated CoD") with the office of the Nevada Secretary of State, which became effective on such date. The Amended and Restated CoD amends the terms of the Company's Series A Preferred Stock to provide, among other things, that (A) all shares of Series A Preferred Stock will vote in accordance with the vote of the holders of a majority of the shares of Series A Preferred Stock, if a majority of the shares of Series A Preferred Stock continue to be held by directors or officers of the Company or entities controlled by directors or officers of the Company; (B) if officers, directors, or entities controlled by officers or directors do not own a majority of the shares of the Series A Preferred Stock, then all of the shares of Series A Preferred Stock will vote in accordance with the recommendation of the Board of Directors of the Company (the "Board"); and (C) if there is no such Board recommendation, then the shares of Series A Preferred Stock will vote in the same manner and proportion as shares of the Company's common stock and any other class or series of the Company's capital stock that are entitled to vote. Such amendment has the effect of further increasing the voting power of certain of our executives and directors in excess of their economic interest, and could discourage, delay or prevent a merger, acquisition, tender offer, proxy contest or other change in control of our company that our stockholders might consider to be in their best interests, including transactions in which stockholders might otherwise receive a premium for their shares.

The issuance of other classes of preferred stock, depending on the rights, preferences and privileges attributable to the preferred stock, could reduce the voting rights and powers of our common stock and the portion of our assets allocated for distribution to common stockholders in a liquidation event, and could also result in dilution in the book value per share of our common stock. The preferred stock could also be utilized, under certain circumstances, as a method for raising additional capital or discouraging, delaying or preventing a change in control of the Company, to the detriment of the investors in our common stock. We cannot assure you that we will not, under certain circumstances, issue additional shares of our preferred stock.

We are currently involved in shareholder class action and derivative litigation, and may be subject to shareholder litigation in the future; our costs of defending such litigation, arbitration and other proceedings and any adverse outcome of such litigation, arbitration or other proceeding may have a material adverse effect on our business and the results of our operations.

We are currently, and may from time to time in the future be, involved in and subject to material litigation and other legal proceedings. These proceedings include Hasthantra v. CleanSpark, Inc. et al., a securities class action concerning alleged misstatements and omissions relating to our acquisition of ATL Data Centers LLC and anticipated expansion of bitcoin mining operations. We are also a nominal defendant in the Consolidated Smith Derivative Actions, which assert claims on our behalf against certain current and former officers and directors. Both matters remain pending. See the discussion of these proceedings under "Legal contingencies" within Note 19 - Commitments and Contingencies of our Consolidated Financial Statements included in this Annual Report.

We have financed our strategic growth primarily by issuing new shares of our common stock and convertible debt in public offerings, which dilutes the ownership interests of our current stockholders, and which may adversely affect the market price of our securities.

We have raised capital to finance our strategic growth of our business through public offerings of our common stock, including through our former at-the-market offering programs and issuance of our 2030 Convertible Notes and 2032 Convertible Notes (as defined below and together with the 2030 Convertible Notes, the "Convertible Notes"), and we expect to need to raise additional capital through similar public offerings to finance the completion of our expansion initiatives and any expansion initiatives we may undertake in the future. Utilizing those sources may be more challenging in the current financial market conditions, in particular where trading volume is diminished.

We have issued, and may continue to issue, convertible securities, options, and warrants to officers, directors, and certain stockholders. Additionally, we have issued the Convertible Notes to certain institutional investors. The exercise, conversion, or exchange of these instruments, including for other securities, will dilute existing stockholders' ownership percentages. This dilution may negatively impact our ability to obtain additional capital. Holders of these securities may choose to exercise or convert them at times when we could otherwise secure equity capital on more favorable terms or when our common stock is trading above the exercise or conversion price.

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 impact our existing operations. If we raise additional equity financing, our stockholders may experience significant dilution of their ownership interests, and the per share value of our common stock could decline. Furthermore, if we engage in debt financing, the holders of any debt we issue would likely have priority over the holders of shares of our common stock in terms of order of payment preference. We may be required to accept terms that restrict our ability to incur additional indebtedness or 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 stockholders.

We have not paid dividends on shares of our common stock in the past and have no immediate plans to do so in the future.

We have not paid, and do not plan to pay in the immediate future, any cash dividends with respect to our common stock. We plan to reinvest all of our earnings, to the extent we have earnings, in order to cover operating costs and to otherwise become and remain competitive. We cannot assure stockholders that we will, at any time, generate sufficient surplus cash that would be available for distribution to the holders of our common stock as a dividend. Therefore, stockholders should not expect to receive cash dividends on our common stock.

If securities or industry analysts do not publish or do not continue to publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline.

The trading market for our common stock is influenced by research and reports that industry or securities analysts publish about us or our business. If any of the analysts who cover us now or in the future issue an adverse opinion regarding our stock, our stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

Our indebtedness, including the secured indebtedness of our subsidiaries, could adversely affect our financial health and prevent us from fulfilling our debt obligations.

We have a significant amount of indebtedness, including $650,000 aggregate principal amount of our 2030 Convertible Notes and $1,150,000 aggregate principal amount of our 0% convertible senior notes due 2032 (the "2032 Convertible Notes") and $2,276,000 aggregate principal amount of the 2031 Senior Secured Notes issued by CSDC Finance. The 2031 Senior Secured Notes are senior secured obligations of CSDC Finance and are guaranteed by CSRE Properties Sandersville, LLC, a wholly owned subsidiary of CSDC Finance. The net proceeds of the 2031 Senior Secured Notes will be used primarily to finance the remaining cost of the Sandersville Facility. The Company provided a customary completion guarantee with respect to the Sandersville Facility, under which it will fund CSDC Finance as necessary to ensure the timely completion of the Sandersville Facility in the event that the proceeds of the 2031 Senior Secured Notes and the available funds (including prior equity contributions from the Company) are insufficient to do so.

Holders of our parent-level indebtedness are structurally subordinated to the 2031 Senior Secured Notes and all other liabilities of CSDC Finance and its subsidiaries. If any of those entities goes through a bankruptcy, liquidation or reorganization, its assets will first be used to satisfy its own creditors, including holders of the 2031 Senior Secured Notes, before anything is available to us or our creditors. In addition, the indenture governing the 2031 Senior Secured Notes restricts CSDC Finance and its subsidiaries from paying dividends, making distributions, making loans or otherwise transferring cash to us. As a result, cash flow generated by the Sandersville Facility may not be available to us to service our other indebtedness or fund our operations.

Under the completion guarantee, we have agreed to fund CSDC Finance as needed to ensure the timely completion of the Sandersville Facility if the proceeds of the 2031 Senior Secured Notes and other available funds are insufficient. Large-scale construction projects are subject to delays, cost overruns, supply chain disruptions, labor shortages, permitting and utility interconnection issues, and other risks. If the cost to complete the Sandersville Facility is higher than expected, or completion is delayed, we may be required to make substantial additional cash contributions. This would reduce the liquidity available for our other operations and debt obligations.

In August 2024, we entered into a Master Loan Agreement (the "2024 Master Loan") with Coinbase Credit, Inc., as the lender (the "CB Lender"). The 2024 Master Loan, as subsequently amended, provides for a line of credit, up to $300 million, under which the CB Lender may lend us digital assets or cash. In September 2026, we entered into a new Master Loan Agreement with the CB Lender (the "2026 Master Loan"), which governs loans entered into after its effective date and prohibits additional loans under the prior agreement without affecting rights or obligations that accrued under that agreement. As of September 30, 2026, we had no borrowings outstanding and no bitcoin posted as collateral under the Coinbase facility.

In September 2025, we entered into a Master Loan Agreement with Two Prime Lending Limited, as lender (the "TP Lender"), providing for a revolving line of credit of up to $100,000 (as subsequently amended, the "2025 Master Loan"). On August 22, 2026, we amended the 2025 Master Loan to reduce the interest rate to one-month Term SOFR plus 3.30% per annum and extend the maturity date to September 14, 2027. As of September 30, 2026, we had $90,000 in principal outstanding under the 2025 Master Loan and had posted 1,665 bitcoin with a fair value of $139,128 as collateral.

The 2024 Master Loan, as amended, the 2026 Master Loan, and the 2025 Master Loan are collectively referred to herein as the "Master Loans", and the CB Lender and the TP Lender are collectively referred to herein as the "Lenders."

Our substantial indebtedness could:

- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions, research and development efforts and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors that have less debt;
- result in greater interest rate risk and volatility;
- result in the loss of key assets, including the Sandersville Facility, if we or our subsidiaries default on secured indebtedness;
- limit our ability to borrow additional funds; and
- make it more difficult for us to satisfy our obligations with respect to our debt, including our obligation to repay our Financing Agreement under certain circumstances, or refinance our indebtedness on favorable terms or at all.

In addition, if the value of bitcoin declines precipitously, the value of our collateral under the Master Loans would also decline. In such case, we could be required to provide Coinbase or the TP Lender with additional collateral in the form of bitcoin. If we are unable to do so, we could default under the Master Loans, which could have a material adverse effect on our operations, liquidity, financial condition, and results of operations.

We incur significant costs and demands upon management and accounting and finance resources as a result of complying with the laws and regulations affecting public companies; any failure to establish and maintain adequate internal controls and/or disclosure controls or to recruit, train and retain necessary accounting and finance personnel could have an adverse effect on our ability to accurately and timely prepare our financial statements and otherwise make timely and accurate public disclosure.

As a public company, we incur significant administrative, legal, accounting and other burdens and expenses beyond those of a private company, including public company reporting obligations and Nasdaq listing requirements. In particular, we have needed, and continue to need, to enhance and supplement our internal accounting resources with additional accounting and finance personnel with the requisite technical and public company experience and expertise to enable us to satisfy such reporting obligations. Any failure to maintain an effective system of internal controls (including internal control over financial reporting) could limit our ability to report our financial results accurately and on a timely basis, or to detect and prevent fraud and could expose us to regulatory enforcement action and stockholders' claims.

Furthermore, under Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), we are required to document and test our internal control procedures and prepare annual management assessments of the effectiveness of our internal control over financial reporting. Our assessments must include disclosure of identified material weaknesses in our internal control over financial reporting. Our independent registered public accounting firm also attests to the effectiveness of our internal control over financial reporting. The existence of one or more material weaknesses could affect the accuracy and timing of our financial reporting. Testing and maintaining internal control over financial reporting involves significant costs and could divert management's attention from other matters that are important to our business. Additionally, we may not be successful in remediating any deficiencies that may be identified.

The capped call transactions may affect the value of the 2030 Convertible Notes and the market price of our common stock.

In connection with the issuance of our $650,000 aggregate principal amount of 0% convertible senior notes due 2030 (the "2030 Convertible Notes"), we entered into privately negotiated capped call transactions with certain financial institutions (collectively, the "option counterparties"). The capped call transactions are generally expected to reduce the potential dilution to our common stock upon any conversion of the 2030 Convertible Notes or offset any cash payments we are required to make in excess of the principal amount of converted 2030 Convertible Notes, with such reduction or offset subject to a cap.

In connection with establishing their initial hedges of the capped call transactions, the option counterparties entered into various derivative transactions with respect to our common stock and/or purchased shares of our common stock concurrently with, or shortly after, the pricing of the 2030 Convertible Notes. They may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling shares of our common stock or other securities of ours in secondary market transactions prior to the maturity of the 2030 Convertible Notes, and they are likely to do so during any "observation period" related to a conversion of 2030 Convertible Notes or, to the extent we exercise the relevant election under the capped call transactions, following any repurchase or redemption of the 2030 Convertible Notes, in each case as described in the Indenture, dated as of December 17, 2024, by and between the Company and U.S. Bank Trust Company, National Association, as trustee. This activity could also cause or avoid an increase or a decrease in the market price of our common stock or the 2030 Convertible Notes.

We are subject to counterparty risk with respect to the capped call transactions.

The option counterparties are financial institutions, and we will be subject to the risk that any or all of them might default under the capped call transactions. Our exposure to the credit risk of the option counterparties will not be secured by any collateral. Past global economic conditions have resulted in the actual or perceived failure or financial difficulties of many financial institutions and could adversely affect the option counterparties' performance under the capped call transactions. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the capped call transactions with such option counterparty. Our exposure will depend on many factors but, generally, an increase in our exposure will be correlated to an increase in the market price and in the volatility of our common stock. In addition, upon a default by an option counterparty, we may suffer more dilution, the effect of which would not be compensated for, than we currently anticipate with respect to our common stock. We can provide no assurance as to the financial stability or viability of the option counterparties.

The accounting treatment for convertible debt securities that may be settled in cash and/or shares, such as the Notes, may have a material effect on our reported financial results.

The accounting method for reflecting each of the Notes on our balance sheet, accruing interest expense for each of the Notes and reflecting the underlying shares of our common stock in our reported diluted earnings per share may adversely affect our reported earnings and financial condition.

In accordance with ASU 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity ("ASU 2020-06"), we expect that each of the 2030 Convertible Notes and 2032 Convertible Notes will be reflected as a liability on our balance sheet, with the initial carrying amount equal to the principal amount of the Notes, as applicable, net of issuance costs. The issuance costs are amortized into interest expense over the term of the Notes, as applicable. As a result of this amortization, the interest expense recognized for each of the Notes for accounting purposes will be greater than the cash interest payments paid on the Notes, as applicable, which will result in lower reported income.

In addition, we expect that the shares underlying the Convertible Notes are reflected in our diluted earnings per share using the "if converted" method, in accordance with ASU 2020-06. Under that method, diluted earnings per share would generally be calculated assuming that all the 2030 Convertible Notes and the 2032 Convertible Notes were converted solely into shares of common stock at the beginning of the reporting period, unless the result would be anti-dilutive. The application of the if-converted method may reduce our reported diluted earnings per share, and accounting standards may change in the future in a manner that may adversely affect our diluted earnings per share.

Furthermore, if any of the conditions to the convertibility of the Notes are satisfied, then we may be required under applicable accounting standards to reclassify the liability carrying value of the Notes, as applicable, as a current, rather than a long-term, liability. This reclassification could be required even if no holders convert their Notes and could materially reduce our reported working capital.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Cybersecurity risk may adversely impact our business. The impact could include weakened financial condition, litigation risk, degraded mining operations, loss of competitiveness, fraud, extortion, harm to employees, and violations of applicable privacy or other regulations that could result in regulatory action and fines.

Risk Management and Strategy

We maintain a cybersecurity program to manage the confidentiality, integrity, and availability of our data and information systems that support our business. The program is aligned with the National Institute of Standards and Technology Cybersecurity Framework 2.0 and is integrated into our overall risk management program. It is designed to develop appropriate strategies for preserving the confidentiality, integrity, and availability of our data and information systems that can evolve with the changing cybersecurity threat landscape. We have implemented policies, procedures, and technological tools to prevent, detect, and mitigate cybersecurity risks posed by third parties.

We use third-party security vendors to further strengthen our cybersecurity posture. These partners provide advanced monitoring, detection, and response capabilities that complement our internal controls and staff expertise. Their services include continuous threat intelligence, vulnerability management, and incident response support, which are integrated into our cybersecurity program. A written cybersecurity incident response plan that we tabletop yearly and cybersecurity insurance are also key components of our approach to managing the risk of a cyber event. Our incident response plan classifies cybersecurity incidents based on their scope and recovery risk. This classification framework allows us to identify and classify cybersecurity events based on their impact to our data or information systems. This framework may assist us in expediting review of cyber events for materiality purposes that could require disclosure to the SEC. Our incident response plan provides for management, with input from relevant personnel across the Company as appropriate, to assess the materiality of cybersecurity incidents using the reasonable-investor standard and determine whether disclosure to the SEC is required.

We have implemented a third-party risk management policy that categorizes the cybersecurity risk posed by third party vendors along with the type of cybersecurity controls we may require of those vendors. These may include employee training, cybersecurity tools like multi-factor authentication, and contractual requirements that vendors maintain appropriate technical, administrative, and physical cybersecurity controls. This is in addition to the policies and practices we maintain to monitor access to our information systems and data using our internal staff and third-party vendors. As part of communicating the importance of cybersecurity at an enterprise-wide level, we require that all company employees participate in annual cybersecurity training.

Governance

Our IT Steering and Risk Committee (“ITSRC”) has been delegated the responsibility for managing cybersecurity risk for the company by the Board of Directors (the “Board”). This committee is chaired by our Vice President of Technology and includes a cross section of company stakeholders including our Chief Technology Officer and Chief Operating Officer, President and Chief Financial Officer, General Counsel, Vice President of Security and Intelligence, Director of IT, and Senior Director of Cyber Security. Our Senior Director of Cyber Security, who previously served as our outsourced virtual Chief Information Security Officer (“vCISO”), is now an employee and continues to serve as our internal vCISO and a key advisor to the ITSRC, bringing over a decade of expertise in managing and maturing cybersecurity programs that include mitigation, incident prevention, detection, and remediation disciplines. The ITSRC is also responsible for maintaining and monitoring legal and regulatory requirements and compliance as well as oversight of the adequacy of company cyber insurance. Our third-party security vendors, in collaboration with our Director of IT and Senior Director of Cyber Security, keep the ITSRC apprised of efforts surrounding the prevention, detection, mitigation, and remediation of any cyber threats or cybersecurity incidents.

The Board is entrusted with the oversight of the management of cybersecurity risk and our cybersecurity program. The Board administers this oversight through its audit committee and the ITSRC. The ITSRC committee chair is responsible for reporting to the Board's audit committee with respect to cybersecurity at least twice per calendar year. The audit committee, as necessary, reports any findings and recommendations to the Board. As cyber threats evolve and as our cybersecurity program matures, the Board will consider further developing specific cybersecurity oversight functions and protocols.

For more information on our cybersecurity related risks, see Part I, Item 1A. "Risk Factors" of this Annual Report on Form 10-K.

Item 2. Properties

Our corporate headquarters, which we own, is located in Henderson, Nevada, and supports all of our operating activities. In addition, we own and lease air-cooled bitcoin mining facilities in Georgia, Mississippi, and Tennessee. We own two properties in Georgia that mine bitcoin through immersion technology and two fully constructed parcels of land in Cheyenne, Wyoming, that operate as immersion bitcoin mining facilities. We also own property in Brazoria County and Austin County, Texas, supported by long-term power supply agreements to enable future data-center development. We also own property in South Dakota. Our leases have expiration dates between January 2027 and June 2039.

The table below summarizes our portfolio of operational mining locations as of September 30, 2026.

State	Contracted MWs[(1)]	EH/s Operational	Number of mining locations
Georgia	633	20.16	14
Mississippi	63	2.96	5
Tennessee	209	9.95	10
Wyoming	110	2.95	2
Total	1,015	36.02	31

[(1)] This table does not include locations that were not operational as of September 30, 2026, which had contracted power capacity of 585 MW in Texas allocated for Data Center Infrastructure and 218 MW at other locations throughout the United States allocated for bitcoin mining. This contracted power capacity, together with the 1,015 MW in the table above and up to 300 additional MW undergoing an approval process in Texas, represents a total development platform of approximately 2.1 gigawatts.

As discussed above, following the execution of the Sandersville Lease, management began planning the transition of the power capacity currently supporting bitcoin mining operations at the site exclusively to Data Center Infrastructure use and expects to fully decommission the existing bitcoin mining operations at the site during fiscal year 2028.

We believe our existing facilities and equipment are in good operating condition and are suitable for the conduct of our business. Please refer to the discussions contained in our Item 1. – "Business" for additional information.

Item 3. Legal Proceedings

For a description of our material pending legal proceedings, refer to Note 19 - Commitments and Contingencies included in our notes to Consolidated Financial Statements.

We are subject to other legal proceedings and claims that have not been fully resolved and that have arisen in the ordinary course of business. We routinely are subject to and resolve matters that do not individually or in the aggregate have a material impact on our financial condition or operating results. The outcome of litigation is inherently uncertain. If one or more legal matters were resolved against us in a reporting period for amounts above management's expectations, our financial condition and operating results for that reporting period could be materially adversely affected.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock, par value $0.001 per share, and redeemable warrants exercisable for shares of our common stock are listed on the Nasdaq Capital Market under the ticker symbols "CLSK" and "CLSKW," respectively.

Holders of Our Common Stock

As of November 20, 2026, we had 191 registered holders of record of our common stock, and 2 registered holders of record of our redeemable warrants.

The holders of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of our common stock have no preemptive rights and no right to convert their common stock into any other securities. There are no redemption or sinking fund provisions applicable to our common stock.

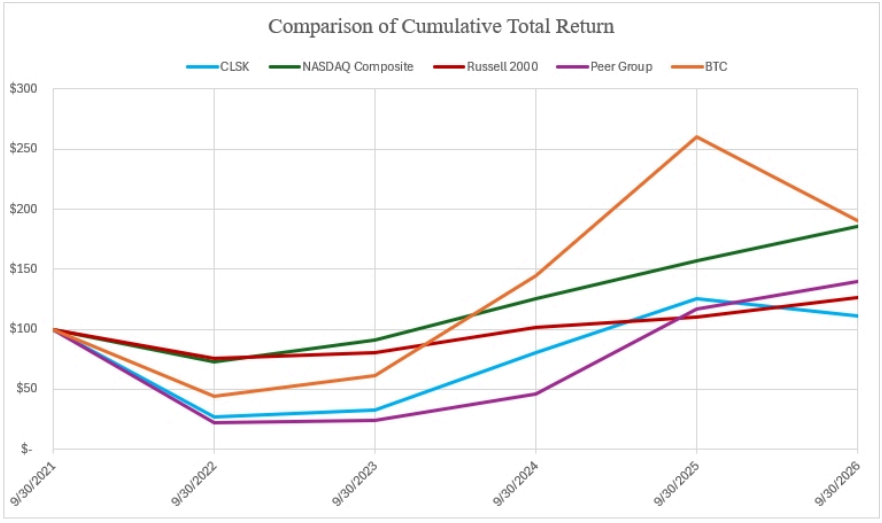
Stock Performance Graph

This performance graph shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or incorporated by reference into any filing of the Company under the Securities Act, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

The following graph shows a comparison over a five-year period from September 30, 2021 through September 30, 2026, of the cumulative total return on our common stock (CLSK), the NASDAQ Composite Index ("NASDAQ Composite"), RUSSELL 2000, the price of bitcoin, and the equally-weighted average return of our self-constructed Peer Group assuming an aggregate initial investment in each of $100 on September 30, 2021.

Our self-constructed Peer Group Index consists of the members of our September 30, 2026 peer group with available publicly traded market data as of, and subsequent to, September 30, 2021, and consists of Marathon Digital Holdings, Inc. (MARA), Riot Platforms, Inc. (RIOT), HIVE Digital Technologies, Ltd. (HIVE), Keel Infrastructure Corp. (KEEL), TeraWulf Inc. (WULF), Cipher Digital Inc. (CIFR), IREN Limited (IREN), and Hut 8 Corp. (HUT).

Such returns are based on the closing stock price of each entity on September 30th or the last trading day prior to September 30th of each year. The results are not intended to suggest future performance.



Dividends

There are no restrictions in our articles of incorporation and bylaws or agreements to which we are currently party that prevent us from declaring dividends. The Nevada Revised Statutes, however, do prohibit us from declaring dividends where after giving effect to the distribution of the dividend:

1. we would not be able to pay our debts as they become due in the usual course of business; or
2. our total assets would be less than the sum of our total liabilities plus the amount that would be needed to satisfy the rights of stockholders who have preferential rights superior to those receiving the distribution.

We have never declared any dividends on shares of our common stock, and we do not plan to declare any dividends in the foreseeable future.

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

During the quarter ended September 30, 2026, there were no unregistered sales of our securities that were not reported in a Current Report on Form 8-K or our Quarterly Reports on Form 10-Q.

Repurchases

We have not made any repurchases of shares or other units of any class of our equity securities during the fourth quarter of the fiscal year covered by this Annual Report on Form 10-K.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

($ presented in thousands, except per bitcoin amounts)

Forward-Looking Statements

The following discussion of our financial condition and results of operations should be read in conjunction with our Consolidated Financial Statements and the notes to those statements that are included elsewhere in this Annual Report on Form 10-K. Our discussion includes forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations, and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors. We use words such as anticipate, estimate, plan, project, continuing, ongoing, expect, believe, intend, may, will, should, could, and similar expressions to identify forward-looking statements. See "Forward-Looking Statements."

Business Overview

We are a data center developer, until recently focused exclusively on bitcoin mining. We focus on providing scalable, energy-efficient digital infrastructure across the United States. We independently own, lease, and operate a large portfolio of data centers and power assets with locations in Georgia, Tennessee, Mississippi, Wyoming, and Texas for a total contracted power capacity of approximately 1,818 MW as of September 30, 2026. Throughout the year ended September 30, 2026, we continued to acquire property throughout the United States with intentions to build out electrical infrastructure. In October 2025 and February 2026, we acquired properties and related power agreements in Texas to support the development of next-generation data center campuses. We have no intention to mine, purchase, or hold any crypto assets other than bitcoin at this time or in the foreseeable future, and we did not hold any other crypto asset as of September 30, 2026.

We design our infrastructure to responsibly secure and support both bitcoin mining and AI and HPC workloads. We cultivate trust and transparency among our employees and the communities where we operate.

Data Center Infrastructure

Leveraging our power optimization, land acquisition, engineering, operations, and construction expertise, we have been actively pursuing opportunities to develop portions of our sites and power pipeline for AI, HPC, and other advanced data-center hosting and leasing applications. The expansion of AI technologies and the increasing electricity requirements of AI and HPC workloads have positioned our infrastructure as a competitive platform for hyperscalers, cloud service providers, and AI and HPC companies seeking reliable and energy-efficient capacity. As of September 30, 2026 and 2025, we had earned no revenues from our Data Center Infrastructure services business.

We continue to evaluate existing properties for potential conversion or dual-use development to support AI and HPC tenants and are advancing design and permitting activities for greenfield data-center sites.

On July 10, 2026, we entered into the Sandersville Lease, which is a 20-year triple-net infrastructure lease agreement with two five-year extension options, with the Tenant for 175 MW of critical information technology load at our Sandersville, Georgia campus. Under the Sandersville Lease, the Tenant will deploy production-grade infrastructure at Sandersville dedicated to a range of computing workloads. The Sandersville Lease is a triple net lease, meaning that the Tenant is responsible for all costs, charges, indemnities, and expenses of every kind and nature associated with the leased premises. We have concluded that the Data Center Infrastructure activities are considered a new operating segment and accordingly, disclosure in Note 17 - Segment Reporting of the audited Consolidated Financial Statements describes this activity.

Following the execution of the Sandersville Lease, management began planning the transition of the power capacity currently supporting bitcoin mining operations at the site exclusively to data center use and expects to fully decommission the existing bitcoin mining operations at the site during fiscal year 2028. The transition analysis related to decommissioning the Sandersville mining site and the related evaluation of certain less-efficient miners within our mining fleet resulted in the recognition of non-cash impairment charges totaling $168,102 which are included in Impairment expense within the Consolidated Statements of Operations and Comprehensive (Loss) Income during the year ended September 30, 2026. For a discussion of risks associated with the Sandersville Lease and our Data Center Infrastructure strategy, please refer to "Risk Factors—Risks Related to Our Business."

On September 25, 2026, CSDC Finance I, LLC, our wholly owned indirect subsidiary, issued $2,276,000 aggregate principal amount of 7.875% senior secured notes due October 1, 2031. The notes were issued at 98.5% of their principal amount, with the net proceeds intended to finance the remaining development costs of our Sandersville data center facility, reimburse us for certain prior equity contributions to the project, and fund debt service reserves. Under a completion guarantee, we will provide additional funding as necessary to ensure timely completion of the facility if the offering proceeds and other available project funds are insufficient. See Note 11 - Indebtedness to our Consolidated Financial Statements for additional information.

We maintain real property holdings through our wholly owned and consolidated subsidiaries.

Bitcoin Mining

Bitcoin mining has historically been our principal revenue generating business activity. Factors such as access to specialized mining servers, energy, electricity cost, environmental factors (such as cooling capacity), and location play important roles in mining. During September 2026, our operating mining units produced an average computing power of 36.0 EH/s, following our achievement of a peak of 50 EH/s during fiscal year 2025. Our lower operating hashrate reflects selective curtailments during the periods when certain miners were unprofitable to operate due to bitcoin price volatility and lower hashprice, together with a reduction in our active mining fleet. These decisions reflect our focus on fleet efficiency and disciplined capital allocation as we look to investment opportunities. In bitcoin mining, "hashrate" is a measure of the computing and processing power and speed by which a mining computer mines and processes transactions on the bitcoin network. A company's computing power, measured in hashrate, is a significant driver of its bitcoin mining revenue, and when compared to the global hashrate, determines the company's market share, making hashrate one of the most important metrics for evaluating bitcoin mining companies.

We owned approximately 335,168 miners, of which approximately 199,745 were in service as of September 30, 2026. The remainder primarily consists of new machines that are ready for installation at expansion sites, are under evaluation for relocation, are awaiting repair, or are ready for rapid deployment to increase overall hashrate when prevailing hashprice economics warrant. Our miners range in age from 1 to 70 months and have an average age of approximately 26 months. We estimate the useful lives of our miners to be three years. We do not have scheduled downtime for our miners; however, we periodically perform unscheduled maintenance and curtailments on our miners. Downtime associated with unscheduled maintenance has not historically been significant. When performing unscheduled maintenance, we will typically replace the miner with a substitute miner to limit overall downtime. The miners in service as of September 30, 2026 had a range of energy efficiency of 13.5 to 23.5 J/TH with an average operating energy efficiency of 14.8 J/TH.

We obtain bitcoin from our mining operations by contributing all of our computing power to a single mining pool operator, which is currently our sole customer for bitcoin mining services under a contract terminable at any time by either party. In exchange, we earn variable consideration in the form of bitcoin rewards, determined daily using a predetermined formula based on our contributed computing power. The consideration is included in revenue once it is no longer constrained, when we can reasonably estimate the rewards and determine a significant reversal is unlikely, and our sole performance obligation of providing computing power is satisfied. Revenue is not disaggregated into block rewards and transaction fees.

From time to time, we sell bitcoin to support operations and strategic growth, and we may also use bitcoin as collateral for lending arrangements. In April 2025, we launched an institutional-grade in-house trading function as we shifted to a balanced approach between monetizing new production and building long-term holdings, and we plan to continue to integrate these strategies into our regular treasury management activities. As part of this strategy, we began entering into bitcoin-linked derivative contracts to economically hedge the volatility of bitcoin prices and to generate liquidity in support of core operating activities. These contracts serve as a strategic alternative to selling bitcoin directly and are intended to monetize our bitcoin holdings while managing exposure to adverse price movements. The types of derivatives utilized for this purpose may include bitcoin forwards, options, and other structured instruments. These contracts are typically short-term in nature and may be cash-settled or settled in-kind. Treasury management activities may support cash management, strategic growth, bitcoin balance hedging, the generation of incremental other income, or other general corporate purposes. Currently, we do not employ a fixed formula for when or how much bitcoin to sell, and decisions are made by management based on working capital needs, real-time market conditions, risk management objectives, and broader strategic considerations.

The value of bitcoin has historically been subject to wide swings. The following table provides a range of intraday low and intraday high bitcoin prices from October 1, 2023 through September 30, 2026.

Range of intraday bitcoin prices Quarterly Reporting Periods Ended	Minimum Price	Maximum Price
December 31, 2023	$ 26,521	$ 45,000
March 31, 2024	38,501	73,836
June 30, 2024	56,500	72,777
September 30, 2024	49,050	68,244
December 31, 2024	58,864	108,389
March 31, 2025	76,555	109,358
June 30, 2025	74,421	112,000
September 30, 2025	105,120	124,533
December 31, 2025	80,525	126,296
March 31, 2026	60,000	97,964
June 30, 2026	58,000	82,814
September 30, 2026	57,718	87,397

As of September 30, 2026, we held approximately 11,720 bitcoins and had a receivable for 1,810 bitcoin that was posted as collateral and recorded on our Consolidated Balance Sheets as Receivable for bitcoin collateral. The fair value of our bitcoin as of September 30, 2026 was $979,255 on our Consolidated Balance Sheets and the fair value of our Receivable for bitcoin collateral was $151,241. The fair value of bitcoin for each reporting period reflects the price of one bitcoin quoted on the active exchange, Coinbase, at the end of the reporting period. Therefore, decreases in the market price of bitcoin could have a material impact on our earnings and on the carrying value of our bitcoin.

As of September 30, 2026, we did not hold any other cryptocurrency of value other than bitcoin.

Results of Operations

($ presented in thousands, except per share amounts, per bitcoin amounts, and information set forth under the heading "Bitcoin Mining Operations")

We have two reportable segments: Bitcoin Mining and Data Center Infrastructure. Our Chief Executive Officer, as our chief operating decision maker, evaluates Bitcoin Mining using consolidated net (loss) income. See Note 17 - Segment Reporting in the notes to our Consolidated Financial Statements.

Data Center Infrastructure

Our Data Center Infrastructure segment was in the start-up phase as of September 30, 2026 and did not generate revenue or segment profit (loss) during the years ended September 30, 2026, 2025, or 2024. During fiscal year 2026, activity in this segment consisted primarily of land and power acquisitions in Texas, execution of the Sandersville Lease, the issuance of the 2031 Senior Secured Notes, and capital expenditures for construction of the Sandersville Data Center Facility. As of September 30, 2026, we had approximately 300 MW and 285 MW of contracted power capacity at our Brazoria County and Austin County sites in Texas, respectively. We also have approximately 248 MW of contracted power capacity at our Sandersville site that we expect to decommission from supporting bitcoin mining operations in favor of supporting Data Center Infrastructure operations upon completion of the Sandersville Facility. We expect the segment to begin generating revenues related to tenant fit-out construction work on that Sandersville Facility in the near future, and we expect the segment to begin generating lease revenue when the Tenant's lease commences, which is currently expected to be November 2027, during the fiscal year ending September 30, 2028.

Bitcoin Mining Operations

Overview

We operate a fleet of servers commonly known as miners or ASICs (Application-Specific Integrated Circuits), which are computer chips customized for a specific use. In the case of bitcoin mining, ASICs calculate the SHA-256 algorithm as efficiently and quickly as possible in order to compete with other miners to solve blocks. Each calculation is a hash, and each machine's computational power is measured in terahash processed per second. One terahash is equal to 1 trillion hashes. The more terahash we produce and contribute into the mining pool, the higher our percentage of the blockchain reward.

There are a variety of factors that influence our ability to mine bitcoin profitably. Our ability to mine profitably is dependent on successfully navigating these fluctuating variables, which include bitcoin's value in USD (the volatility of which is described above), mining difficulty, block rewards and halving, global hashrate, power prices, fleet energy efficiency, data center energy efficiency, and other factors.

The energy efficiency of a mining fleet helps drive profitability, because the most significant direct expense for bitcoin mining is power. We measure efficiency by the joules (or watts) of energy required to produce each terahash of processing power. We believe we operate a highly efficient fleet of miners.

The table below describes our fleet as of September 30, 2026, 2025, and 2024 and our miner efficiency and computing power as compared to the global computing power.

	As of September 30,		
Combined facilities	2026	2025	2024
Global hashrate (in terms of EH/s) [1]	987	1,060	627
Miner efficiency (J/TH) [2]	14.8	16.7	21.9
CleanSpark average hashrate (in terms of EH/s) [3]	36.0	45.6	27.6
CleanSpark percentage of total global hashrate	3.65%	4.30%	4.40%

[1] Total global hashrate was obtained from Hashrate index (https://data.hashrateindex.com/network-data/network).

[2] Joules of energy required to produce each terahash of processing power, based on the Company's miner fleet operating at period end.

[3] The average hashrate was calculated from operating activity for the final month of each respective reporting period.

As of September 30, 2026, our operating hashrate was approximately 3.65% of the total global hashrate, and we received approximately the same percentage of the global blockchain rewards, which as of that date equaled approximately 16-17 bitcoin per day, excluding the bitcoin earned from network transaction fees. Ultimately, in order to mine profitably, we work to ensure that these mining rewards cover our direct operating costs.

The table below describes the average cost of mining each bitcoin for the years ended September 30, 2026, 2025, and 2024 and the total energy usage and cost per each kilowatt hour ("kWh") utilized within our owned facilities.

Cost of Revenues - Analysis of costs to mine one bitcoin (per bitcoin amounts are actual)	**For the year ended September 30, 2026**	**2025**	**2024**
Cost of Mining - Owned Facilities			
Cost of energy per bitcoin mined	$ 47,130	$ 42,890	$ 21,308
Other direct costs of mining - non energy utilities per bitcoin mined	66	66	93
Cost to mine one bitcoin - direct energy cost - Owned facilities	$ 47,196	$ 42,956	$ 21,401
Miner depreciation per bitcoin mined	52,352	39,727	17,156
Financing costs per bitcoin mined	—	44	209
Direct cost to mine including non-cash depreciation and financing costs - Owned facilities	$ 99,548	$ 82,727	$ 38,766
Accelerated depreciation per bitcoin mined	—	—	1,170
Direct cost to mine including non-cash depreciation, financing costs and accelerated depreciation - Owned facilities	$ 99,548	$ 82,727	$ 39,936
Average revenue of each bitcoin mined [1]	$ 79,489	$ 97,687	$ 53,708
Direct cost to mine one bitcoin as % of average bitcoin mining revenue - Including direct energy cost only	59.4%	44.0%	39.8%
Direct cost to mine one bitcoin as % of average bitcoin mining revenue - Including miner depreciation expense	125.2%	84.7%	72.2%
Statistics			
Owned Facilities			
Total bitcoin mined at owned facilities [2]	7,253	7,726	6,204
Bitcoin mining revenue - owned facilities - *($ in thousands)*	$ 576,534	$ 754,691	$ 333,187
Total miners in service in owned facilities	199,745	241,934	160,200
Total kWh utilized	6,231,213,623	5,859,543,539	2,871,574,570
Total energy expense - *($ in thousands)*	$ 341,830	$ 331,348	$ 132,192
Cost per kWh	$ 0.055	$ 0.057	$ 0.046
Energy expense as a percentage of bitcoin mining revenue, net	59.3%	43.9%	39.7%
Other direct costs of mining - non energy utilities *($ in thousands)*	$ 478	$ 511	$ 579
Depreciation expense - miners only - *($ in thousands)*	$ 379,706	$ 306,914	$ 106,434
Accelerated depreciation expense - miners only *($ in thousands)*	$ —	$ —	$ 7,261
Direct miner financing costs - *($ in thousands)*	$ —	$ 337	$ 1,295

[1] Average revenue of each bitcoin mined is calculated by dividing the sum of bitcoin mining revenue for our owned facilities by the total number of bitcoin mined by our owned facilities during the respective periods. We have determined that Coinbase is the principal market for valuing bitcoin transactions and use the closing price of bitcoin at 23:59:59 UTC as the source of recording revenue. See the table "Range of intraday bitcoin prices" for information on the range of intraday bitcoin prices for quarterly periods between October 1, 2023 and September 30, 2026.

[2] Includes mining rewards and transaction fees but excludes the reduction for pool operator fees.

Power prices are the most significant cost driver for our wholly owned locations, and energy expenses represented 59.3%, 43.9%, and 39.7% of bitcoin mining revenues for the years ended September 30, 2026, 2025, and 2024, respectively.

Energy prices can be highly volatile and global events can impact energy rates. We have a diverse portfolio of power contracts across our sites in the States of Georgia, Mississippi, Tennessee, Wyoming, and Texas. These contracts are currently subject to variable prices and market rate fluctuations with respect to wholesale power costs. Such prices are governed by power purchase agreements which vary by location, and said prices can change hour to hour. While this renders energy prices less predictable, it also gives us greater ability and flexibility to actively manage the energy we consume with a goal of increasing profitability and energy efficiency. Energy prices are also highly sensitive to weather events, such as winter storms, polar vortices, and hurricanes, which increase the demand for power regionally. When such events occur, we may curtail our operations to avoid using power at increased rates. The average power prices we paid under our power contracts at our owned facilities for the years ended September 30, 2026, 2025, and 2024 were $0.055, $0.057, and $0.046 per kWh, respectively.

The management team makes real-time determinations on the need and timing during which we should curtail our operations. We curtail when power prices exceed the value we would receive for the corresponding fixed bitcoin reward. This means if bitcoin's value decreases or energy prices increase, our curtailment will increase; likewise, when bitcoin's value increases and energy prices decrease, our curtailment will decrease. The management and operations teams manage these decisions on an hour-by-hour basis across all our sites. The Company maintained an average uptime of around 85% or greater during the years ended September 30, 2026, 2025, and 2024. Significant curtailment occurred during the first quarter of fiscal year 2025 related to Hurricane Helene which affected our Georgia sites at the end of September 2024 to the beginning of October 2024. The southeast Georgia sites were shut down as the hurricane began impacting the region. Thus, at the beginning of October 2024, these sites were operating on approximately 200 MW, which gradually increased during the same week to their full 365 MW capacity when utility service was restored to the communities.

The Company records depreciation expense (a non-cash expense) on its miners on a straight-line basis over the miners' expected useful life. Such non-cash depreciation amounts are recorded within the Consolidated Statements of Operations and Comprehensive (Loss) Income as Depreciation and amortization. Although the Company recognizes depreciation with respect to its mining assets, it does not consider depreciation in determining whether it is economical to operate its mining equipment since depreciation expense is not an avoidable operating cost, such as energy costs. The table above presents the non-cash miner depreciation expense on a "per bitcoin" basis, calculated by dividing miner depreciation expense in our owned facilities by the number of bitcoin mined in the owned facilities. On a "cost per bitcoin" ratio, miner depreciation expense was $52,352, $39,727, and $17,156 for the years ended September 30, 2026, 2025, and 2024, respectively. The Company recorded accelerated depreciation on certain of its miners based on the reduction of the estimated useful life from 5 years to 3 years, which equaled $1,170 on a cost per bitcoin ratio for the year ended September 30, 2024.

We had financing costs for a limited number of miners in our miner fleet, and such costs are recorded within Interest expense in our Consolidated Statements of Operations and Comprehensive (Loss) Income. The table above presents financing costs per bitcoin calculated by dividing direct interest expense on our miner financing agreement by the number of bitcoin mined in our owned facilities. On a cost per bitcoin ratio, financing costs were $44 and $209 for the years ended September 30, 2025 and 2024, respectively. There were no financing costs for the year ended September 30, 2026.

As of January 2025, the Company had exited all bitcoin mining operations conducted at hosted facilities and has since conducted mining exclusively at owned and leased facilities. Accordingly, no bitcoin were mined at hosted facilities during the year ended September 30, 2026. Management no longer evaluates operating performance using hosted-facility metrics, and current-period disclosures reflect only the cost structure and operating statistics of owned and leased mining locations. Prior-year hosted-facility results are discussed only to the extent necessary to explain period-over-period changes.

The table below describes the average cost of mining each bitcoin for the years ended September 30, 2025 and 2024 and the total energy usage and cost per each kWh utilized within our hosted facilities.

	For the year ended September 30,	
Cost of Revenues - Analysis of costs to mine one bitcoin (per bitcoin amounts are actual)	**2025**	**2024**
Cost of Mining - Hosted Facilities		
Direct hosting fees expense per one bitcoin	$ 76,269	$ 36,564
Miner depreciation per bitcoin mined	4	22,374
Direct cost to mine including non-cash depreciation - Hosted facilities	$ 76,273	$ 58,938
Average revenue of each bitcoin mined [1]	$ 78,856	$ 51,120
Direct cost to mine one bitcoin as % of average bitcoin mining revenue - Direct hosting fees only	96.7%	71.5%
Direct cost to mine one bitcoin as % of average bitcoin mining revenue - Including miner depreciation expense	96.7%	115.3%
Statistics		
Hosted Facilities		
Total bitcoin mined at hosted facilities [2]	147	896
Bitcoin mining revenue - Hosted facilities - *($ in thousands)*	$ 11,623	$ 45,781
Total miners in service in hosted facilities	—	28,320
Total kWh utilized	144,786,545	488,173,523
Total hosting fee expense - *($ in thousands)*	$ 11,242	$ 32,745
Hosting fee per kWh	$ 0.078	$ 0.067
Hosting fee expense as a percentage of bitcoin mining revenue, net	96.7%	71.5%
Depreciation expense - miners only - *($ in thousands)*	$ 1	$ 20,038

[1] Average revenue of each bitcoin mined is calculated by dividing the sum of bitcoin mining revenue for hosted facilities by the total number of bitcoin mined within the hosted facilities during the respective periods. We have determined that Coinbase is the principal market for valuing bitcoin transactions and use the closing prices as of 23:59:59 UTC as the source of recording revenue. See the table "Range of intraday bitcoin prices" for information on the range of intraday bitcoin prices for quarterly periods between October 1, 2023 and September 30, 2026.

[2] Includes mining rewards and transaction fees but excludes the reduction for pool operator fees.

For our co-locations, hosting fees (which comprise direct operating costs of the third-party operator with energy as the largest cost) and profit-sharing were a combined 96.7% and 71.5% as a percentage of bitcoin mining revenues for the years ended September 30, 2025 and 2024, respectively.

At our hosted facilities, the hosting fee as compared to kWh utilized in the hosted facilities was $0.078 and $0.067 per kWh for the years ended September 30, 2025 and 2024, respectively.

On a "cost per bitcoin" ratio, miner depreciation expense was $4 and $22,374 for the years ended September 30, 2025 and 2024, respectively. The decrease for the fiscal year 2025 period was mainly due to the decrease in bitcoin production as we ended our last hosting agreement at Massena, NY in December 2024. The Company did not have any S19 XP or S21 miners at the hosted facilities during the periods presented and accordingly, there was no accelerated depreciation in the hosted facilities in fiscal 2024 following the reduction in the estimated useful life of our miners from 5 years to 3 years.

Results of Operations for the Fiscal Years Ended September 30, 2026 and 2025
($ presented in thousands, except per bitcoin amounts)

Bitcoin mining revenue

We earned $576,534 in revenues during the year ended September 30, 2026, which was a decrease of $189,780, or 25%, as compared with $766,314 in revenues for the year ended September 30, 2025. Bitcoin mining revenues are recorded net of bitcoin mining fees charged by our sole mining pool operator (Foundry) that equaled approximately 0.23% and 0.17% of gross bitcoin mining revenues for the years ended September 30, 2026 and 2025, respectively, and are determined by two main drivers: quantity of bitcoin mined and the price of bitcoin on the date the bitcoin is mined.

During the fiscal year ended September 30, 2026, we mined 7,236 bitcoins, net of Foundry fees, with an average bitcoin price of $79,678 as compared to 7,857 bitcoins with an average bitcoin price of $97,337 during the year ended September 30, 2025. The decrease in bitcoin mining revenue was primarily due to a lower average bitcoin price and fewer bitcoin mined. The decline in bitcoin production was primarily attributable to increased average network difficulty and our decision to curtail certain miners during periods when their operation was not profitable due to bitcoin price volatility and lower hashprice. These curtailments reduced our operating hashrate and our share of the global network during the affected periods. We had 199,745 miners in operation as of September 30, 2026, compared to 241,934 as of September 30, 2025, a reduction of 42,189 or 17%, reflecting an effort to improve fleet wide efficiency.

Cost of revenues (exclusive of depreciation and amortization expense)

Our cost of revenues was $342,307 for the year ended September 30, 2026, a decrease of $794, or 0%, as compared with cost of revenues of $343,101 for the year ended September 30, 2025. These costs were primarily related to energy costs to operate miners within our owned facilities, which were $341,830 for the year ended September 30, 2026, an increase of $10,482 as compared to $331,348 for the year ended September 30, 2025. The increase in energy costs was primarily due to the increase in the volume of total kWh utilized by the miners operating in our owned locations partially offset by the reduction in the average cost per kWh, which approximated $0.055/kWh for the year ended September 30, 2026 as compared to an average cost of $0.057/kWh for the year ended September 30, 2025. We continually evaluate energy and bitcoin prices and periodically will curtail our mining operations when it is advantageous to do so.

We did not incur hosting and profit-sharing fees for the year ended September 30, 2026, a decrease as compared to $11,242 of fees incurred for the year ended September 30, 2025. The hosting fees and profit-sharing fees were primarily the result of our co-location agreements with Coinmint and GRIID, which were both terminated in the first half of fiscal year 2025. The hosting fees decreased period over period due to the expiration of the hosting agreement, subsequent wind-down procedures, and removal of miners during the fiscal year.

Professional fees

Professional fees, which consist primarily of legal, accounting, and consulting fees, were $28,420 for the year ended September 30, 2026, an increase of $14,635 from $13,785 for the year ended September 30, 2025. Legal expenses were $9,836 for the year ended September 30, 2026, as compared to $5,152 in the prior year. The increase was primarily attributable to higher legal expenses associated with various transactions during the year, including consulting fees associated with pursuing Data Center Infrastructure initiatives. Other professional fees, mostly inclusive of accounting, audit, and consulting fees, were $18,584 for the year ended September 30, 2026 as compared to $8,633 for the year ended September 30, 2025, representing an increase of $9,951, which is primarily attributable to higher consulting and other professional fees.

Payroll expenses

Payroll expenses increased to $114,841 for the year ended September 30, 2026 from $104,379 for the same period ended September 30, 2025, representing a $10,462, or 10%, change. Our payroll expenses include all compensation related expenses for our employees, primarily consisting of salaries, wages, payroll-related taxes and benefits, and non-cash stock-based compensation. Payroll expenses, excluding non-cash stock-based compensation, were $63,292 for the year ended September 30, 2026, representing an increase of 7% from $59,045 in the prior year ended September 30, 2025. This increase was primarily due to the growth in locations and the increase in employee headcount along with employee incentives and bonuses during the year.

Stock-based awards granted to certain employees are a significant portion of our payroll-related costs. Stock-based compensation included in Payroll expense, which is a non-cash expense, was $51,549 for the year ended September 30, 2026, an increase of $6,214, or 14%, from $45,335 for the prior year ended September 30, 2025. The increase in stock-based compensation was mainly attributed to the granting of an expanded Long-Term Incentive Plan to aid in retention of the Company’s leadership group during 2026, vesting of which is subject to achieving minimum strategic targets (including stock market price).

General and administrative expenses

General and administrative fees increased to $64,962 for the year ended September 30, 2026 from $52,625 for the same period ended September 30, 2025, representing an increase of $12,337 or 23%. This increase was primarily attributable to increased costs from corporate overhead, including, but not limited to, property taxes and insurance premiums (primarily due to the substantial increase in owned assets), rent (for additional offices and warehouses), maintenance, and marketing expenses in connection with our growth and expansion for the current period.

Loss (gain) on disposal of assets

Loss on disposal of assets was $14,829 for the year ended September 30, 2026, compared to a gain of $336 for the year ended September 30, 2025, representing a change of $15,165. The current-year loss resulted from disposals of property and equipment with a net book value of $21,767 for proceeds of $6,938.

Loss (gain) on fair value of bitcoin, net

Loss (gain) on fair value of bitcoin, net for the year ended September 30, 2026 was a $281,624 loss on fair value of bitcoin as compared to a gain on fair value of bitcoin of $425,646 for the year ended September 30, 2025, a change of $707,270 or 166%. The loss pertains to the change in bitcoin's fair value from about $114,100 per bitcoin on September 30, 2025 to about $83,600 per bitcoin on September 30, 2026, as well as the increase in bitcoin on the balance sheet.

Depreciation and amortization

Depreciation and amortization expense increased to $428,173 for the year ended September 30, 2026, from $348,335 for the same period ended September 30, 2025, an increase of $79,838 or 23%.

Depreciation expense increased by $81,161, or 24%, during the year ended September 30, 2026, to $425,296 from $344,135 for the year ended September 30, 2025, mainly due to an increase in miners and mining-related equipment being placed in service during the comparative period.

Amortization expense for the year ended September 30, 2026 was $2,877, a decrease of $1,323, or 32%, from $4,200 for the prior year ended September 30, 2025. The decrease in amortization expense is primarily due to certain intangibles becoming fully amortized during fiscal year 2026 and no new intangible assets being capitalized.

Indirect tax contingency expenses

Indirect tax contingency expenses decreased to $7,788 for the year ended September 30, 2026 from $11,122 for the year ended September 30, 2025, representing a decrease of $3,334. These expenses relate to accrued sales and use taxes and associated interest and penalties in connection with unresolved state tax incentive matters. The decrease was primarily attributable to some property subject to these taxes reaching its statutory limits on interest and penalty accruals.

Impairment expense

Impairment expense was $177,071 for the year ended September 30, 2026, compared to no impairment expense for the year ended September 30, 2025. These non-cash charges were primarily attributable to our planned transition of the Sandersville site from bitcoin mining to Data Center Infrastructure operations.

In connection with the execution of the Sandersville Lease in July 2026 and our plan to cease bitcoin mining operations at the site by February 2028, we recorded an impairment charge of $154,037 related to the affected Sandersville asset group. The planned fleet reduction also prompted an evaluation of certain less-efficient miners within our mining fleet, considering their expected future utilization opportunities, which resulted in an additional impairment charge of $14,065. We also recorded impairment charges of $8,969 related to deposits for equipment and other items that were no longer expected to be utilized.

Other (expense) income

Other expense was $136,099 for the year ended September 30, 2026, compared with Other income of $84,626 for the year ended September 30, 2025, which is a change of $220,725 or 261%.

The loss in the fair value of collateral of $118,740 for the year ended September 30, 2026 pertains to the change in the underlying collateralized bitcoin's fair value from approximately $114,100 per bitcoin on September 30, 2025 to approximately $83,600 per bitcoin on September 30, 2026.

Loss on derivative securities, net increased to $16,020 for the year ended September 30, 2026 from $1,546 for the year ended September 30, 2025, representing an increase of $14,474. The increase was primarily attributable to net losses of $10,359 on bitcoin-linked derivatives entered into as part of our bitcoin treasury management strategy. This change was partially offset by lower losses on bitcoin repurchase options associated with our Bitmain miner procurement arrangements and the nonrecurrence of the prior-year loss on our International Land Alliance, Inc. derivative asset.

Interest income in the year ended September 30, 2026 increased by $6,034 to $10,159 from $4,125 during the prior year ended September 30, 2025 due to a higher balance of cash retained in short-term interest-bearing accounts.

Interest expense in the year ended September 30, 2026 increased by $607 to $11,942 from $11,335 in the prior year comparable period due to the amortization of debt issuance costs from the Convertible Notes, the promissory note, senior secured notes, and equipment line of credit.

Net (loss) income

Net loss for the year ended September 30, 2026 was $987,092, a decrease of $1,351,556 in net income when compared to the net income of $364,464 for the year ended September 30, 2025.

Results of Operations for the Fiscal Years Ended September 30, 2025 and 2024
($ presented in thousands, except per bitcoin amounts)

Bitcoin mining revenue

We earned $766,314 in revenues during the year ended September 30, 2025, which was an increase of $387,346, or 102%, as compared with $378,968 in revenues for the year ended September 30, 2024. Bitcoin mining revenues are recorded net of bitcoin mining fees charged by our sole mining pool operator (Foundry) that equaled approximately 0.17% and 0.16% of gross bitcoin mining revenues for the years ended September 30, 2025 and 2024, respectively, and are determined by two main drivers: quantity of bitcoin mined and the price of bitcoin on the date the bitcoin is mined.

During the fiscal year ended September 30, 2025, we mined 7,873 bitcoins, gross of Foundry fees, with an average bitcoin price of $97,337 as compared to 7,092 bitcoins with an average bitcoin price of $53,434 during the year ended September 30, 2024. The increase in bitcoin mining revenue was primarily due to an increase in the average bitcoin price and the increase in bitcoin mined year over year. This occurred as we increased the number of our miners in operation, which rose to 241,934 as of September 30, 2025, compared to 188,500 as of September 30, 2024, an expansion of 53,434 or 28%. This increase in our miners in operation increased our hashrate, which is our total computational power, and which, when understood in the context of global hashrate, determines how much bitcoin we are able to mine.

Cost of revenues (exclusive of depreciation and amortization expense)

Our cost of revenues was $343,101 for the year ended September 30, 2025, an increase of $177,585, or 107%, as compared with cost of revenues of $165,516 for the year ended September 30, 2024. These costs were primarily related to energy costs to operate miners within our owned facilities, which were $331,348 for the year ended September 30, 2025, an increase of $199,156 as compared to $132,192 for the year ended September 30, 2024. The increase in energy costs was primarily due to the increase in the volume of miners operating in our owned locations and an increase in the average cost per kWh, which approximated $0.057/kWh for the year ended September 30, 2025 as compared to an average cost of $0.046/kWh for the year ended September 30, 2024. We continually evaluate energy and bitcoin prices and periodically will curtail our mining operations when it is advantageous to do so.

We also incurred hosting and profit-sharing fees of $11,242 for the year ended September 30, 2025, a decrease of $21,503 as compared to $32,745 for the year ended September 30, 2024. The hosting fees and profit-sharing fees were primarily the result of our co-location agreements with Coinmint and GRIID, which were terminated in the first half of fiscal year 2025. The hosting fees decreased period over period due to the expiration of the hosting agreement, subsequent wind-down procedures, and removal of miners during the fiscal year.

Professional fees

Professional fees, which consist primarily of legal, accounting, and consulting fees, were $13,785 for the year ended September 30, 2025, a decrease of $21, from $13,806 for the year ended September 30, 2024. Legal expenses were $5,152 for the year ended September 30, 2025, as compared to $5,707 in the prior year. Legal expenses remained relatively consistent because the decline in legal expenses related to acquisition transaction costs (see Note 3 - Acquisitions) was offset by higher general legal expenses related to regulatory compliance and debt financing legal services. Other professional fees, namely accounting, audit, and consulting, were $8,633 for the year ended September 30, 2025 as compared to $8,099 for the year ended September 30, 2024, representing an increase of $534, which is relatively consistent as we've had no significant changes in auditor or consulting activities.

Payroll expenses

Payroll expenses increased to $104,379 for the year ended September 30, 2025 from $74,095 for the same period ended September 30, 2024, representing a $30,284, or 41%, change. Our payroll expenses include all compensation related expenses for our employees, primarily consisting of salaries, wages, payroll-related taxes and benefits, and non-cash stock-based compensation. Payroll expenses, excluding non-cash stock-based compensation, were $59,045 for the year ended September 30, 2025, representing an increase of 33% from $44,540 in the prior year ended September 30, 2024. This increase was primarily due to the significant growth in locations and the increase in employee headcount along with employee incentives and bonuses during the year.

Stock-based awards granted to certain employees are a significant portion of our payroll-related costs. Stock-based compensation, which is a non-cash expense, was $45,335 for the year ended September 30, 2025, an increase of $15,780, or 53%, from $29,555 for the prior year ended September 30, 2024. The increase in stock-based compensation was mainly attributed to the granting of restricted stock units as part of the severance agreement with the Company's former CEO in August 2025 and to the granting of 2,212,486 restricted stock units in April 2025, most of which represent employee grant awards. These awards were issued to all employees in recognition of their collective contributions and dedication to helping the Company achieve key operational milestones.

General and administrative expenses

General and administrative fees increased to $52,625 for the year ended September 30, 2025 from $30,185 for the same period ended September 30, 2024, representing an increase of $22,440 or 74%. This increase was primarily attributable to increases in corporate overhead, including, but not limited to, property taxes and insurance premiums (primarily due to the substantial increase in owned assets), rent (for additional offices and warehouses), maintenance, and marketing expenses in connection with our growth and expansion for the current period.

Loss (gain) on fair value of bitcoin, net

Gain on fair value of bitcoin, net for the year ended September 30, 2025 was $425,646 as compared to a gain on fair value of bitcoin of $113,423 for the year ended September 30, 2024, a change of $312,223 or 275%. The gain pertains to the increase in bitcoin on the balance sheet and the change in bitcoin's fair value from about $63,300 per bitcoin on September 30, 2024 to about $114,100 per bitcoin on September 30, 2025.

Indirect tax contingency expenses

Indirect tax contingency expenses increased to $11,122 for the year ended September 30, 2025 from $0 for the year ended September 30, 2024. These new expenses relate to accrued sales and use taxes and associated interest and penalties in connection with unresolved state tax incentive matters. The increase was primarily attributable to sales and use tax interest and penalty exposure being recognized as a result of certain tax abatement matters not being resolved during the originally expected timeline.

Depreciation and amortization

Depreciation and amortization expense increased to $348,335 for the year ended September 30, 2025, from $154,609 for the same period ended September 30, 2024, an increase of $193,726 or 125%.

Depreciation expense increased by $191,666, or 126%, during the year ended September 30, 2025, to $344,135 from $152,469 for the year ended September 30, 2024, mainly due to an increase in miners and mining-related equipment being placed in service during the comparative period. Additionally, the Company reduced the expected useful life for miners from 5 years for new miners to 3 years, effective May 1, 2024.

Amortization expense for the year ended September 30, 2025 was $4,200, an increase of $2,060, or 96%, from $2,140 for the prior year ended September 30, 2024. The increase in amortization expense is primarily due to the Company's acquisition of software in the amount of $7,000 throughout the current year.

Other (expense) income

Other income was $84,626 for the year ended September 30, 2025, compared with Other income of $6,610 for the year ended September 30, 2024, which is a change of $78,016 or 1180%.

Gain on bitcoin collateral was the primary reason for the increase in Other income since in the prior year there was minimal collateral held by Coinbase due to a lower line of credit (see Note 5 - Receivable from Bitcoin Collateral for more detail). The gain in the fair value of collateral of $92,190 for the year ended September 30, 2025 pertains to the change in the underlying collateral due to an increase in bitcoin's fair value from approximately $63,300 per bitcoin on September 30, 2024 to approximately $114,100 per bitcoin on September 30, 2025.

Loss on derivative securities, net increased to $1,546 for the year ended September 30, 2025 from $965 for the year ended September 30, 2024, an increase of $581. The increase primarily reflected losses on bitcoin repurchase options associated with our Bitmain miner procurement arrangements and higher losses on our International Land Alliance, Inc. derivative asset, partially offset by gains from our bitcoin treasury management derivatives.

Interest income in the year ended September 30, 2025 decreased by $4,430 to $4,125 from $8,555 in the prior year ended September 30, 2024 due to a lower balance of cash retained in short-term interest-bearing accounts and the interest earned on the note receivable from GRIID.

Interest expense in the year ended September 30, 2025 increased by $8,880 to $11,335 from $2,455 in the prior year comparable period due to the amortization of debt issuance costs from the Convertible Notes, the promissory note, and a specific equipment line of credit, which the Company did not have as of September 30, 2024. This increase was primarily related to our extended line of credit and additional draws from the Coinbase Line of Credit executed throughout the year (see Note 11 - Indebtedness for more details).

Net (loss) income

Net income for the year ended September 30, 2025 was $364,464, an increase of $510,241 compared to a net loss of $145,777 for the year ended September 30, 2024.

Non-GAAP Measure

We present Adjusted EBITDA, which is not a measurement of financial performance under generally accepted accounting principles in the United States ("GAAP"). Our non-GAAP "Adjusted EBITDA" excludes (i) impacts of interest, taxes, and depreciation and amortization; (ii) our share-based compensation expense, unrealized gains/losses on securities and derivatives, and changes in the fair value of contingent consideration with respect to previously completed acquisitions, all of which are non-cash items that we believe are not reflective of our general business performance, and for which the accounting requires management judgment, and the resulting expenses could vary significantly in comparison to other companies; (iii) non-cash impairment losses related to long-lived assets; (iv) realized gains and losses on sales of equity securities and on derivatives, the amounts of which are directly related to the unrealized gains and losses that are also excluded; (v) legal fees and other expenses related to litigation, settlements, and various transactions, which expenses management does not believe are reflective of our ongoing operating activities; (vi) gains and losses on disposal of assets, the majority of which are related to obsolete or unrepairable machines that are no longer deployed; (vii) gains and losses related to discontinued operations that would not be applicable to our future business activities; and (viii) severance and other expenses. Adjusted EBITDA also excludes other income.

Management believes that providing this non-GAAP financial measure that excludes these items allows for meaningful comparisons between the Company's core business operating results and those of other companies, and provides the Company with an important tool for financial and operational decision making and for evaluating its own core business operating results over different periods of time. In addition to management's internal use of non-GAAP Adjusted EBITDA, management believes that Adjusted EBITDA is also useful to investors and analysts in comparing our performance across reporting periods on a consistent basis. Management believes the foregoing to be the case even though some of the excluded items involve cash outlays and some of them recur on a regular basis (although management does not believe any of such items are normal operating expenses necessary to generate our bitcoin-related revenues). For example, we expect that share-based compensation expense, which is excluded from Adjusted EBITDA, will continue to be a significant recurring expense over the coming years and is an important part of the compensation provided to certain employees, officers, and directors.

The Company's Adjusted EBITDA measure may not be directly comparable to similar measures provided by other companies in our industry, as other companies in our industry may calculate non-GAAP financial results differently. The Company's Adjusted EBITDA is not a measurement of financial performance under GAAP and should not be considered as an alternative to operating (loss) income or any other measure of performance derived in accordance with GAAP. Although management utilizes internally and presents Adjusted EBITDA, we only utilize that measure supplementally and do not consider it to be a substitute for, or superior to, the information provided by GAAP financial results.

Accordingly, Adjusted EBITDA is not meant to be considered in isolation from, and should be read in conjunction with, the information contained in our Consolidated Financial Statements, which have been prepared in accordance with GAAP.

The following is a reconciliation of our non-GAAP Adjusted EBITDA to its most directly comparable GAAP measure (i.e., net (loss) income) for the periods indicated:

($ in thousands) Reconciliation of non-GAAP Adjusted EBITDA	For the year ended September 30, 2026	 2025	 2024
Net (loss) income	$ (987,092)	$ 364,464	$ (145,777)
Depreciation and amortization	428,173	348,335	154,609
Share-based compensation expense	52,893	45,335	29,555
Loss on derivative securities, net	16,020	1,546	965
Interest income	(10,159)	(4,125)	(8,555)
Interest expense	11,942	11,335	2,455
Other income	(444)	(1,192)	—
Loss (gain) on disposal of assets	14,829	(336)	5,466
Fees related to financing & business development transactions	13,778	778	4,059
Litigation & settlement related expenses	3,373	2,052	1,970
Severance and other	91	4,948	—
Income tax (benefit) expense	(32,488)	39,111	3,344
Indirect tax contingency expenses	7,788	11,122	—
Impairment expense	177,071	—	197,757
Non-GAAP Adjusted EBITDA*	**$ (304,225)**	**$ 823,373**	**$ 245,848**

* We have not excluded our Loss (gain) on fair value of bitcoin, net or our (Loss) gain on bitcoin collateral which we record in our Consolidated Statements of Operations and Comprehensive (Loss) Income as provided in ASC 350-60 and discussed in the Loss (gain) on fair value of bitcoin, net section above. Loss (gain) on fair value of bitcoin, net totaled a loss of $281,624, a gain of $425,646, and a gain of $113,423, for the years ended September 30, 2026, 2025, and 2024, respectively. (Loss) gain on bitcoin collateral totaled a loss of $118,740, a gain of $92,190, and a gain of $1,475 for the years ended September 30, 2026, 2025, and 2024, respectively.

During August 2025, the Company entered into a severance agreement with its Chief Executive Officer. The stock-based compensation in connection with this severance agreement represents $20,003 and represents a substantial portion of the total Share-based compensation expense reflected in the table above. Additionally, approximately $4,313 of the total Severance and other expenses relates to the same agreement and is included within Payroll expenses in the Consolidated Statements of Operations and Comprehensive (Loss) Income. This severance related charge is considered a significant, non-recurring item associated with a unique event.

Liquidity and Capital Resources
($ presented in thousands, except per bitcoin amounts)

Our primary requirements for liquidity and capital are working capital, capital expenditures, debt payments, public company costs, and general corporate needs. We expect these needs to continue as we further develop and grow our business. For the year ended September 30, 2026, our primary sources of liquidity came from existing cash and cash equivalents, bitcoin, and proceeds from the issuance of convertible notes and senior secured notes and from lines of credit secured by bitcoin collateral.

As of September 30, 2026, we had total current assets of $1,276,503, including cash and cash equivalents, prepaid expenses and other current assets, and bitcoin. Total assets were $5,249,898. Our total current liabilities and total liabilities as of September 30, 2026 were $453,114 and $4,463,943, respectively. We had working capital of $823,389 as of September 30, 2026. We use a portion of the bitcoin we mine to fund operations and to fund capital expenditures. In addition, we had $1,772,386 zero-coupon convertible notes outstanding, $2,207,874 senior secured notes outstanding, an undrawn line of credit with Coinbase, and a $90,000 outstanding balance on the line of credit with Two Prime as discussed in Note 11 - Indebtedness.

Based on our current plans and business conditions, we believe that existing cash and cash equivalents and bitcoin, together with cash generated from operations and our future investing and financing activities, will be sufficient to satisfy our anticipated cash requirements for the next 12 months and for the reasonably foreseeable future until we reach consistent profitability, and we are not aware of any trends or demands, commitments, events, or uncertainties that are reasonably likely to result in a decrease in the liquidity of our assets.

To facilitate the build out of the data center under the Sandersville Lease, through project-based senior secured notes discussed in Note 11 - Indebtedness, we issued $2,276,000 in aggregate principal amount. The notes have a current carrying amount of $2,207,874, and the proceeds from their issuance are expected to fully fund the construction of the Sandersville data center.

We may be required to raise additional capital to continue to pursue our Data Center Infrastructure strategy, to support our future development of Data Center Infrastructure, or to respond to competitive dynamics or technologies, business opportunities, challenges, acquisitions, or unforeseen circumstances. In either the short term or the long term, we may determine to engage in additional equity or debt financings.

If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to grow or support our business and to respond to business challenges could be significantly limited. In particular, the ongoing impacts of inflation and fluctuations in interest rates, global conflicts, and increases in tariffs have resulted in, and may continue to result in, significant disruption and volatility in the global financial markets, reducing our ability to access capital. If we are unable to raise additional funds when or on the terms desired, our business, financial condition, and results of operations could be adversely affected.

Material Cash Requirements

We are a party to many contractual obligations involving commitments to make payments to third parties. These obligations impact our short-term and long-term liquidity and capital resource needs. Certain contractual obligations are reflected on the Consolidated Balance Sheets as of September 30, 2026, while others are considered future commitments. Our material cash requirements primarily consist of planned expenditures and payments under cancelable and noncancelable purchase commitments with various parties to purchase goods or services, primarily for construction of data center infrastructure, and equipment costs, as well as payments for our debts and both finance and operating leases. For information regarding our other contractual obligations, refer to Note 19 - Commitments and Contingencies included elsewhere in our notes to consolidated financial statements.

We regularly evaluate opportunities to expand our business, including through potential acquisitions of businesses or assets. We will evaluate a variety of sources of capital in connection with financing any future possible acquisitions, including the incurrence of debt, sales of stock or bitcoin, or the use of cash on hand. We may also use the Company’s stock as transaction consideration, as we have done in the past.

Digital Asset Management Treasury Activity

The Company maintains a Digital Asset Management (“DAM”) treasury strategy designed to enhance liquidity and generate incremental income from the Company’s bitcoin holdings. Under this treasury strategy, the Company selectively engages in derivative transactions, primarily covered call and put option contracts, that are collateralized by bitcoin held in treasury. These transactions are structured to manage operating liquidity and monetize near-term volatility while maintaining long-term exposure to bitcoin price appreciation.

During periods of rising bitcoin prices, the Company's realized derivative results may reflect accounting losses on written call options that are settled in bitcoin or cash, as the strike price is below the prevailing market price of bitcoin. However, such losses are offset economically and accounted for by an increase in the fair value of the underlying bitcoin retained by the Company through the settlement date. This strategy, referred to internally as "Spot+" trading, provides the Company with steady proceeds from the sale of options while managing the regular and ongoing sale of bitcoin for operating needs.

The Company also generates premium proceeds from the sale of far out-of-the-money call options with low delta exposure. While options subject to these contracts may get exercised from time to time (leading to the sale of bitcoin), these options typically expire unexercised and provide proceeds without requiring disposition of bitcoin. In the event of an exercise, the Company may adjust the pace of Spot+ and yield activities to replenish bitcoin HODL balances, or use the additional cash generated for operating or capital expenditures. The proceeds generated from these activities provide a steady stream of income for the company while acting as economic hedges for the company's wider operating activities. Further, while the use of additional derivative strategies has been limited to date, the Company may employ other derivative trading strategies such as the purchase or sale of put options, the employment of a delta neutral basis trade, or other strategies for both hedging and yield generation from time to time.

The table below reconciles the Company's derivative income to its related proceeds from DAM activities for the periods presented:

	For the year ended September 30,	
($ in thousands)	**2026**	**2025**
Loss on derivative securities, net	$ (16,020)	$ (1,546)
Add: Fair value in excess of strike price on settled DAM derivatives	17,192	3,204
Add: Loss on value assigned to costless Bitmain contract option	6,019	6,850
(Less)/add: Change in other non-DAM Investments	(359)	1,247
Add: Change in net fair value of unsettled DAM derivatives during the period	23,477	—
Add: Basis premium generated from DAM forward trades	338	—
Proceeds from premiums	**$ 30,647**	**$ 9,755**

These activities provided approximately $30,647 of proceeds from premiums and incremental Spot+ trading during the fiscal year, supplementing operating cash flows from bitcoin mining. Management views DAM activities as an integrated component of its treasury strategy and liquidity management, rather than as speculative trading. The Company expects to continue its Spot+ and yield strategies at measured levels relative to its total bitcoin balance and operating requirements. The Bitmain options are bitcoin-linked derivatives but were not a result of the Company's DAM strategy and are not included in DAM activity.

The table below presents the Company's DAM derivative activity for the years ended September 30, 2026 and 2025, which supports the proceeds reconciliation above:

For the year ended September 30, 2026	**Average BTC Price at Contract Date**	**Average BTC Strike Price**	**BTC Equivalent Contracts**	**Proceeds from Premiums ($000's)**	**Effective Sales Price to Spot [1]**	**Annualized Premium Yield [1]**
Spot+ Calls	$ 79,197	$ 87,250	33,385	$ 37,172	111.6%	—
Yield Calls	84,014	109,761	15,105	$ 11,200	—	4.6%
Yield Puts	83,322	71,173	10,035	$ 11,838	—	14.3%
Forwards[2]	78,977	79,381	836	$ 338	—	5.2%
Bitmain options hedge	118,700	122,000	128	$ 362	—	—
Derivative close-out transactions	75,669	85,993	23,530	$ (30,263)	—	—
Total				**$ 30,647**		

For the year ended September 30, 2025	**Average BTC Price at Contract Date**	**Average BTC Strike Price**	**BTC Equivalent Contracts**	**Proceeds from Premiums ($000's)**	**Effective Sales Price to Spot [1]**	**Annualized Premium Yield [1]**
Spot+ Calls	$ 110,573	$ 112,630	1,100	$ 734	102.5%	—
Yield Calls	113,055	121,181	4,025	$ 1,973	—	12.0%
Yield Puts	116,173	107,833	260	$ 69	—	8.0%
Bitmain options hedge	116,265	111,000	690	$ 6,979	—	—
Total				**$ 9,755**		

[1] These trade-date, illustrative metrics are intended to show the strategy's implied economics at inception; they do not represent actual sales or yields, and bitcoin subject to these contracts may be exited early or remain unsold.

[2] Annualized premium yields from Forwards represent an expected settlement premium at inception of $338.

Operating Activities from Continuing Operations

The Company generates non-cash revenue through mining bitcoin, a portion of which is sold to fund operating and investing activities, and a portion may be retained as collateral for borrowing or for use in derivative transactions. Only bitcoin sold nearly immediately after being mined qualifies as cash flows from operating activities. As a result, net cash used in operating activities was $468,400 for the year ended September 30, 2026 primarily due to net loss of $987,092, adjusted for non-cash activity, including additions for Depreciation and amortization of $428,173, Stock based compensation of $52,893, loss on fair value of bitcoin of $281,624, loss on receivable for bitcoin collateral of $118,740, and Impairment expense of $177,071, and deductions for Bitcoin mining revenue, net of $576,534 and Deferred income taxes, net of $32,488. Changes in operating assets and liabilities provided a net total of $27,384 of cash.

Net cash used in operating activities was $461,032 for the year ended September 30, 2025 primarily due to net income of $364,464, adjusted by adding non-cash activity to reconcile net income to net cash including depreciation and amortization of $348,335 and stock based compensation of $45,335 and subtracting non-cash bitcoin mining revenues of $766,314, gain on fair value of bitcoin, net of $425,646, and gain on fair value of receivable for bitcoin collateral of $92,190. Changes in operating assets and liabilities generated a net total of $19,503 of cash.

Investing Activities

Cash flows provided by investing activities during the year ended September 30, 2026 were $8,137 as compared with $305,656 used for the year ended September 30, 2025. Our payments on miner equipment purchase and deposits of $42,340, purchase of property and equipment, including construction in progress, of $318,263, the purchase of bitcoin and settlement of bitcoin-linked put options of $146,524, the combined asset purchases of land and locations of $85,929, and minority ownership investment in other entities of $44,089 were the main cash outflows in the year ended September 30, 2026. The Company generated $609,208 of cash flows from the sales of bitcoin and settlement of bitcoin linked derivatives during the year ended September 30, 2026.

Our payments on miner equipment purchase and deposits of $418,212, purchase of fixed assets of $144,661, the purchase of bitcoin of $160,184, and the combined asset purchases of land and locations of $15,008 were the main cash outflows in the year ended September 30, 2025. The Company generated $378,158 of cash flows from the sales of bitcoin and settlement of bitcoin linked derivatives during the year ended September 30, 2025.

Financing Activities

Cash flows generated by financing activities during the year ended September 30, 2026 amounted to $2,761,911, as compared with $688,866 for the year ended September 30, 2025. Our cash flows from financing activities for the year ended September 30, 2026 consisted primarily of proceeds from our senior secured and convertible notes offerings and line of credit draws totaling $3,506,778, partially offset by repayments of the line of credit and other debt of $253,111 as well as using funds from the convertible debt issuance for purchases of treasury stock totaling $460,000.

Our cash flows from financing activities for the year ended September 30, 2025 consisted primarily of proceeds from our convertible notes offering and line of credit draws totaling $889,195 and the remainder of our at-the-market offering facility of $186,808, partially offset by repayments of the line of credit and other debt of $135,980 as well as using funds from the convertible notes issuance for purchases of treasury stock totaling $145,000 and purchase of capped calls totaling $90,350.

Recently Issued and Proposed Accounting Pronouncements

For information on new accounting pronouncements and the impact of these pronouncements on our Consolidated Financial Statements, see Note 2 - Summary of Significant Accounting Policies in the notes to our Consolidated Financial Statements.

Critical Accounting Policies and Estimates

We describe our most significant accounting policies in Note 2, “Summary of Significant Accounting Policies” in the notes to the consolidated financial statements. We have identified the following accounting policies as those that require significant judgments, estimates, and assumptions and that have a significant impact on our financial condition and results of operations. These policies are considered critical because they may result in fluctuations in our reported results from period to period due to the significant judgments, estimates, and assumptions about highly complex and inherently uncertain matters and because the use of different judgments, estimates, or assumptions could have a material impact on our financial condition or results of operations. We evaluate our critical accounting estimates and judgments required by our policies on an ongoing basis and update them as appropriate based on changing conditions.

The most significant accounting policies in the preparation of our financial statements include revenue recognition and impairment of long-lived assets.

Revenue Recognition

We participate in a third-party operated mining pool. As a participant in this mining pool, we provide a service to perform hash calculations, which is an output of our ordinary activities. The Company recognizes revenue in accordance with Accounting Standards Codification ("ASC") Topic 606 – *Revenue from Contracts with Customers* (ASC 606). The core principle of the revenue standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. We receive non-cash consideration in the form of bitcoin, the fair value of which we measure at 23:59:59 UTC on the date of contract inception using our principal market for bitcoin. The contract renews continuously throughout the day, and thus the value of the consideration should be assessed continuously throughout the day. Our critical policy is that we have concluded to use the 23:59:59 UTC bitcoin price each day. The market price of bitcoin fluctuates throughout the day, and the revenue recognized on a daily basis could be impacted if we utilized a different point in time or average price to recognize revenue. The Company assesses whether measuring the fair value of bitcoin received at 23:59:59 on the date of contract inception materially differs from assessing the fair value of bitcoin received continuously throughout the day at contract inception.

Impairment of long-lived assets

We evaluate impairment of long-lived assets when events or circumstances indicate there is a potential for impairment. The evaluation of impairment involves the conclusion that an indicator of impairment has occurred, the determination of the recoverability of long-lived assets from the results of operations and, if necessary, the fair value of the potentially impaired long-lived assets. The determination of fair value, specifically for our miners, includes estimates such as future bitcoin prices, transaction fees, and the future global hashrate. Actual future outcomes could result in different conclusions that could materially affect the consolidated financial statements.

The most significant accounting estimates in the preparation of our financial statements relate to the useful lives of our miners, the impairment of long-lived assets, and the valuation allowance associated with our deferred tax assets.

Useful lives of miners

We establish the useful lives of miners based upon the period over which they provide economic benefit to the Company in the form of bitcoin mining revenue and the duration of miner technological capability. Changes in the profitability of mining operations or miner technological capability could affect the determination of useful lives and have a material effect on the consolidated financial statements.

Valuation allowances on deferred tax assets

Accounting for income taxes requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts and tax bases of assets and liabilities and are measured using enacted tax rates expected to apply when the related assets are realized or liabilities are settled. The guidance requires the reduction of deferred tax assets by a valuation allowance, if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. We have recorded a partial valuation allowance on our deferred tax assets. The ultimate realization of deferred tax assets depends on the generation of future taxable income during the periods in which those temporary differences are deductible. To fully utilize the net operating loss ("NOL") carryforward, we will need to generate sufficient future taxable income in each respective jurisdiction. Due primarily to our history of losses, it is more likely than not that a portion of our deferred tax assets as of September 30, 2026 will not be realized. Future estimates of taxable income could have a material impact on our utilization of our NOLs.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk
($ presented in thousands, except per bitcoin amounts)

The following discussion about the Company's market risk exposures involves forward-looking statements. Actual results could differ materially from those discussed in the forward-looking statements.

Market Price Risk of Bitcoin. The Company holds a significant amount of bitcoin; therefore, we are exposed to the impact of market price changes in bitcoin on our bitcoin holdings. This exposure would generally manifest itself in the following areas:

- The Company accounts for its bitcoin holdings at fair value and records changes in fair value throughout the periods being reported.
- Declines in the fair market value of bitcoin will impact the cash value that would be realized if the Company were to sell its bitcoin for cash, therefore having a negative impact on its liquidity.

As of September 30, 2026, the Company held approximately 11,720 bitcoin on hand and the equivalent of 1,810 bitcoin receivable as a result of collateral held by third parties. As of September 30, 2026, the fair value of a single bitcoin was approximately $83,600, resulting in the total fair values of the Company's bitcoin holdings and receivable from collateral on that date being $979,255 and $151,241, respectively. A 10% increase or decrease in the fair value of bitcoin as of September 30, 2026, would have increased or decreased the total cash value that could be realized if the Company were to sell its bitcoin for cash by $113,050 in total.

Item 8. Financial Statements and Supplementary Data

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Audited Consolidated Financial Statements:

F-1 Reports of Independent Registered Public Accounting Firm (BDO USA, P.C.; Las Vegas, Nevada; PCAOB ID 243)
F-5 Consolidated Balance Sheets as of September 30, 2026, and 2025
F-7 Consolidated Statements of Operations and Comprehensive (Loss) Income for the years ended September 30, 2026, 2025, and 2024
F-9 Consolidated Statements of Stockholders' Equity for the years ended September 30, 2026, 2025, and 2024
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Shareholders and Board of Directors
CleanSpark, Inc.
Las Vegas, Nevada

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of CleanSpark, Inc. (the "Company") as of September 30, 2026 and 2025, the related consolidated statements of operations and comprehensive (loss) income, stockholders' equity, and cash flows for each of the three years in the period ended September 30, 2026, and the related notes and the financial statement schedule (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 Company at September 30, 2026 and 2025, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2026, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of September 30, 2026, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated November 24, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company 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.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated 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.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue from Bitcoin Mining

As described in Note 2 to the consolidated financial statements, the Company is a participant in a third-party operated mining pool (the "mining pool") and enters into contracts with the mining pool operator (the "Customer") to provide hash calculations (or hashrate) to the mining pool. The Company earns non-cash consideration based on the Full-Pay-Per-Share ("FPPS") payout method set forth by the Customer in the form of bitcoin. The amount of bitcoin the Company is entitled to for providing hash calculations to the Customer's mining pool under the FPPS payout method is made up of block rewards and transaction fees less mining pool fees. The non-cash consideration calculated as a block reward over the continuously renewed contract periods is based on the total blocks expected to be generated on the Bitcoin Network in accordance with a formula that includes the hash calculations that the Company provides to the Customer as a percent of the Bitcoin Network's implied hash calculations as determined by the network difficulty. The Company's performance is completed over time as the Customer obtains control of the hash calculations, because the Company provides the hash calculations throughout the contract period and the Customer simultaneously obtains control of the service and uses it to produce bitcoin. For the year ended September 30, 2026, bitcoin mining revenue, net ("mining revenue") was approximately $577 million.

We identified revenue from bitcoin mining as a critical audit matter. Evaluating (i) the completeness of the Company's performance obligation to provide hash calculations throughout the contract period and (ii) the amount of non-cash consideration earned based on the FPPS payout method that is calculated as a block reward using the hash calculations that the Company provides to the Customer involved especially complex and challenging auditor judgment due to the nature and significant extent of audit effort required to address these matters.

The primary procedures we performed to address this critical audit matter included:

- With the assistance of our Information Technology ("IT") professionals, identifying the key system used to monitor hashrate and testing the design and operating effectiveness of IT general controls over that system.
- Confirming with the mining pool operator (i) the contractual terms used in the determination of mining revenue, (ii) hashrate provided to the mining pool operator by the Company, (iii) total mining revenue earned by the Company, and (iv) the Company's digital asset wallet addresses in which the mining revenue is deposited.
- Using the Company's digital asset wallet addresses confirmed by the mining pool operator, reconciling the mining revenue earned from and paid by the mining pool operator against on-chain transactions independently obtained from the blockchain.
- Recalculating the Company's recorded mining revenue per the calculation prescribed in the FPPS payout method using independently obtained blockchain contractual inputs, the hashrate confirmed by the mining pool operator, and independent bitcoin prices.
- For the mining revenue generated, testing the completeness and accuracy of the hashrate provided to the mining pool operator on a sample basis by comparing it against the system used by the Company to monitor hashrate.

/s/ BDO USA, P.C.
We have served as the Company's auditor since 2024.
Las Vegas, Nevada
November 24, 2026

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Shareholders and Board of Directors
CleanSpark, Inc.
Las Vegas, Nevada

Opinion on Internal Control over Financial Reporting

We have audited CleanSpark, Inc.'s (the "Company's") internal control over financial reporting as of September 30, 2026, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2026, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of September 30, 2026 and 2025, the related consolidated statements of operations and comprehensive (loss) income, stockholders' equity, and cash flows for each of the three years in the period ended September 30, 2026, and the related notes and schedule and our report dated November 24, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Item 9A, Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of internal control over financial reporting in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ BDO USA, P.C.
Las Vegas, Nevada

November 24, 2026

CLEANSPARK, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except par value and share amounts)

	September 30, 2026	September 30, 2025
ASSETS		
Current assets		
Cash and cash equivalents	$ 204,759	$ 42,966
Restricted cash - current	96,369	3,490
Prepaid expense and other current assets	13,575	11,875
Bitcoin - current	809,681	966,829
Receivable from bitcoin collateral	151,241	294,648
Derivative investments	878	233
Total current assets	$ 1,276,503	$ 1,320,041
Restricted cash - noncurrent	$ 2,046,976	$ —
Bitcoin - noncurrent	169,574	222,614
Property and equipment, net	1,471,656	1,363,681
Operating lease right of use assets	4,702	4,254
Intangible assets, net	2,972	5,849
Deposits on miners and mining equipment	19,901	112,037
Other long-term assets	125,956	23,497
Goodwill	131,658	131,658
Total assets	$ 5,249,898	$ 3,183,631
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 14,601	$ 15,159
Accrued liabilities	273,118	117,544
Other current liabilities	73,160	6,096
Current portion of debt	92,235	176,570
Dividends payable	—	396
Total current liabilities	$ 453,114	$ 315,765
Long-term liabilities		
Long-term debt, net of current portion, debt discount, and debt issuance costs	$ 3,988,869	$ 644,586
Deferred income taxes	12,384	44,872
Other long-term liabilities	9,576	3,281
Total liabilities	$ 4,463,943	$ 1,008,504
Commitments and contingencies - Note 19		

CLEANSPARK, INC.
CONSOLIDATED BALANCE SHEETS (continued)
(in thousands, except par value and share amounts)

	September 30, 2026	September 30, 2025
Stockholders' equity		
Preferred stock; $0.001 par value; 10,000,000 shares authorized:		
Series A shares; 2,000,000 authorized; 1,750,000 issued and outstanding (liquidation preference $0.02 per share)	$ 2	$ 2
Common stock; $0.001 par value; 600,000,000 shares authorized; 302,825,324 and 296,087,533 shares issued; 260,459,933 and 284,327,598 shares outstanding, respectively	303	296
Additional paid-in capital	2,536,337	2,445,723
Accumulated deficit	(1,142,986)	(125,894)
Treasury stock at cost; 42,365,391 and 11,759,935 shares held, respectively	(607,701)	(145,000)
Total stockholders' equity	$ 785,955	$ 2,175,127
Total liabilities and stockholders' equity	$ 5,249,898	$ 3,183,631

The accompanying notes are an integral part of these Consolidated Financial Statements.

CLEANSPARK, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME
(in thousands, except per share and share amounts)

	For the year ended September 30,		
	2026	2025	2024
Revenues, net			
Bitcoin mining revenue, net	$ 576,534	$ 766,314	$ 378,968
Costs and expenses			
Cost of revenues (exclusive of depreciation and amortization)	$ 342,307	$ 343,101	$ 165,516
Professional fees	28,420	13,785	13,806
Payroll expenses	114,841	104,379	74,095
General and administrative expenses	64,962	52,625	30,185
Loss (gain) on disposal of assets	14,829	(336)	5,466
Loss (gain) on fair value of bitcoin, net	281,624	(425,646)	(113,423)
Depreciation and amortization	428,173	348,335	154,609
Indirect tax contingency expenses	7,788	11,122	—
Impairment expense	177,071	—	197,757
Total costs and expenses	$ 1,460,015	$ 447,365	$ 528,011
(Loss) income from operations	$ (883,481)	$ 318,949	$ (149,043)
Other (expense) income			
(Loss) gain on bitcoin collateral	$ (118,740)	$ 92,190	$ 1,475
Loss on derivative securities, net	(16,020)	(1,546)	(965)
Interest income	10,159	4,125	8,555
Interest expense	(11,942)	(11,335)	(2,455)
Other income	444	1,192	—
Total other (expense) income	$ (136,099)	$ 84,626	$ 6,610
(Loss) income before income tax (benefit) expense	(1,019,580)	403,575	(142,433)
Income tax (benefit) expense	(32,488)	39,111	3,344
Net (loss) income	$ (987,092)	$ 364,464	$ (145,777)
Preferred stock dividends, including deemed dividend	30,000	11,140	3,422
Net (loss) income attributable to common shareholders	$ (1,017,092)	$ 353,324	$ (149,199)
Other comprehensive (loss) income, net of tax	—	(418)	192
Total comprehensive (loss) income attributable to common shareholders	$ (1,017,092)	$ 352,906	$ (149,007)

CLEANSPARK, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME (continued)
(in thousands, except per share and share amounts)

	For the year ended September 30,		
	2026	**2025**	**2024**
(Loss) income per common share - basic	$ (3.74)	$ 1.25	$ (0.69)
Weighted average common shares outstanding - basic	271,878,302	282,182,800	216,860,819
(Loss) income per common share - diluted	$ (3.74)	$ 1.12	$ (0.69)
Weighted average common shares outstanding - diluted	271,878,302	317,761,220	216,860,819

The accompanying notes are an integral part of these Consolidated Financial Statements.

CLEANSPARK, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except share amounts)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares Issued	Amount				
Balance, September 30, 2023	**1,750,000**	**$ 2**	**160,184,921**	**$ 160**	**$ 2**	**$ 226**	**$ (334,202)**	**$ 675,668**
Cumulative effect of change in accounting principle (See Note 2)	—	—	—	—	—	—	4,183	4,183
Options and restricted stock units issued for services	—	—	5,357,166	6	29,549	—	—	29,555
Shares withheld for net settlement of restricted stock units related to tax withholdings	—	—	(1,763,415)	(2)	(22,553)	—	—	(22,555)
Exercise of options and warrants	—	—	149,293	—	753	—	—	753
Shares issued under equity offering, net of offering costs	—	—	106,969,819	107	1,222,136	—	—	1,222,243
Preferred stock dividends, including deemed dividend	—	—	—	—	—	—	(3,422)	(3,422)
Preferred stock Series X Issuance	1,000,000	1	—	—	—	—	—	1
Net loss	—	—	—	—	—	—	(145,777)	(145,777)
Other comprehensive income, net of tax	—	—	—	—	—	192	—	192
Balance, September 30, 2024	**2,750,000**	**$ 3**	**270,897,784**	**$ 271**	**$ 2,239,367**	**$ 418**	**$ (479,218)**	**$ 1,760,841**

CLEANSPARK, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (continued)
(in thousands, except share amounts)

	Preferred Stock		Common Stock		Treasury	Additional Paid-in	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Shares Issued	Amount	Stock	Capital	Income	Deficit	Equity
Balance, September 30, 2024	**2,750,000**	**$ 3**	**270,897,784**	**$ 271**	**$ —**	**$ 2,239,367**	**$ 418**	**$ (479,218)**	**$ 1,760,841**
Options and restricted stock units issued for services	—	—	3,603,208	3	—	45,332	—	—	45,335
Shares issued for business acquisition	—	—	5,031,221	5	—	60,672	—	—	60,677
Warrants issued	—	—	—	—	—	3,798	—	—	3,798
Warrants reclassified as equity awards	—	—	—	—	—	1,607	—	—	1,607
Purchase of capped call	—	—	—	—	—	(90,350)	—	—	(90,350)
Shares withheld for net settlement of restricted stock units related to tax withholdings	—	—	(222,080)	—	—	(2,416)	—	—	(2,416)
Exercise of options and warrants	—	—	158,039	—	—	922	—	—	922
Shares issued under equity offering, net of offering costs	—	—	16,619,361	17	—	186,791	—	—	186,808
Preferred stock dividends, including deemed dividend	—	—	—	—	—	—	—	(11,140)	(11,140)
Preferred stock series X redemption	(1,000,000)	(1)	—	—	—	—	—	—	(1)
Purchase of treasury stock	—	—	—	—	(145,000)	—	—	—	(145,000)
Net income	—	—	—	—	—	—	—	364,464	364,464
Other comprehensive income, net of tax	—	—	—	—	—	—	(418)	—	(418)
Balance, September 30, 2025	**1,750,000**	**$ 2**	**296,087,533**	**$ 296**	**$ (145,000)**	**$ 2,445,723**	**$ —**	**$ (125,894)**	**$ 2,175,127**

CLEANSPARK, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (continued)
(in thousands, except share amounts)

	Preferred Stock		Common Stock		Treasury	Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Shares Issued	Amount	Stock	Capital	Deficit	Equity
Balance, September 30, 2025	**1,750,000**	**$ 2**	**296,087,533**	**$ 296**	**$ (145,000)**	**$ 2,445,723**	**$ (125,894)**	**$ 2,175,127**
Options and restricted stock units issued for services	—	—	4,740,120	5	—	52,888	—	52,893
Shares issued for acquisitions	—	—	1,788,834	2	—	36,062	—	36,064
Shares withheld for net settlement of restricted stock units related to tax withholdings	—	—	(1,353)	—	—	(20)	—	(20)
Exercise of options and warrants	—	—	210,190	—	—	1,684	—	1,684
Preferred stock dividends, including deemed dividend	—	—	—	—	—	—	(30,000)	(30,000)
Purchase of treasury stock, including excise taxes	—	—	—	—	(462,701)	—	—	(462,701)
Net loss	—	—	—	—	—	—	(987,092)	(987,092)
Balance, September 30, 2026	**1,750,000**	**$ 2**	**302,825,324**	**$ 303**	**$ (607,701)**	**$ 2,536,337**	**$ (1,142,986)**	**$ 785,955**

The accompanying notes are an integral part of these Consolidated Financial Statements.

CLEANSPARK, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	For the year ended September 30,		
	2026	**2025**	**2024**
Cash Flows from Operating Activities			
Net (loss) income	$ (987,092)	$ 364,464	$ (145,777)
Adjustments to reconcile net (loss) income to net cash used in operating activities:			
Bitcoin mining revenue, net	(576,534)	(766,314)	(378,968)
Loss (gain) on fair value of bitcoin, net	281,624	(425,646)	(113,423)
Bitcoin issued for services	2,291	1,932	1,134
Impairment expense	177,071	—	197,757
Loss on derivative securities, net	16,020	1,546	965
Loss (gain) on bitcoin collateral	118,740	(92,190)	(1,475)
Stock based compensation	52,893	45,335	29,555
Depreciation and amortization	428,173	348,335	154,609
Deferred income taxes, net	(32,488)	39,111	3,344
Loss (gain) on disposal of assets	14,829	(336)	5,466
Other	8,689	3,228	474
Changes in operating assets and liabilities			
Decrease in operating lease liabilities	(1,063)	(1,072)	(287)
Increase in accounts payable and accrued liabilities	13,179	32,794	19,721
Increase in deferred revenue	51,960	—	—
Decrease (increase) in prepaid expenses and other current assets	5,849	(5,057)	(3,367)
Increase in other long-term assets	(42,541)	(7,162)	(2,882)
Net cash used in operating activities of continuing operations	**$ (468,400)**	**$ (461,032)**	**$ (233,154)**
Net cash used in operating activities of discontinued operations	—	—	(508)
Net cash used in operating activities	**$ (468,400)**	**$ (461,032)**	**$ (233,662)**
Cash Flows from Investing Activities			
Payments on miners and mining equipment, including deposits	$ (42,340)	$ (418,212)	$ (740,296)
Purchase of property and equipment, including construction in progress	(318,263)	(144,661)	(66,100)
Purchase of bitcoin and settlement of bitcoin-linked put options	(146,524)	(160,184)	—
Proceeds from sale of bitcoin and option settlement	609,208	378,158	43,126
Proceeds from sale of miners	6,938	41,662	1,438
Purchase of derivative contracts	(30,263)	—	—
Proceeds from derivative contracts	59,399	9,653	—
Asset acquisition - Austin County, TX Locations	(27,625)	—	—
Asset acquisition - Brazoria County, TX Locations	(45,012)	—	—
Asset acquisition - Other Locations	(13,292)	(6,903)	(4,607)
Investments in other entities	(44,089)	—	—
Acquisition of GRIID Infrastructure	—	1,411	—
Asset acquisition - Tennessee Locations	—	(8,105)	(18,376)
Asset acquisition - Wyoming Locations	—	—	(25,940)
Asset acquisition - LN Energy	—	—	(25,933)
Asset acquisition - Mississippi Locations	—	—	(22,791)
Note receivable from GRIID	—	—	(60,919)
Other	—	1,525	—
Net cash provided by (used in) investing activities	**$ 8,137**	**$ (305,656)**	**$ (920,398)**

CLEANSPARK, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(in thousands)

	For the year ended September 30,		
	2026	**2025**	**2024**
Cash Flows from Financing Activities			
Purchase of treasury stock	$ (460,000)	$ (145,000)	$ —
Payments for capped call	—	(90,350)	—
Payments on debt	(2,611)	(8,980)	(7,265)
Payments on lines of credit	(250,500)	(127,000)	—
Proceeds from lines of credit	166,000	251,500	—
Payments of debt issuance costs	(2,429)	(2,007)	—
Payments on preferred dividends	(30,396)	(10,744)	(3,421)
Payments on finance leases	(118)	(25)	(93)
Proceeds from debt, net of issuance fees	3,340,778	637,695	50,000
Payments of taxes on shares withheld for net settlement of restricted stock units	(426)	(3,953)	(22,685)
Proceeds from exercise of options and warrants	1,684	922	753
Proceeds from equity offerings, net	—	186,808	1,231,834
Equity issuance costs	(71)	—	—
Net cash provided by financing activities	**$ 2,761,911**	**$ 688,866**	**$ 1,249,123**
Net increase (decrease) in cash, cash equivalents, and restricted cash	**$ 2,301,648**	**$ (77,822)**	**$ 95,063**
Cash, cash equivalents, and restricted cash, beginning of the period	$ 46,456	$ 124,278	$ 29,215
Cash, cash equivalents, and restricted cash, end of the period	**$ 2,348,104**	**$ 46,456**	**$ 124,278**
Supplemental disclosure of cash flow information			
Cash paid for interest	$ 7,775	$ 8,879	$ 2,126
Non-cash investing and financing transactions			
Fixed asset purchases and construction costs accrued not paid	$ 118,597	$ 1,140	$ 67,572
Fixed assets purchased through finance transactions	2,749	1,535	7,190
Miners and derivatives purchased with bitcoin	47,050	80,880	—
Bitcoin transferred to collateral account	854,866	605,830	87,895
Bitcoin transferred from collateral account	492,559	412,976	11,542
Excise tax accrued on treasury stock purchases	2,701	—	—
Liabilities assumed in asset acquisition	8,874	—	
Equity issued in asset acquisition	36,134	—	—
Shares issued in connection with GRIID Acquisition	—	60,677	—
Software purchased with bitcoin	—	7,000	541
Preferred stock dividends accrued	—	396	—

The accompanying notes are an integral part of these Consolidated Financial Statements.

1. ORGANIZATION AND DESCRIPTION OF BUSINESS

CleanSpark, Inc. (the "Company") is a data center developer and infrastructure operator that independently owns, leases, and operates data center facilities. As of September 30, 2026, the Company's portfolio includes data centers located in Georgia, Tennessee, Mississippi, and Wyoming, with additional properties planned for development within Texas.

Through CleanSpark, Inc., and its wholly owned subsidiaries, the Company engages in bitcoin mining operations. The Company entered the bitcoin mining industry through its acquisition of ATL Data Centers LLC ("ATL") in December 2020. It acquired a second data center in August 2021. Bitcoin mining has since become the Company's principal revenue generating business activity. Following the expiration of the Company's co-location hosting arrangement in January 2025, all mining operations are conducted at facilities that the Company owns or leases and operates across Georgia, Tennessee, Mississippi, and Wyoming.

During 2026, the Company continued to expand upon its data-center platform by shifting some of its available energy and resources towards the establishment of data center infrastructure meant to support high-performance computing ("HPC") and artificial intelligence ("AI") workloads. This expansion is meant to build upon its expertise in power procurement, infrastructure, design, and facility operations that were originally developed through its bitcoin mining activities. In October 2025 and February 2026, the Company acquired land and power capacity in Texas to enable the potential development of a next-generation data-center campus. In July 2026, the Company entered into a 20-year lease agreement as lessor for a data center in Georgia, with phased lease commencement expected from November 2027 through March 2028. In September 2026, the Company entered into a tenant fit-out agreement ("TFO" agreement) with the lessee. The Company will complete such TFO procedures on the data center in Georgia and is expected to begin such procedures in fiscal 2027 with completion in fiscal 2028.

With the execution of the lease and the related activities, the Company commenced operating two separate businesses, bitcoin mining and Data Center Infrastructure operations.

Through its subsidiaries, the Company maintains real property holdings associated with its bitcoin mining activities and data-center development activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying audited Consolidated Financial Statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and the rules of the U.S. Securities and Exchange Commission (the "SEC").

Principles of consolidation

The accompanying consolidated financial statements include the accounts of CleanSpark, Inc. and the Company's wholly owned subsidiaries. All intercompany transactions have been eliminated upon consolidation of these entities. The Company has two reportable segments: Bitcoin Mining and Data Center Infrastructure. See Note 17 - Segment Reporting for more details.

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include estimates used to review the Company's goodwill impairment, impairments and estimations of long-lived assets, valuation of derivative assets and liabilities, available-for-sale investments, and the valuations of share based awards. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable in the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may materially differ from these estimates under different assumptions or conditions.

Revenue from contracts with customers - Revenue from bitcoin mining

The Company participates in a third-party operated mining pool. As a participant in the third-party operated mining pool, the Company provides a service to perform hash calculations for the third-party operated mining pool, which is an output of our ordinary activities. The Company recognizes revenue in accordance with Accounting Standards Codification ("ASC") Topic 606 – *Revenue from Contracts with Customers* ("ASC 606"). The core principle of the revenue standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The following five steps are applied to achieve that core principle:

1. Identify the contract with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when the company satisfies a performance obligation

Step 1: The Company has identified the third-party mining pool operator as its customer (the "Customer"). The Company enters into a contract with the Customer to provide its hash calculations to the Customer's mining pool. The contract is terminable without penalty at any time by either party, and thus the contract term is shorter than a 24-hour period and the contracts are continuously renewed.

Applying the criteria per ASC 606-10-25-1, the contract arises at the point that the Company provides hash calculations to the Customer's mining pool, which is considered contract inception, because Customer consumption is in tandem with delivery of the hash calculations.

Step 2: In order to identify the performance obligations in a contract with a customer, a company must assess the promised goods or services in the contract and identify each promised good or service that is distinct. A performance obligation meets ASC 606's definition of a "distinct" good or service (or bundle of goods or services) if both of the following criteria are met:

- The customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e., the good or service is capable of being distinct); and
- The entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e., the promise to transfer the good or service is distinct within the context of the contract).

Based on these criteria, the Company has identified a single performance obligation of providing hash calculations for the mining pool operator. The continuous renewal options do not represent material rights because they do not provide the Customer with the right to purchase additional goods or services at a discount. Specifically, the contract is renewed at the same terms, conditions, and rate as the current contract which is consistent with market rates, and there are no up front or incremental fees in the initial contract. The Company has full control of the mining equipment used in the mining pool, and if the Company determines it will increase or decrease the hashrate calculations of its machines and/or fleet (i.e., for repairs or when power costs are excessive), the hashrate provided to the Customer will correspondingly increase or decrease.

Step 3: The Company receives non-cash consideration in the form of bitcoin, the fair value of which the Company measures at 23:59:59 UTC on the date of contract inception using the Company's principal market for bitcoin, Coinbase. The contract renews continuously throughout the day, and thus the value of the consideration should be assessed continuously throughout the day, and the Company has concluded to use the 23:59:59 UTC bitcoin price each day. According to the Customer contract, daily settlements are made to the Company by the Customer based on the hash calculations provided over the contract periods occurring over a 24 hour period and the payout is made the following day. There are no other forms of variable consideration, such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties, or other similar items.

The Company earns non-cash consideration based on the Full-Pay-Per-Share ("FPPS") payout method set forth by the Customer in the form of bitcoin. The amount of bitcoin the Company is entitled to for providing hash calculations to the Customer's mining pool under the FPPS payout method is made up of block rewards and transaction fees less mining pool fees determined as follows:

- The non-cash consideration calculated as a block reward over the continuously renewed contract periods is based on the total blocks expected to be generated on the Bitcoin Network for the daily 24-hour period beginning midnight UTC and ending 23:59:59 UTC in accordance with the following formula: the hash calculations that the Company provides to the Customer as a percent of the Bitcoin Network's implied hash calculations as determined by the network difficulty, multiplied by the total Bitcoin Network block rewards expected to be generated for the same period.
- The non-cash consideration calculated as transaction fees paid by transaction requestors is based on the share of total actual fees paid over the continuously renewed contract periods beginning midnight UTC and ending 23:59:59 UTC in accordance with the following formula: total actual transaction fees generated on the Bitcoin Network during the contract period as a percent of total block rewards the Bitcoin Network actually generated during the same period, multiplied by the block rewards the Company earned for the same period noted above.
- The sum of the block reward and transaction fees earned by the Company is reduced by mining pool fees charged by the Customer for operating the mining pool based on a rate schedule per the mining pool contract. The mining pool fee is only incurred to the extent the Company performs hash calculations and generates revenue in accordance with the Customer's payout formula during the continuously renewed contract periods beginning at midnight UTC and ending at 23:59:59 UTC daily. The Customer provides services solely for bitcoin mining and the fees charged during the most recent fiscal year were 0.23% of the total daily bitcoin mined. This amount represents consideration paid to the Customer and is thus reported as a reduction in revenue as the Company does not receive a distinct good or service from the mining pool operator in exchange.

Step 4: There is a single performance obligation (i.e., to provide hash calculations or hashrate to the customer) for the contract; therefore, all consideration from the Customer is allocated to this single performance obligation.

Step 5: The Company's performance is completed over time as the customer obtains control of the contributed hashrate. The performance obligation of hash calculations is fulfilled over time, as opposed to a point in time, because the Company provides the hash calculations throughout the contract period and the customer simultaneously obtains control of the service and uses it to produce bitcoin.

There are no deferred revenues or other liability obligations recorded by the Company with respect to its bitcoin operations since there are no payments in advance of the performance, and there are no remaining performance obligations after providing hash calculations.

Revenue from contracts with customers - Data Center Infrastructure TFO services

The Company has contracted to provide TFO services, including the design, procurement, construction, and installation of tenant-specific improvements, in connection with its data center leasing arrangements. These services are accounted for separately from the underlying leases under ASC 606. Consideration includes reimbursement of eligible costs and a management fee. The Company controls the TFO services before they are transferred to the tenant and therefore recognizes revenue on a gross basis, with related costs presented as cost of revenues.

TFO revenue is recognized over time because the improvements have no alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. Progress is measured using a cost-to-cost input method based on qualifying costs incurred relative to total estimated qualifying costs for each performance obligation. The Company believes this method faithfully depicts its progress toward satisfying its performance obligations. Amounts received or unconditionally due before the related performance are recorded as Deferred revenue and recognized as revenue as the related services are performed. The balances of Deferred revenue - TFO as of September 30, 2026 and 2025 are presented within the Other current liabilities section of this footnote. No revenue has been recognized under this arrangement as of September 30, 2026.

Cost of revenues

The Company includes energy costs and external co-location mining hosting fees in cost of revenues.

Cash and cash equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an original maturity of three months or less. These investments may include money market funds, certificates of deposit, and other short-term instruments. Temporary cash investments are made with high credit quality financial institutions. At times, such investments in U.S. accounts may exceed FDIC insurance limits.

Restricted cash

Restricted cash consists of amounts held as collateral for utility bonds under agreements with insurance carriers, amounts restricted for scheduled interest payments on outstanding debt, and amounts pledged for the construction of a new data center in Georgia. The Company's total restricted cash balances were $2,143,345 and $3,490 as of September 30, 2026 and 2025, respectively. Restricted cash balances may earn interest or dividend income. Amounts classified as Restricted cash - noncurrent on the Consolidated Balance Sheets represent funds restricted for the construction of noncurrent assets or for debt interest payments scheduled more than 12 months after the balance sheet date.

Prepaid expense and other current assets

The Company records a prepaid expense for costs paid but not yet incurred. Those expected to be incurred within one year are recognized and shown as a short-term pre-paid expense. Any costs expected to be incurred outside of one year would be considered other long-term assets.

Bitcoin

In March 2025, the Company made a strategic decision to change its bitcoin treasury policy and determined that a portion of its bitcoin holdings would be held long-term. As a result, the Company began to classify a certain portion of bitcoin as noncurrent. Bitcoin holdings are presented on the Consolidated Balance Sheets within both current assets as Bitcoin - current and noncurrent assets as Bitcoin - noncurrent, respectively. The current portion includes bitcoin retained from mining operations that may be sold periodically in a highly liquid marketplace, and such bitcoin holdings are expected to be realized in cash or sold or consumed during the Company's normal operating cycle, utilized in derivative trading activities, or posted as collateral. The noncurrent portion represents bitcoin that the Company intends to hold for the long-term as part of its strategic reserve and is not expected to be sold or otherwise monetized within the normal operating cycle.

As a result of adopting Accounting Standards Update 2023-08 (codified in ASC 350-60, *Intangibles — Goodwill and Other — Crypto Assets* ("ASC 350-60")), on October 1, 2023, bitcoin is measured at fair value as of each reporting period (see "Recently Issued Accounting Pronouncements" below). The fair value of bitcoin is measured using the period-end closing bitcoin price from its principal market, Coinbase, in accordance with ASC 820, *Fair Value Measurement* ("ASC 820"). Since bitcoin is traded on a 24-hour period, the Company utilizes the price as of 23:59:59 UTC, which aligns with the Company's revenue recognition cut-off. The changes in bitcoin valuation due to remeasurement in fair value within each reporting period are reflected on the Consolidated Statements of Operations and Comprehensive (Loss) Income as Loss (gain) on fair value of bitcoin, net. In accordance with ASC 350-60, the Company discloses realized gains and losses from the sale of bitcoin and such gains and losses are measured as the difference between the cash proceeds and the cost basis of bitcoin as determined on a First In-First Out basis.

Prior to the adoption of ASC 350-60, bitcoin was recorded at cost less impairment and was classified as indefinite-lived intangible assets in accordance with ASC 350, *Intangibles — Goodwill and Other* ("ASC 350"). Bitcoin was accounted for in connection with the Company's revenue recognition policy detailed above. An intangible asset with an indefinite useful life was not amortized but was assessed for impairment annually, or more frequently, when events or changes in circumstances occurred indicating that it was more likely than not that the indefinite-lived asset was impaired. Impairment exists when the carrying amount exceeds its fair value. In testing for impairment for periods under the prior accounting guidance, the Company had the option to first perform a qualitative assessment to determine whether it was more likely than not that an impairment existed. If it was determined that it was not more likely than not that an impairment existed, a quantitative impairment test was not necessary. If the Company concluded otherwise, it was required to perform a quantitative impairment test. The Company elected to perform the quantitative impairment test each period rather than first performing the qualitative assessment. Quantitative impairment was measured using the intraday low bitcoin price from its principal market for bitcoin in accordance with ASC 820. To the extent an impairment loss was recognized, the loss established the new cost basis of the asset. Subsequent reversal of impairment losses was not permitted as per ASC 350.

Bitcoin, which is non-cash consideration earned by the Company through its mining activities, is included as a noncash reconciling adjustment deducted from Net (loss) income in determining net cash used in operating activities on the accompanying Consolidated Statements of Cash Flows. The cash proceeds from the sales of bitcoin are classified based on the holding period in which the bitcoin is held. ASC 350-60 provides guidance on classifying proceeds from bitcoin and concludes that bitcoin converted nearly immediately into cash would qualify as cash flows from operating activities. All other sales would qualify as investing activities. The Company evaluates its sales of bitcoin and records bitcoin sold nearly immediately as operating cash flows and the remainder is recorded as investing activities. During the periods presented, all proceeds from bitcoin sales were classified as investing activities.

Receivable from bitcoin collateral

The Receivable from bitcoin collateral represents bitcoin posted as collateral that lenders or derivative trading counterparties have rights to sell, pledge, and rehypothecate at their sole discretion but are obligated to return an equivalent amount of bitcoin to the Company in accordance with the terms of the applicable arrangement. The receivable is recorded at fair value and changes in fair value are recorded as (Loss) gain on bitcoin collateral. The receivable for bitcoin collateral is classified as current. (Loss) gain on bitcoin collateral reflects changes in the fair value of the receivable during each reporting period, including through the date the collateral is returned to the Company. The value and activity involving this asset are discussed in detail within Note 5 - Receivable from Bitcoin Collateral.

At commencement and throughout the term of the arrangement, the Company considers and accounts for the credit risk associated with the bitcoin receivable collateral in accordance with the principles outlined in ASC 326, *Financial Instruments - Credit Losses*. The Receivable for bitcoin collateral is presented net of any allowance for credit losses.

In estimating the allowance for credit losses, the Company applies the current expected credit loss model, which requires the measurement of lifetime expected credit losses on financial assets measured at amortized cost. As the Company has no historical experience with similar assets, the allowance is determined using a combination of industry data, peer analysis, and forward-looking information about economic conditions and the creditworthiness of the counterparty. The Company incorporates relevant qualitative factors, such as the nature of the receivable, the characteristics of the counterparty, and any observable market indicators, to assess the expected collectability of the Receivable from bitcoin collateral. The estimation process also includes reasonable and supportable forecasts to account for future economic conditions and any anticipated impact on the receivable. For the years ended September 30, 2026 and 2025, no credit losses were recorded and no amount of allowances for credit losses was deemed necessary for those years then ended.

Investment securities

Investment securities include debt securities and equity securities. Debt securities are classified as available for sale (“AFS”) and are reported as an asset in the Consolidated Balance Sheets at their estimated fair value. As the fair values of AFS debt securities change, the changes are reported net of income tax as an element of Other comprehensive income (“OCI”). When AFS debt securities are sold, the unrealized gains or losses are reclassified from OCI to non-interest income. Securities classified as AFS are securities that the Company intends to hold for an indefinite period of time, but not necessarily to maturity. Any decision to sell a security classified as AFS would be based on various factors, including significant movements in interest rates, changes in the maturity mix of the Company’s assets and liabilities, liquidity needs, decline in credit quality, and regulatory capital considerations.

Interest income is recognized based on the coupon rate and increased by accretion of discounts earned or decreased by the amortization of premiums paid over the contractual life of the security.

For individual debt securities where the Company either intends to sell the security or more likely than not will not recover all of its amortized cost basis, a credit loss allowance is established, with the credit portion of the impairment recognized in earnings. The allowance is measured as the difference between the security's amortized cost and the present value of expected cash flows, limited to the difference between the amortized cost basis and fair value at the balance sheet date. Interest accruals, as well as amortization and accretion of premiums and discounts, are suspended if it becomes unlikely that the full amount due will be collected. Interest received after accruals have been suspended is recognized in income on a cash basis.

The Company held investments in both publicly held and privately held equity securities. However, as described in Note 1 - Organization and Line of Business, the Company is primarily conducting business involving data centers, and not in the business of investing in securities.

Privately held equity securities are recorded at cost and adjusted for observable transactions for the same or similar investments of the issuer (referred to as the measurement alternative) or impairment. All gains and losses on privately held equity securities, realized or unrealized, are recorded through gains or losses on equity securities on the Consolidated Statements of Operations and Comprehensive (Loss) Income.

Publicly held equity securities are measured at fair value with unrealized gains or losses resulting from changes in fair value reflected as unrealized gains or losses on equity securities in our Consolidated Statements of Operations and Comprehensive (Loss) Income.

Accrued liabilities

The Company records accruals for expenses that have been incurred but not yet invoiced or paid as of each balance sheet date. These accruals are included within current liabilities and represent estimates of obligations for which the timing or amount of payment is uncertain. Accrued liabilities primarily consist of indirect tax exposures, payroll and related benefits, operating expenses, and other miscellaneous accruals arising in the ordinary course of business.

The following table summarizes the composition of the Company's accrued liabilities on the Consolidated Balance Sheets as of the dates indicated:

($ in thousands)	September 30, 2026	September 30, 2025
Accrued construction in progress	$ 115,229	$ 699
Indirect tax contingencies	72,446	64,481
Accrued operating expenses	32,622	30,562
Accrued payroll expenses	24,690	15,530
Indirect tax accruals	10,553	6,017
Deferred consideration	9,550	—
Other accrued liabilities	8,028	255
Accrued liabilities	$ 273,118	$ 117,544

Other current liabilities

Other current liabilities consist of obligations expected to be settled within one year of the balance sheet date that are not separately presented in other current liability captions. The following table summarizes the composition of the Company's Other current liabilities reported in the Consolidated Balance Sheets as of the dates indicated:

($ in thousands)	September 30, 2026	September 30, 2025
Deferred revenue - TFO	$ 46,960	$ —
Derivative liabilities	23,477	—
Other current liabilities	2,723	6,096
Other current liabilities	$ 73,160	$ 6,096

Concentration risk

At times throughout the year, the Company may maintain cash balances in certain bank accounts in excess of Federal Deposit Insurance Corporation ("FDIC") limits. The cash balance not covered through FDIC was $133,080 and $11,926 as of September 30, 2026 and 2025, respectively.

Separately, the Company held about $2,214,129 in cash through a large institutional investment bank, which is invested according to an investment policy statement as required by the 2031 senior secured notes, as defined in Note 11 - Indebtedness. These investments are held in money market funds and therefore not insured by the FDIC. The Company assessed no credit risk associated with these accounts or their investments.

Accounts held through bitcoin custodians, which totaled $979,255 and $1,189,443 as of September 30, 2026 and 2025, respectively, are not insured by the FDIC. The Company has not experienced any losses in such accounts.

The Company has certain customers and vendors who individually represented 10% or more of the Company's revenue or capital expenditures. In the fiscal year ended September 30, 2026, revenue was concentrated with one mining pool operator and the majority of our bitcoin resided with one custodian. Refer to Note 18 - Revenue and Vendor Concentrations.

Leases

In accordance with ASC 842, *Leases*, the Company assesses whether an arrangement contains a lease at contract inception. When an arrangement contains a lease, the Company categorizes leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that allow the Company to substantially utilize or pay for the entire asset over its estimated life. Assets acquired under finance leases are recorded in Property and equipment, net. All other leases are categorized as operating leases.

The Company records right of use ("ROU") assets and lease obligations for its finance and operating leases, which are initially recognized based on the discounted future lease payments over the term of the lease. As the rate implicit in the Company's leases is not easily determinable, the Company's applicable incremental borrowing rate is used in calculating the present value of the sum of the lease payments.

Lease term is defined as the non-cancelable period of the lease plus any options to extend or terminate the lease when it is reasonably certain that the Company will exercise the option. The Company has elected not to recognize ROU assets and lease obligations for its short-term leases, which are defined as leases with an initial term of 12 months or less.

Some leases include multiple year renewal options. The Company's decision to exercise these renewal options is based on an assessment of its current business needs and market factors at the time of the renewal. Currently, the Company has certain leases for which the option to renew is reasonably certain, and therefore, options to renew were factored into the calculation of its right of use asset and lease liability as of September 30, 2026.

For all classes of underlying assets, the Company has elected to not separate lease from non-lease components.

Stock warrants

The Company accounts for stock warrants as either equity instruments or liabilities in accordance with ASC 480, *Distinguishing Liabilities from Equity* ("ASC 480") and/or derivative liabilities in accordance with ASC 815, Derivatives and Hedging ("ASC 815"), depending on the specific terms of the agreement. Liability-classified warrants are recorded at their estimated fair values at each reporting period until they are exercised, terminated, reclassified, or otherwise settled. Changes in the estimated fair value of liability-classified warrants are included in Loss on derivative securities, net under Other income in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income.

Convertible debt

The Company accounts for its convertible senior notes under ASC 470-20, *Debt with Conversion and Other Options* and ASC 815-40, *Derivatives and Hedging —Contracts in Entity's Own Equity* and/or ASC 815, depending on the specific terms of the debt agreement. The Company records the convertible senior notes as a long-term liability at face value net of debt issuance costs. If any of the conditions to the convertibility of the convertible senior notes are satisfied, or the convertible senior notes become due within one year, then the Company may be required under applicable accounting standards to reclassify the carrying value of the convertible senior notes as a current liability rather than a long-term liability.

Debt issuance costs related to the convertible senior notes were capitalized and recorded as a contra-liability and are presented net against the balance of the convertible senior notes on the Consolidated Balance Sheets. Debt issuance costs consist of underwriting, legal, and other direct costs related to the issuance of the convertible senior notes and are amortized to interest expense over the term of the convertible senior notes using the straight-line method, which approximated the effective interest method.

Capped call

Capped call transactions cover the aggregate number of shares of the Company's common stock initially underlying the 2030 Convertible Notes, as defined in Note 11 - Indebtedness. The Company accounts for capped calls as either equity instruments or liabilities in accordance with ASC 480 and/or derivative liabilities in accordance with ASC 815, depending on the specific terms of the agreement. As of September 30, 2026, the Company has only entered into equity-classified capped calls which are not remeasured each reporting period and are recorded as a reduction to additional paid-in-capital within shareholders' equity when purchased.

Stock-based compensation

The Company follows the guidelines in ASC 718-10, *Compensation-Stock Compensation*, which requires companies to measure the cost of employee and non-employee services received in exchange for an award of an equity instrument based on the grant-date fair value of the award. Stock-based compensation expense for stock options is recognized on a straight-line basis over the requisite service period. The Company may issue compensatory shares for services including, but not limited to, executive, management, accounting, operations, corporate communication, financial, and administrative consulting services. The Company determines the grant date fair value of the options using the Black-Scholes option-pricing model. For equity awards granted by the Company that are contingent upon market-based conditions, the Company fair values these awards using the Monte Carlo simulation model. For discussion of accounting for restricted stock units ("RSUs") and performance stock units ("PSUs"), please refer to Note 15 - Stock-Based Compensation.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Construction in progress is the construction or development of assets that have not yet been placed in service for their intended use. Depreciation for machinery and equipment, mining equipment, buildings, furniture and fixtures, and leasehold improvements commences once they are ready for their intended use. Leasehold improvements are depreciated on a straight-line basis over the shorter of their estimated useful lives or the terms of the related leases. Land is not depreciated.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

	Useful life (years)
Land improvements	5 - 15
Building and building improvements	Shorter of lease term or 30 years
Leasehold improvements	Shorter of lease term or 15 years
Miners	3 [(1)]
Mining equipment	3 - 15
Infrastructure asset	Shorter of lease term or 15 years
Machinery and equipment	3 - 10
Furniture and fixtures	1 - 5

[(1)] Effective May 1, 2024, the Company reduced the useful life for miners from five years to three years

In accordance with the FASB ASC 360-10, *Property, Plant and Equipment*, the carrying value of property and equipment, and other long-lived assets, is reviewed on a regular basis for the existence of facts or circumstances that may suggest impairment. The Company recognizes impairment when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. Impairment losses, if any, are measured as the excess of the carrying amount of the asset over its estimated fair value. See Note 8 - Property and Equipment for more details.

Business Combinations, Intangible assets, and Goodwill

The Company accounts for business combinations under the acquisition method of accounting in accordance with ASC 805, *Business Combinations*, where the total purchase price is allocated to the identified assets acquired and liabilities assumed based on their estimated fair values. The purchase price is allocated using the information currently available and may be adjusted, up to one year from the acquisition date, after obtaining more information regarding, among other things, asset valuations, liabilities assumed, and revisions to preliminary estimates. The difference between the purchase price, including any contingent consideration, and the fair value of net assets acquired is recorded as goodwill. Contingent consideration transferred is initially recognized at fair value. Contingent consideration classified as a liability or an asset is remeasured to fair value each period until settlement, with changes recognized in profit or loss. Contingent consideration classified as equity is not remeasured. Acquisition-related costs are recognized separately from the acquisition and are expensed as incurred.

The Company reviews its indefinite lived intangibles and goodwill for impairment annually or whenever events or circumstances indicate that the carrying amount of the asset exceeds its fair value and may not be recoverable. In accordance with its policies, the Company performed an assessment of indefinite lived intangibles and goodwill for the year ended September 30, 2026.

The Company amortizes intangible assets with finite lives over their estimated useful lives as follows:

	Useful life (years)
Websites	3
Software	4-7
Strategic contract	5

Goodwill impairment analysis

The Company tests goodwill for impairment at the reporting unit level annually as of September 30 and between annual tests when events or changes in circumstances indicate that it is more likely than not that a reporting unit's fair value is less than its carrying amount, including goodwill. The Company may first perform a qualitative assessment to determine whether it is necessary to perform the quantitative goodwill impairment test and has the unconditional option to bypass the qualitative assessment in any period and proceed directly to performing the quantitative analysis. When a quantitative test is performed, an impairment loss is recognized for the amount by which the reporting unit's carrying amount, including goodwill, exceeds its fair value, limited to the amount of goodwill allocated to the reporting unit.

On July 10, 2026, the Company reorganized its business operations into two distinct businesses, Bitcoin Mining and Data Center Infrastructure, each of which met the definition of a reporting unit. Immediately before the reorganization, the Company performed a qualitative goodwill impairment assessment of its existing single reporting unit and concluded that it was not more likely than not that the reporting unit's fair value was less than its carrying amount, including goodwill. Accordingly, no quantitative impairment test was necessary and no goodwill impairment was recognized before the reorganization. The Company reassigned goodwill from its existing single reporting unit to the two reporting units using a relative fair value allocation approach. Based on the relative fair values of the businesses immediately prior to the reorganization, $115,364 of goodwill was assigned to the Data Center Infrastructure reporting unit and $16,294 was assigned to the Bitcoin Mining reporting unit.

Following the reorganization and reallocation of goodwill, the Company performed quantitative goodwill impairment tests for both reporting units as of July 10, 2026. The fair values of the reporting units were estimated using an income approach based on discounted cash flow analyses. The fair values for both the Bitcoin Mining and Data Center Infrastructure reporting units, separately, exceeded their carrying amounts and, therefore, no impairment was recognized.

As of September 30, 2026, the Company performed its annual qualitative goodwill impairment assessment for each reporting unit. These assessments considered the results of the July 10, 2026 quantitative tests, subsequent operating performance relative to projections, changes in each reporting unit's carrying amount, and relevant industry and market conditions, including increases in the Company's stock price and bitcoin price since July 10, 2026. Based on the totality of the evidence, the Company concluded that it was more likely than not that the fair value of either reporting unit was in excess of its carrying amount, including goodwill. Accordingly, no additional quantitative goodwill impairment tests were necessary and no additional goodwill impairment was recognized as of September 30, 2026. No goodwill impairment losses were recognized during the years ended September 30, 2026, 2025, or 2024.

There were no changes in the $8,043 carrying amount of goodwill during the year ended September 30, 2024. The changes in the carrying amount of goodwill during the years ended September 30, 2026 and 2025 are as follows:

($ in thousands)	Bitcoin Mining	Data Center Infrastructure	Total
Balance as of September 30, 2024	$ 8,043	$ —	$ 8,043
Goodwill acquired during the year	123,615	—	123,615
Balance as of September 30, 2025	$ 131,658	$ —	$ 131,658
Goodwill allocated upon change in reporting units	(115,364)	115,364	—
Balance as of September 30, 2026	$ 16,294	$ 115,364	$ 131,658

Income taxes

The Company's calculation of its tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations in various taxing jurisdictions. The Company recognizes tax liabilities for uncertain tax positions based on management's estimate of whether it is more likely than not that additional taxes will be required. As of September 30, 2026 and 2025, the Company reported unrecognized tax benefits of $6,005 and $6,005, respectively.

Deferred income taxes are recognized in the consolidated financial statements for the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates. Temporary differences arise from net operating losses, differences in depreciation methods of intangible assets and property and equipment, stock-based and other compensation, other accrued expenses, and the tax treatment of gains or losses on the value of digital currency. A valuation allowance is established when it is determined that it is more likely than not that some or all of the deferred tax assets will not be realized.

The application of tax laws and regulations is subject to legal and factual interpretation, judgment, and uncertainty. Tax laws and regulations themselves are subject to change as a result of changes in fiscal policy, changes in legislation, the evolution of regulations, and court rulings. Therefore, the actual tax liability in U.S. federal or various state jurisdictions may be materially different from management's estimates, which could result in the need to record additional tax liabilities or potentially reverse previously recorded tax liabilities. Interest and penalties are included in tax expense.

Income tax (benefit) expense from operations for the years ended September 30, 2026, 2025, and 2024 was $(32,488), $39,111, and $3,344, respectively, which resulted primarily from changes in the valuation allowance against the Company's deferred tax assets.

Interest income

The Company invests available, unused cash in financial instruments that generate interest and dividend income. Interest and dividend income are presented on a combined basis under the caption Interest income in the Consolidated Statements of Operations and Comprehensive (Loss) Income.

For the years ended September 30, 2026, 2025, and 2024, the Company recognized interest income, excluding dividend income, of $9,055, $4,125, and $8,555, respectively, and dividend income of $1,104, $0, and $0, respectively.

Commitments and contingencies

The Company is subject to the possibility of various loss contingencies and loss recoveries, such as legal proceedings and claims arising out of its business. The Company considers the likelihood of loss or impairment of an asset, or the incurrence of a liability, as well as the Company's ability to reasonably estimate the amount of loss, in determining loss contingencies. An estimated loss contingency is accrued when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. The Company regularly evaluates current information available with its external and internal counsel to determine whether an accrual is required, an accrual should be adjusted, or a range of possible loss should be disclosed.

Indirect tax contingencies

The Company is subject to various indirect tax assessments, including sales and use taxes, that arise in the normal course of business. Liabilities for indirect taxes are recognized when it is probable and reasonably estimable that a loss has been incurred, consistent with ASC 450, Contingencies. Certain indirect tax exposures may include statutory interest and standard penalties. When such costs relate to operating-period activity, they are recognized in current-period expense within "Indirect tax contingency expense" in the Consolidated Statements of Operations and Comprehensive (Loss) Income. Indirect tax amounts that are directly attributable to the acquisition or construction of property, plant, and equipment are capitalized and depreciated as part of the related asset's cost, while statutory interest and penalties are expensed as incurred.

The Company evaluates these matters each reporting period and adjusts recorded amounts when new information becomes available or when the probability of loss changes. Any reversals or abatements of previously recognized indirect tax liabilities are recorded as reductions to the same captions originally affected; for amounts previously capitalized, reversals are recognized through derecognition of the related capitalized cost and accumulated depreciation.

As of September 30, 2026, the Company's indirect tax accruals include $75,771 related to estimated sales and use tax exposures, inclusive of statutory interest and penalties. This balance is reflected within Accrued liabilities in the Consolidated Balance Sheets.

Recently issued and adopted accounting pronouncements

In May 2025, the FASB issued ASU 2025-03, *Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity*, which amends existing guidance to allow entities to apply the same principles used in other business combinations when determining the accounting acquirer in a transaction involving a variable interest entity (VIE) that is a business and where consideration is primarily in the form of equity interests. This update addresses comparability concerns and provides for more consistent application of acquisition accounting principles. The amendments are effective for annual periods beginning after December 15, 2026, and interim periods within those years, with early adoption permitted. The Company is currently assessing the potential impact of the standard but does not anticipate that it will have a material impact on its Consolidated Financial Statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This ASU requires public business entities to provide additional disclosures in the notes to financial statements, disaggregating specific expense categories within relevant income statement captions. The prescribed categories include purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depreciation, depletion, and amortization related to oil-and-gas producing activities. The ASU is effective for annual reporting periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of this ASU on its financial statement disclosures.

In December 2023, the FASB issued ASC 350-60 which requires entities with certain crypto assets to subsequently measure such assets at fair value, with changes in fair value recorded in net (loss) income in each reporting period. Crypto assets that meet all the following criteria are within the scope of ASC 350-60:

(1) meet the definition of intangible assets as defined in the Codification;

(2) do not provide the asset holder with enforceable rights to or claims on underlying goods, services, or other assets;

(3) are created or reside on a distributed ledger based on blockchain or similar technology;

(4) are secured through cryptography;

(5) are fungible; and

(6) are not created or issued by the reporting entity or its related parties. In addition, entities are required to provide additional disclosures about the holdings of certain crypto assets.

Bitcoin, which is the sole crypto asset mined by the Company, meets each of these criteria. For all entities, the ASC 350-60 amendments are effective for fiscal years beginning after December 15, 2024, including interim periods within those years. Early adoption is permitted for both interim and annual consolidated financial statements that have not yet been issued (or made available for issuance). If an entity adopts the amendments in an interim period, it must adopt them as of the beginning of the fiscal year that includes that interim period. The Company has elected to early adopt the new guidance effective October 1, 2023, resulting in a $4,183 cumulative-effect change to adjust the Company's bitcoin held on October 1, 2023 with the corresponding entry to accumulated deficit as of October 1, 2023. The tax effect of the adjustment to record the adoption of ASU 2023-08 was to both decrease the deferred tax asset related to cumulative losses from the fair value adjustments of bitcoin held by the company and decrease the valuation allowance for gross deferred tax assets by the same amount as the adjustment to record the adoption of the ASU.

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures* (“ASU 2023-09”), which established a new income tax disclosure requirement in addition to modifying and eliminating certain existing requirements. Under the new guidance, entities must consistently categorize and provide greater disaggregation of information in the rate reconciliation. Companies must also further disaggregate income taxes paid. Companies are required to apply the guidance to annual periods beginning after December 15, 2024. The Company adopted ASU 2023-09 during the year ended September 30, 2026, on a prospective basis. The adoption resulted in expanded income tax disclosures but did not affect the Consolidated Financial Statements. Refer to Note 12 - Income Taxes for additional information.

In November 2023, the FASB issued ASU 2023-07, *Improvements to Disclosures About Reportable Segments* (“ASU 2023-07”), which requires enhanced disclosures about significant segment expenses. In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, provide new segment disclosure requirements for entities with a single reportable segment, and contain other disclosure requirements. The Company adopted ASU 2023-07 on October 1, 2024, which did not have a material impact on the Consolidated Financial Statements.

3. ACQUISITIONS

Business Combination

GRIID Infrastructure Inc.

On October 30, 2024 (the “Effective Time”), the Company completed the acquisition of GRIID Infrastructure Inc., a Delaware corporation (“GRIID”), through the merger of Tron Merger Sub, Inc. (“Merger Sub”), a Delaware corporation and a wholly owned subsidiary of the Company, with and into GRIID (the event collectively known as the “GRIID Acquisition” or the “Merger”). The Agreement and Plan of Merger (the “GRIID Agreement”) entered into on June 26, 2024, provided that, among other things and subject to the terms and conditions of the GRIID Agreement, (1) the Merger Sub would be merged with and into GRIID (the “Sub Merger”), with GRIID surviving and continuing as the surviving corporation in the Sub Merger, and (2) at the Effective Time of the Sub Merger, holders of each outstanding share of common stock, par value $0.0001 per share, of GRIID (“GRIID Common Stock”) would receive, in exchange for each share of GRIID Common Stock held immediately prior to the Merger (other than certain excluded shares), that number of shares of common stock, par value $0.001 per share, of the Company’s common stock (“Company Common Stock”) equal to the quotient obtained by dividing the Aggregate Merger Consideration (as defined in the GRIID Agreement) by the total number of shares of GRIID Common Stock issued and outstanding as of the closing date of the Merger (the “Exchange Ratio”).

Upon closing, the Company issued 5,031,221 shares of Company Common Stock on October 30, 2024 for a total value of $60,677, based on a price of $12.06 per share of Company Common Stock. Pursuant to the GRIID Agreement, the Exchange Ratio determined the total number of shares issued, which includes the conversion of most GRIID restricted stock units and GRIID options into Company Common Stock. Options that had an exercise price per share of GRIID Common Stock that was equal to or greater than the Merger Consideration Value were canceled for no consideration.

GRIID warrants outstanding and unexercised immediately prior to the Effective Time were automatically converted into warrants to purchase an aggregate of 960,395 shares of Company Common Stock, at an exercise price of $165.24 per share of Company Common Stock (the “Public Warrants”), and GRIID’s private warrants were converted or assumed by the Company. Pursuant to the GRIID Agreement, three types of warrants were issued: (1) Public Warrants, which were classified as equity warrants, (2) private warrants classified as liability warrants (the “Private Warrants”), and (3) warrants related to an agreement with GEM Yield Bahamas Limited (the "GEM Warrants"), which were also classified as liability warrants. The agreement had been entered into in connection with a previous acquisition. Both the Private Warrants and the GEM Warrants were subject to quarterly assessment. The private warrants and GEM Warrants were classified as liability warrants. As a result of a transfer of ownership of the private warrants, pursuant to the terms of the underlying agreement, the private warrants were converted to public warrants in January 2025, upon which they became equity classified warrants. The total number of warrants issued was 22,803,726, with a fair value of $6,097 as part of consideration transferred.

Concurrently with the GRIID Agreement, on June 26, 2024, the Company and GRIID entered into a senior secured term loan credit agreement (the “GRIID Credit Agreement”) and a co-location mining service agreement (the “Hosting Agreement”). Pursuant to the Hosting Agreement, GRIID hosted certain of the Company’s bitcoin mining equipment at GRIID facilities for a fee defined in the Hosting Agreement. The Hosting Agreement had an initial service term of one year with seven additional renewal terms, each for six months.

The GRIID Acquisition, completed in October 2024, enhanced the Company’s bitcoin mining capacity, particularly in Tennessee, where it plans to expand in the coming years. The GRIID Merger also broadened the Company’s operational footprint within the Tennessee Valley Authority service territory, offering greater geographic and power supply diversification. Goodwill recognized in connection with the preliminary purchase price allocation represents the future economic benefits arising from planned operational synergies, expanded geographic space, operational facilities and data centers, and a bitcoin mining workforce. The results of GRIID have been included in the Consolidated Financial Statements as of and from the date of acquisition. The associated goodwill was initially included in the Company’s Bitcoin Mining reportable segment. During fiscal 2026, the Company reallocated goodwill between its Bitcoin Mining and Data Center Infrastructure reporting units, as described in Note 2 - Summary of Significant Accounting Policies. As of the GRIID Merger closing date the Company had $48,321 of tax deductible goodwill.

Upon completion of the acquisition on October 30, 2024, the Company consolidated the activities of GRIID. The GRIID Credit Agreement and balances of receivables and payables under the Hosting Agreement were effectively settled, and the settlement amounts were included in purchase consideration. The related balances were eliminated in consolidation. On October 30, 2024, the Company completed the GRIID Acquisition for a total purchase consideration of $128,247, which is comprised of the following:

($ in thousands, except price per share)		**GRIID**
Shares of CleanSpark common stock issued		5,031,221
Closing price per share of CleanSpark common stock on October 30, 2024	$	12.06
Fair value of CleanSpark common shares issued as a portion of purchase price	$	60,677
Fair value of CleanSpark warrants issued as a portion of purchase price		6,097
Fair value of equity portion of purchase price		66,774
Cash consideration		1
Settlement of amounts payable by Company to GRIID under Hosting Agreement		(1,164)
Settlement of the GRIID Credit Agreement as a portion of purchase price		62,636
Settlement of preexisting relationship, including interest, as a portion of purchase price		61,472
Purchase price	$	128,247

The amounts in the table below represent the allocation of the purchase price to the acquired assets and liabilities assumed based on their respective estimated fair values on the date of acquisition.

The excess purchase price over the net assets acquired has been recorded as goodwill. The net assets acquired as of the acquisition date are presented as follows:

($ in thousands)	**Adjusted Balance**
Tangible assets	
Cash and cash equivalents	$ 1,089
Restricted cash	323
Accounts receivable	172
Prepaid expense and other current assets	193
Property and equipment	18,839
Other long-term assets	9,601
Operating lease right of use assets	1,100
Total tangible assets acquired	31,317
Intangible assets	
Goodwill	123,615
Total assets acquired	154,932
Liabilities assumed	
Accounts payable	3,479
Accrued liabilities	17,918
Finance lease obligations	2
Operating lease liabilities	2,458
Other liabilities	2,828
Total liabilities assumed	26,685
Net assets acquired	$ 128,247

The purchase price for GRIID has been allocated to assets acquired and liabilities assumed based on the Company's best estimates and assumptions using the information available as of the acquisition date and throughout the measurement period (up to one year from the acquisition date).

The preliminary purchase price allocation was updated for measurement period adjustments primarily related to revised assessments of pre-acquisition amounts, including a deposit receivable adjustment decreasing our goodwill by $4,008, accrued federal and state taxes which decreased goodwill by $870, an accounts payable adjustment which increased goodwill by $1,726, and other immaterial adjustments collectively decreasing goodwill by $442. In total, goodwill decreased by $3,594.

The Company recognized merger costs of $502 related to the acquisition of GRIID, consisting primarily of legal fees, during the year ended September 30, 2025. The Consolidated Financial Statements include these costs in the professional fees account.

Consolidated revenues generated from the locations acquired from GRIID for the year ended September 30, 2025, since the acquisition date, are $102,773. It is impracticable to determine the earnings recorded in the Consolidated Statements of Operations and Comprehensive (Loss) Income for the same period as we completed the integration of a substantial portion of GRIID into our ongoing operations during fiscal 2025.

Unaudited supplemental pro forma financial information

The financial information in the table below summarizes the combined results of operations of the Company and GRIID, on a pro forma basis, as though the companies had been combined as of the beginning of the periods presented. The pro forma financial information is presented for informational purposes only and is not indicative of the results of operations that would have been achieved if the acquisition had taken place on October 1, 2023 or of results that may occur in the future.

The following unaudited pro forma information for the years ended September 30, 2025 and 2024 combines the historical results of the Company and GRIID, as converted to U.S. GAAP, for the respective periods. We based the following pro forma results on estimates and assumptions that we believe are reasonable. The pro forma results include adjustments primarily related to purchase accounting.

	For the year ended September 30,	
($ in thousands)	**2025**	**2024**
Pro forma revenue	$ 766,314	$ 400,695
Pro forma net income (loss)	354,937	(112,275)

Asset Acquisitions

Brazoria County, Texas Acquisitions

On February 27, 2026, CleanSpark Data I, LLC, a Delaware limited liability company and wholly-owned subsidiary of the Company, completed an acquisition of real estate and land rights in Brazoria County, Texas.

The Company completed the acquisition for a total purchase price of $28,652, consisting of $28,083 of cash consideration and $569 of transaction costs. The transaction was accounted for as an asset acquisition, whereby the total purchase price was allocated proportionally across the fair values of qualifying acquired assets and liabilities. No goodwill is calculated in an asset acquisition.

On May 28, 2026 and July 20, 2026, the Company completed acquisitions for additional adjacent land in Brazoria County, Texas for a total purchase price of $16,640, consisting of $16,059 of cash consideration, $280 of which was originally paid at the initial February 27, 2026 purchase date, and $581 of additional transaction costs. These incremental transactions were accounted for as asset acquisitions, whereby the total purchase price was allocated to the land because no other assets were acquired and no liabilities were assumed.

The summary of the purchase price allocations for the assets acquired is presented below:

($ in thousands)	**Allocation at acquisition dates**
Land	$ 37,262
Other long-term assets	7,750
Total	$ 45,012

Austin County, Texas Acquisitions

On October 27, 2025, CleanSpark Data I, LLC, a Delaware limited liability company and wholly-owned subsidiary of the Company, entered into an asset purchase agreement with Priority Power Management, Inc., to acquire real estate and a land purchase option in Austin County, Texas.

The Company completed the acquisition for a total purchase price of $65,698, consisting of $20,000 in cash consideration inclusive of a $500 escrow deposit paid in the prior fiscal year; the issuance of 1,788,834 shares of common stock with a fair value of $36,134; deferred consideration of $10,000, initially recognized at its acquisition-date fair value of $8,874 and included in Accrued liabilities as of September 30, 2026; and $690 of transaction costs. The transaction was accounted for as an asset acquisition, whereby the total purchase price was allocated proportionally across the fair values of qualifying acquired assets and liabilities. No goodwill is calculated in an asset acquisition.

On April 17, 2026, the Company completed the acquisition of additional adjacent land in Austin County, Texas for a total purchase price of $15,087, consisting of $15,056 of cash consideration, $7,651 of which was originally paid at the initial October 27, 2025 purchase date, and $31 of additional transaction costs. The transaction was accounted for as an asset acquisition, whereby the total purchase price was allocated to the land because no other assets were acquired and no liabilities were assumed.

The summary of the purchase price allocations for the assets acquired is presented below:

($ in thousands)	Allocation at acquisition dates
Land	$ 73,134

Tennessee Acquisitions

On September 10, 2024, CleanSpark TN, LLC, a wholly-owned subsidiary of the Company (the "TN MIPA Buyer"), entered into three definitive Membership Interest Purchase Agreements (each, a "MIPA", and collectively, the "TN MIPAs") with Exponential Digital, LLC (the "TN MIPA Seller") to acquire seven bitcoin mining facilities located in Tennessee for a total purchase price of $25,000. Also on September 10, 2024, CSRE Properties Tennessee, LLC, a wholly-owned subsidiary of the Company, entered into a Real Estate Purchase and Sale Agreement (the "RE PSA") with US Farms & Mining, Inc. to purchase real property that was leased by the TN MIPA Seller for purposes of conducting operations of four of the mining locations. Under the terms of the RE PSA, CSRE Properties Tennessee, LLC will pay US Farms & Mining, Inc. an aggregate consideration of $2,500. The total consideration set forth to be paid per the agreements is $27,500.

The cities of the bitcoin mining facilities for each MIPA are as follows:

MIPA 1: Jellico, TN and West Crossville, TN;

MIPA 2: Campbell Junction, TN and Decatur, TN; and

MIPA 3: Winfield, TN; Oneida, TN; and Tazewell, TN.

The Company completed the acquisition of MIPA 1, MIPA 3, and MIPA 2 on September 16, 2024, September 25, 2024, and October 11, 2024, respectively. The transaction was accounted for as an asset acquisition, whereby the total purchase price is allocated first to the fair value of the assets acquired and any excess purchase price is allocated to the acquired assets pro-rata. No goodwill is calculated in an asset acquisition.

The combined purchase price is $29,854, which includes $27,500 in cash considerations payable to the TN MIPA Seller per the MIPAs and RE PSA, transfer of mining data center containers worth $1,750, $232 incurred for direct acquisition costs, and $372 in assumed lease liabilities.

The summary of the purchase price allocations for the assets acquired and liabilities assumed is presented below:

($ in thousands)	Allocation at acquisition dates
Land	$ 6,187
Land improvements	648
Building	805
Infrastructure	22,153
Right of use assets	61
Operating lease liability	(372)
Total	$ 29,482

Mississippi Acquisition - Clinton, MS

On September 16, 2024, CSRE Properties Mississippi, LLC, a Mississippi limited liability company and wholly-owned subsidiary of the Company, entered into definitive agreements with Eyas Investment Group and Makerstar Capital, Inc. ("Makerstar") to acquire bitcoin mining facilities in Clinton, Mississippi (the "Clinton Property").

The combined purchase price (including direct acquisition costs of $129) for the real property, construction in progress, and personal property was approximately $3,020. The transaction was consummated in September 2024 and accounted for as an asset acquisition, whereby the total purchase price is allocated first to the fair value of the assets acquired and any excess purchase price is allocated to the acquired assets pro-rata. No goodwill is calculated in an asset acquisition.

The purchase price allocation of the assets acquired is presented below:

($ in thousands)	Allocation at acquisition date
Land	$ 734
Construction in progress	2,286
Total	$ 3,020

In connection with the acquisition of the Clinton Property, CSRE Properties Mississippi, LLC entered into a Construction Management Services Agreement dated September 16, 2024 with Beast Power, Inc. ("Beast Power"), pursuant to which Beast Power was engaged to manage the completion of the construction of a data center facility on the Clinton Property for aggregate consideration of $2,888.

Wyoming Acquisition - Cheyenne, WY

On May 8, 2024, CSRE Properties Wyoming, LLC, a Wyoming limited liability company and wholly-owned subsidiary of the Company (the "Wyoming Buyer"), entered into a Purchase and Sale Agreement with MineOne Wyoming Data Center LLC ("MineOne"), pursuant to which the Wyoming Buyer agreed to purchase real property located in Wyoming.

On May 29, 2024, the Wyoming Buyer entered into new purchase and sale agreements with MineOne, collectively amending and restating the original agreement dated May 8, 2024 due to federal regulatory consent requirements relating to Parcel 1. As a result, the agreement was renegotiated and split into two agreements: the first agreement for Parcel 1, with a purchase price of $11,250, and the second agreement for Parcel 2, with a purchase price of $11,250, with no contingent payment requirements for either parcel.

In order for the federal agency to approve the transaction and for the Company to complete the acquisition of the land from MineOne, the assets on-site had to be demolished and the personal property had to be removed. On August 2, 2024, the Company and MineOne entered into an Asset Purchase Agreement ("APA") with a purchase price of $1,500, subsequently amended to $1,300, to acquire infrastructure assets.

The Company closed on the purchase of Parcel 2 on July 11, 2024 with a combined purchase price (including direct acquisition costs of $147) of $11,397.

The Company closed on the purchase of Parcel 1 on September 11, 2024 with a combined purchase price (including direct acquisition costs of $470) of $11,720. The direct acquisition costs for Parcel 1 included the cost of demolition.

In addition, the Company purchased a parcel of raw land adjacent to Parcel 2 from Campstool Land Company, LLC on August 7, 2024 for a purchase price (including direct acquisition costs of $23) of $1,523.

The Wyoming transactions were accounted for as asset acquisitions, whereby the total purchase price is allocated first to the fair value of the assets acquired and any excess purchase price is allocated to the acquired assets pro-rata. No goodwill is calculated in an asset acquisition. As a result, the total cost of the Wyoming land purchased was $24,640, 100% of which was allocated to land.

LN Energy LLC Acquisition - Georgia

On June 17, 2024, CleanSpark, Inc., through its wholly-owned subsidiary, CSRE Properties Sandersville, LLC (the "LN Energy Buyer"), entered into six (6) definitive agreements to acquire bitcoin mining facilities located in Georgia from, respectively, LN Energy 1 LLC, LN Energy 3 LLC, LN Energy 4 LLC, LN Energy 5 LLC, LN Energy 6 LLC, and LN Energy 7 LLC (collectively, the "LN Energy Seller"). The definitive agreements include the purchase of mining data centers, the assumption of the underlying real property leases, and one power agreement. The combined purchase price was $26,177, which included $25,800 paid to the LN Energy Seller, $132 incurred for direct acquisition costs, and $244 in assumed lease liabilities. The transaction is accounted for as an asset acquisition, whereby the total purchase price is allocated first to the fair value of the assets acquired and any excess purchase price is allocated to the acquired assets pro-rata. No goodwill is calculated in an asset acquisition.

The purchase price allocation of the assets acquired and liabilities assumed is presented below:

($ in thousands)	Allocation at acquisition date
Building/Improvements	$ 1,809
Infrastructure	21,818
Right of use assets	2,550
Operating lease liability	(244)
Total	$ 25,933

Mississippi Acquisitions - Meridian, Vicksburg, and Wiggins, MS

On February 26, 2024, the Company, through its wholly-owned subsidiary CSRE Properties Mississippi, LLC, closed on the Purchase and Sale Agreement entered into with Makerstar on February 5, 2024, pursuant to which the Company agreed to purchase three bitcoin mining facilities in Mississippi for $19,771 (including direct acquisition costs of $148). The three facilities are located in Meridian, Vicksburg, and Wiggins, respectively. The transaction was accounted for as an asset acquisition, whereby the total purchase price is allocated first to the fair value of the assets acquired and any excess purchase price is allocated to the acquired assets pro-rata. No goodwill is calculated in an asset acquisition.

The purchase price allocation of the assets acquired is presented below:

($ in thousands)	Allocation at acquisition date
Land	$ 1,304
Building/Improvements	7,525
Infrastructure	10,942
Total	$ 19,771

Other Acquisitions

The Company completed incremental, unnamed asset acquisitions in the ordinary course of business. These acquisitions primarily consisted of land and related real estate assets which were acquired for aggregate purchase prices of about $13,293, $6,903, and $4,607, during the years ended September 30, 2026, 2025, and 2024, respectively. The acquisitions were paid in cash and the prices are inclusive of customary transaction costs. Each transaction was accounted for as an asset acquisition, whereby the total purchase price was allocated to the identifiable assets acquired based on their relative fair values. No goodwill was recognized in connection with these transactions.

4. BITCOIN

As of September 30, 2026 and 2025, the Company held 11,720 and 10,428 bitcoin, respectively. The following table presents a description of the Company's bitcoin holdings as of September 30, 2026 and 2025:

Bitcoin holdings	As of September 30, 2026	As of September 30, 2025
Number of bitcoin held[1]	11,720	10,428
Cost basis - per bitcoin	$ 82,068	$ 105,025
Fair value - per bitcoin	$ 83,556	$ 114,068
Cost basis of bitcoin (in '000s)	$ 961,814	$ 1,095,151
Fair value of bitcoin (in '000s)	$ 979,255	$ 1,189,443

[1] Bitcoin holdings include a total of 1,665 and 0 bitcoin restricted as collateral for the Two Prime Line of Credit as of September 30, 2026 and 2025, respectively. These restricted bitcoin remain recognized on the Consolidated Balance Sheets and held under the line item Bitcoin - current.

The cost basis represents the valuation of bitcoin at the time of initial recognition, primarily through mining activities, and may be affected by subsequent derecognition and reacquisition of bitcoin in connection with activities such as the posting of collateral.

The following table presents information based on the activity of bitcoin for the years ended September 30, 2026 and 2025:

($ in thousands)	For the year ended September 30, 2026	2025
Beginning Balance	**$ 1,189,443**	**$ 431,661**
Addition of bitcoin from mining activities[1]	576,534	766,314
Bitcoin purchased[2]	46,373	160,184
Bitcoin sold	(139,823)	(311,586)
Bitcoin issued for services and other non-cash consideration	(49,341)	(89,922)
Bitcoin transferred to collateral account	(854,866)	(605,830)
Bitcoin received from collateral account	492,559	412,976
(Loss) gain on fair value of bitcoin, net	(281,624)	425,646
Ending Balance[3]	**$ 979,255**	**$ 1,189,443**

[1] Net of mining pool fees as described in Note 2 - Summary of Significant Accounting Policies.

[2] Excludes bitcoin purchased through settlement of put options that is initially recognized as Receivable from bitcoin collateral.

[3] Includes Bitcoin - current of $809,681 and $966,829 and Bitcoin - noncurrent of $169,574 and $222,614 as of September 30, 2026 and 2025, respectively, as presented within the Consolidated Balance Sheets.

The Company's bitcoin holdings shown in this note are not subject to rehypothecation and, except for the 1,665 bitcoin restricted for the Two Prime Line of Credit as noted in the table above, do not serve as collateral for any existing loans or agreements (see Note 5 - Receivable from Bitcoin Collateral). As of September 30, 2026, the Company held approximately 98% of its bitcoin in cold storage and 2% in hot wallets.

The Company recognized cumulative realized gains from dispositions of bitcoin of $68,635, $385,177, and $63,878 during the years ended September 30, 2026, 2025, and 2024, respectively. The Company recognized cumulative realized losses of $273,502, $0, and $0 during the years ended September 30, 2026, 2025, and 2024, respectively.

5. RECEIVABLE FROM BITCOIN COLLATERAL

Under the terms of certain arrangements, the Company transfers the right to direct the use of bitcoin it has posted as collateral but retains a contractual right to receive an equivalent amount of bitcoin. In such cases, where control of the collateralized bitcoin has been transferred, the Company records a note receivable equivalent to the fair value of the posted bitcoin. That receivable is reclassified into current bitcoin upon repayment or release of the collateral.

For arrangements that involve transfer of control, any posted bitcoin collateral may relate to the Coinbase bitcoin-backed line of credit (see Note 11 - Indebtedness) and derivative trading relationships with certain counterparties. Lenders and derivative counterparties serve as custodians of collateral posted under these arrangements. The bitcoin collateral posted may fluctuate during the reporting period and may be returned to the Company's control when positions are closed. As of September 30, 2026, the Company had no bitcoin posted as collateral under its Coinbase bitcoin-backed line of credit. The Company expects to continue trading with its counterparties in the normal course of operations and may be required to post collateral in connection with such transactions (see Note 6 - Investments and Derivatives).

The portion of collateral subject to derecognition is presented on the Consolidated Balance Sheets as Receivable from bitcoin collateral. At September 30, 2026, the Company reported Receivable from bitcoin collateral related to 1,810 bitcoin with a fair value of $151,241, compared to 2,583 bitcoin with a fair value of $294,648 posted as of September 30, 2025. At September 30, 2026, all bitcoin included in Receivable from bitcoin collateral related to derivative trading arrangements. During the year ended September 30, 2025, a portion of the bitcoin collateral was also posted to secure the Company's line of credit with Coinbase, as described in Note 11 - Indebtedness.

The receivable is initially recognized and subsequently measured at fair value. Changes in fair value are recorded in (Loss) gain on bitcoin collateral within Other (expense) income in the Consolidated Statements of Operations and Comprehensive (Loss) Income. For the year ended September 30, 2026, the Company recognized a net loss of $118,740 related to bitcoin collateral, compared to a gain of $92,190 for the year ended September 30, 2025.

6. INVESTMENTS AND DERIVATIVES

The Company holds investment and derivative assets and liabilities. The Company has not designated any derivatives as hedging instruments for accounting purposes. The Company's bitcoin-linked derivative activities undertaken as part of its broader bitcoin treasury management strategy are referred to collectively as "Digital Asset Management" ("DAM"). The following table presents the carrying value of the Company's available-for-sale debt securities and derivative instruments, aside from the Company's warrant liability, including balances as of September 30, 2023 and activity through to the period ended September 30, 2026:

	Fair value measurements for derivative instruments					
Consolidated Balance Sheet classification[1]:	**Investment in debt security, AFS, at fair value**	**Derivative investments**			**Other current liabilities**	**(Other current liabilities) Derivative investments**
($ in thousands)	**ILAL Debt Securities**	**ILAL Derivative Asset**	**Bitmain Derivatives**	**DAM Derivative Assets**	**DAM Derivative Liabilities**	**Interest Rate Swaps**
Balance as of September 30, 2023	**$ 726**	**$ 2,697**	**$ —**	**$ —**	**$ —**	**$ —**
Total gains or losses for the period						
Loss on derivative securities	—	(865)	—	—	—	(100)
Other comprehensive (loss) income, net of tax	192	—	—	—	—	—
Balance as of September 30, 2024	**$ 918**	**$ 1,832**	**$ —**	**$ —**	**$ —**	**$ (100)**
Total gains or losses for the period						
(Loss) gain on derivative securities	—	(1,832)	(6,850)	—	6,551	7
Other comprehensive (loss) income, net of tax	(418)	—	—	—	—	—
Purchases, sales, and settlements						
Purchased and acquired options	—	—	8,323	—	—	—
Sales and written options	—	—	—	—	(9,755)	—
Settlements and expiries	(500)	—	(1,240)	—	3,204	—
Balance as of September 30, 2025	**$ —**	**$ —**	**$ 233**	**$ —**	**$ —**	**$ (93)**
Total gains or losses for the period						
(Loss) gain on derivative securities	—	—	(6,019)	4,439	(14,798)	244
Purchases, sales, and settlements						
Purchased and acquired options	—	—	6,513	—	30,263	—
Written options	—	—	—	—	(60,572)	—
Settlements and expiries	—	—	—	(4,439)	21,630	—
Balance as of September 30, 2026	**$ —**	**$ —**	**$ 727**	**$ —**	**$ (23,477)**	**$ 151**

[1] Balance rows presented represent assets if positive or liabilities if negative.

Derivative contracts are measured at fair value, with changes in fair value and settlements recognized in earnings in the period in which they occur. The Company evaluates all financing and service agreements for potential embedded derivative features that may require bifurcation.

All derivative instruments are recorded in the Consolidated Balance Sheets at fair value and are classified as current or noncurrent based on the expected timing of settlement. Gains and losses related to a derivative executed as part of the Company's bitcoin treasury management strategy, both realized and unrealized, are reported on the Consolidated Statements of Operations and Comprehensive (Loss) Income within Loss on derivative securities, net within Other (expense) income. None of the Company's derivatives were designated as hedges for accounting purposes.

Bitcoin treasury derivatives

During April 2025, as part of a broader bitcoin treasury management strategy, the Company began entering into bitcoin-linked derivative contracts to economically hedge the volatility of bitcoin prices and to generate liquidity in support of core operating activities. These derivatives are referred to as DAM Derivatives. These contracts serve as a strategic alternative to selling bitcoin directly and are intended to monetize the Company's bitcoin holdings while managing exposure to adverse price movements. The types of derivatives utilized for this purpose may include bitcoin forwards, options, and other structured instruments. These contracts are typically short-term in nature and may be cash-settled or settled in-kind.

During the year ended September 30, 2026, the Company engaged in calls, puts, and forward contracts. The contracts that were settled through physical delivery of bitcoin resulted in cash proceeds that are reported within the Proceeds from sale of bitcoin and option settlement line item in the Consolidated Statements of Cash Flows. The Company recognized a total loss, net, from the DAM activity of $10,359 during the same period which is included in Loss on derivative securities, net in the Consolidated Statements of Operations and Comprehensive (Loss) Income. As of September 30, 2026, the Company held $23,477 of derivative liabilities with respect to its written call option contracts. The Company maintains a limited amount of bitcoin and cash collateral with these organizations in connection with such transactions. See Note 5 - Receivable from Bitcoin Collateral for further discussion related to bitcoin posted for collateral.

During the years ended September 30, 2026 and 2025, the Company entered into new miner procurement arrangements with Bitmain that included contractual options to repurchase an equivalent amount of bitcoin at a fixed U.S. dollar price. Each repurchase right was accounted for as a derivative and presented in the table above as Bitmain Derivative and was recorded at fair value in the Consolidated Balance Sheets. The Bitmain options are bitcoin-linked derivatives but were not entered into as part of the Company's DAM strategy and were therefore excluded from DAM activity. The remaining Bitmain contract continues to be accounted for as a derivative and measured with a fair value of $727. The loss of $6,019 related to Bitmain instruments was included in Loss on derivative securities, net in the Consolidated Statements of Operations and Comprehensive (Loss) Income for the year ended September 30, 2026.

Interest rate swap derivative

The Company is party to two interest rate swap agreements, neither of which is designated as a hedge for accounting purposes. These derivatives are recorded at fair value on the Consolidated Balance Sheets with changes in fair value recognized in current earnings within Loss on derivative securities, net.

In relation to the Company's Western Alliance Bank Credit Agreement entered into in August 2024, the Company holds an interest rate swap agreement (see Note 11 - Indebtedness). As of September 30, 2026, this interest rate swap derivative was recorded as a fair value asset of $93, reflecting a gain of $159 during the year ended September 30, 2026.

In April 2025, the Company entered into a second interest rate swap agreement in connection with the refinancing of its corporate facility mortgage (see Note 11 - Indebtedness). As of September 30, 2026, the swap derivative was recorded as a fair value asset of $58, reflecting a gain of $85 during the year ended September 30, 2026.

As of September 30, 2026, the interest rate swap derivatives were recorded as a combined fair value asset of $151. Changes in the fair value of the swaps resulted in a net gain of $244 for the year ended September 30, 2026.

International Land Alliance, Inc.

The Company's former investment in International Land Alliance, Inc. ("ILAL") consisted of ILAL Debt Securities, representing Series B Preferred Stock acquired in November 2019, and an associated ILAL Derivative Asset arising from an embedded conversion feature within that preferred stock. The ILAL Debt Securities were classified as available-for-sale debt securities, with unrealized gains and losses recorded in Accumulated other comprehensive income (loss), and the ILAL Derivative Asset was measured at fair value with changes recognized in earnings. These instruments had been remeasured at fair value each reporting period through the Company's quarter ended June 30, 2025.

In August 2025, the Company and ILAL reached a settlement resolving all outstanding amounts and claims related to the investment. Under the settlement terms, ILAL was obligated to pay total consideration of $1,500 in two installments: $1,200 due by September 24, 2025 and $300 due by November 24, 2025. In connection with the settlement, the Company derecognized the ILAL Debt Securities and the ILAL Derivative Asset, reclassified the cumulative unrealized amounts previously recorded in Accumulated other comprehensive income (loss) into earnings, and recorded a settlement receivable for the stated consideration.

As of September 30, 2025, ILAL had not executed the settlement or made any payments due under its terms. Based on its assessment of collectability, the Company recorded a full allowance for doubtful accounts against the settlement receivable, resulting in a net carrying amount of $0 as of the balance-sheet date. The offsetting charge was recognized within Other (expense) income for the period.

During the year ended September 30, 2026, the Company received partial payments from ILAL totaling approximately $525. These payments reduced the settlement receivable, and corresponding reductions in the allowance for doubtful accounts were recognized within Other (expense) income. As of September 30, 2026, the remaining settlement receivable of $975 was fully offset by an allowance for doubtful accounts, resulting in a net carrying amount of $0. The Company continues to pursue collection of the remaining settlement consideration and monitor any subsequent developments that may affect its rights to enforce or recover the settlement consideration. The timing and amount of further recoveries remain uncertain.

Other investments

In April 2026, the Company invested a total of $44,089 in two nonconsolidated entities to acquire minority equity ownership interests. These investments are included in Other long-term assets in the Consolidated Balance Sheets, and the related cash outflows are presented as Investments in other entities within investing activities in the Consolidated Statements of Cash Flows. The Company elected the measurement alternative under ASC 321, *Investments — Equity Securities* for these equity investments without readily determinable fair values and measures them at cost, less impairment, adjusted for observable price changes in orderly transactions for identical or similar investments of the same issuer. The aggregate carrying amount of these investments was $44,089 and $0 as of September 30, 2026 and 2025, respectively. As of September 30, 2026, the aggregate carrying amount of these investments approximated their estimated fair value. Based on its evaluation of impairment indicators and observable price changes, the Company recognized no impairments or adjustments during the year ended September 30, 2026 or cumulatively since acquisition.

7. FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value maximize the use of observable inputs and minimize the use of unobservable inputs. The Company utilizes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable.

Level 1	Quoted prices for identical assets or liabilities in active markets. These are typically obtained from real-time quotes in active exchange markets involving identical assets or liabilities.
Level 2	Quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets. These are typically obtained from readily available pricing sources for comparable assets or liabilities.
Level 3	Unobservable inputs, where there is little or no market activity for the asset or liability. These inputs reflect the reporting entity's own beliefs about the assumptions that market participants would use in pricing the asset or liability, based on the best information available in the circumstances. Due to the use of significant unobservable inputs, a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement.

The carrying values of cash, accounts payable, accrued expenses, and the current portion of debt approximate their fair values because of the short-term nature of the instruments. The Company's senior secured and convertible notes are recorded at amortized cost, net of applicable unamortized discounts and debt issuance costs. Estimated fair values and related valuation methodologies are disclosed in Note 11 - Indebtedness. Given that the debt was issued, management believes the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair values of warrant liabilities were determined based on the Black-Scholes option-pricing model using Level 2 inputs. The fair values of the DAM derivative assets, DAM derivative liabilities, and Bitcoin derivative - Bitmain contracts outstanding as of September 30, 2026, as defined in Note 6 - Investments and Derivatives, were also determined using the Black-Scholes option-pricing model and implied volatility derived from observable quotes for similar bitcoin options in a visible, active market. Given that the significant inputs were observable, directly or indirectly, for substantially the full contractual terms of the instruments and no significant unobservable adjustment was applied, these fair value measurements were classified within Level 2 of the fair value hierarchy.

On September 30, 2025, the value of Bitcoin derivative - Bitmain contracts was also determined using the Black-Scholes option-pricing model, with historical bitcoin volatility as an input that was deemed to be a Level 3 input. The Bitcoin derivative - Bitmain contracts classified within Level 3 at September 30, 2025 expired during the year ended September 30, 2026. The Bitcoin derivative - Bitmain contracts outstanding at September 30, 2026, were separate instruments classified within Level 2 based on observable valuation inputs. Accordingly, the different hierarchy classifications presented at the two presented balance sheet dates did not represent transfers of instruments between levels of the fair value hierarchy.

The following table presents the Company's assets and liabilities that are measured and recorded at fair value on the Company's Consolidated Balance Sheets on a recurring basis, and their level within the fair value hierarchy as of September 30, 2026 and 2025 unless otherwise noted:

September 30, 2026

($ in thousands)	Amount	Level 1	Level 2	Level 3
Recurring basis measurements:				
Assets:				
Cash equivalents[1]	$ 74,561	$ 74,561	$ —	$ —
Restricted cash[1]	2,139,581	2,139,581	—	—
Receivable from bitcoin collateral[2]	151,241	—	151,241	—
Bitcoin	979,255	979,255	—	—
Bitcoin derivative - Bitmain contracts	727	—	727	—
Interest rate swap derivative	151	—	151	—
Liabilities:				
DAM derivative liabilities	23,477	—	23,477	—
Non-recurring basis measurements:	—	—	—	—
Property and equipment, net[3]	108,984	—	—	108,984

September 30, 2025

($ in thousands)	Amount	Level 1	Level 2	Level 3
Recurring basis measurements:				
Assets:				
Cash equivalents[1]	$ 32,992	$ 32,992	$ —	$ —
Receivable from bitcoin collateral[2]	294,648	—	294,648	—
Bitcoin	1,189,443	1,189,443	—	—
Bitcoin derivative - Bitmain contracts	233	—	—	233
Liabilities:				
Interest rate swap derivative	93	—	93	—
Warrant liabilities	115	—	115	—

[1] Represents money market funds.

[2] See Note 5 - Receivable from Bitcoin Collateral for more information.

[3] On 7/10/2026, certain long-lived assets held and used with a carrying amount of $277,086 were written down to their fair value of $108,984 as determined by an orderly liquidation assessment. The $168,102 non-cash impairment charge is detailed in Note 8 - Property and Equipment.

The activities of the financial instruments that are measured and recorded at fair value on the Company's Consolidated Balance Sheets on a recurring basis during the years ended September 30, 2026 and 2025 are included in Note 6 - Investments and Derivatives.

Assets and liabilities measured and recorded at fair value on a non-recurring basis

The Company's non-financial assets, such as goodwill, intangible assets, and property and equipment, are adjusted to fair value when an impairment charge is recognized. Fair value measurements associated with recognized impairment charges are performed on a non-recurring basis. The fair value measurements associated with the Company's impairments related to its mining equipment and infrastructure at its Sandersville, Georgia, site and aged miners in the fourth quarter of the year ended September 30, 2026 used each item's orderly liquidation value. That aggregate value is shown in footnote 3 to the table above. These values were deemed to be Level 3 inputs because they were not readily observable.

The Company's other investments may also be measured at fair value on a non-recurring basis. Such fair value measurements are based predominantly on Level 3 inputs. In those cases, the carrying value of the Company's other investments is predominantly adjusted based on internal discounted cash flow models that use available market data of comparable companies and other unobservable inputs including expected volatility, expected time to liquidity, and adjustments for other company-specific developments.

Assets and liabilities not measured and recorded at fair value

The Company's financial instruments, including accounts receivable and indebtedness, are not measured at fair value. The carrying values of cash and receivables approximate their fair values due to their liquid or short-term nature. The estimated fair values of the Company's senior secured and convertible notes are determined using Level 2 inputs and are disclosed in Note 11 - Indebtedness. The fair values of short-term borrowings and accounts receivable are based on Level 2 and Level 3 inputs, respectively.

8. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	As of	
($ in thousands)	**September 30, 2026**	**September 30, 2025**
Land	$ 158,449	$ 39,299
Land improvements	12,621	9,937
Building and improvements	102,389	96,400
Leasehold improvements	3,444	2,941
Miners	1,355,277	1,422,011
Mining equipment	24,921	24,807
Infrastructure	360,352	295,837
Machinery and equipment	30,137	16,978
Furniture and fixtures	3,553	2,626
Construction in progress	416,832	12,788
Property and equipment, gross	**$ 2,467,975**	**$ 1,923,624**
Less: Accumulated depreciation	(996,319)	(559,943)
Property and equipment, net	**$ 1,471,656**	**$ 1,363,681**

Depreciation expense for the years ended September 30, 2026, 2025, and 2024 was $425,296, $344,135, and $152,469, respectively. Depreciation expense attributable to miners for the years ended September 30, 2026, 2025, and 2024 was $379,706, $306,915, and $133,733, respectively.

During the year ended September 30, 2026, the Company had additions to property and equipment of $728,326, which included $103,094 of miners, $123,689 of assets acquired through acquisition transactions (see Note 3 - Acquisitions), and $419,452 of construction in progress, discussed below.

During the year ended September 30, 2026, the Company had disposals of property with a net book value of $21,767 for which the Company received proceeds of $6,938, recognizing a loss on disposal of assets of $14,829.

Construction in progress: The Company expanded its mining operations through investments in infrastructure, building, and land improvements. In 2026, the Company began investing in land and infrastructure for Data Center Infrastructure projects.

Deposits on miners and mining equipment: As of September 30, 2026 and 2025, the Company had outstanding deposits for miners and mining equipment totaling $19,901 and $112,037, respectively. Such deposits are recorded as long-term assets on the Consolidated Balance Sheets.

Impairment and depreciation: During the year ended September 30, 2026, the Company recognized aggregate impairment charges of $177,071 related to its long-lived assets.

In 2026, the Company began investing in land and infrastructure for Data Center Infrastructure. In connection with the execution of a Data Center Infrastructure lease in July 2026 and the related plan to phase out bitcoin mining operations at Sandersville, the Company determined that existing bitcoin mining operations at that site would cease by February 2028. Impairment testing of the affected Sandersville asset group resulted in an impairment charge of $154,037. As a result of this fleet reduction, the Company also evaluated certain less-efficient miners within its mining fleet, considering their expected future utilization opportunities. Impairment testing of the affected miner asset groups resulted in an additional impairment charge of $14,065. The adjusted carrying amounts of impaired assets with remaining useful lives, less estimated residual values, will be depreciated over the remaining periods in which they are expected to continue to operate. Significant inputs in the fair value analyses included expected liquidation value, future bitcoin prices, forecasted global hashrate, and estimated future power prices.

During the year ended September 30, 2026, the Company also recorded impairment charges totaling $8,969 related to deposits for equipment and other items that were no longer expected to be utilized. The deposit and equipment impairment charges were recorded in the Consolidated Statements of Operations and Comprehensive (Loss) Income under the caption Impairment expense.

During the year ended September 30, 2025, the Company recognized no impairments on its long-lived assets.

In April 2024, a bitcoin halving event took place. A bitcoin halving event, which occurs every four years, reduces the block reward for bitcoin miners by 50% and directly impacts the Company's revenue generation from mining activities. In connection with the halving, the Company determined that certain miner models (S19J, S19 J Pro, and S19 J Pro+) would be removed from service and replaced with newer, more efficient miner models. An impairment test was performed on the miners identified for retirement, resulting in an impairment charge of approximately $189,000 during the year ended September 30, 2024. The fair value less residual value of the impaired miners will be depreciated over the remaining period in which they continue to operate. Significant inputs in the fair value analysis included future bitcoin prices, forecasted global hashrate, and estimated future power prices.

Effective May 1, 2024, the Company reduced the useful lives of its miners from five years to three years. The change in estimated useful lives increased Depreciation expense and (Loss) income before income tax (benefit) expense by approximately $7,261 for the year ended September 30, 2024.

In the fourth quarter of fiscal 2024, the Company began to sell off certain miners that had been removed from service. Prevailing resale market rates decreased between June 2024 and September 2024, leading the Company to revise its estimated salvage value of all out-of-service miners and record an additional impairment charge of approximately $7,800. The combined impairment charges for the year ended September 30, 2024 totaled $197,757, which is recorded in the Consolidated Statements of Operations and Comprehensive (Loss) Income within Impairment expense.

9. INTANGIBLE ASSETS

Intangible assets consisted of the following as of September 30, 2026 and 2025:

	September 30, 2026			September 30, 2025		
($ in thousands)	Intangible assets	Accumulated amortization	Net intangible assets	Intangible assets	Accumulated amortization	Net intangible assets
Software	$ 7,981	$ (5,009)	$ 2,972	$ 7,981	$ (2,458)	$ 5,523
Websites	—	—	—	15	(15)	—
Strategic contract	9,800	(9,800)	—	9,800	(9,474)	326
Total	$ 17,781	$ (14,809)	$ 2,972	$ 17,796	$ (11,947)	$ 5,849

The strategic contract relates to the supply of a critical input to the Company's bitcoin mining business at significantly lower prices compared to market.

Amortization expense for the years ended September 30, 2026, 2025, and 2024 was approximately $2,877, $4,200, and $2,140, respectively.

During the years ended September 30, 2026, 2025, and 2024, the Company did not incur impairment losses related to the above intangible assets.

The Company expects to record amortization expense of intangible assets over the future periods as follows:

Fiscal year ($ in thousands)	Intangible assets
2027	$ 2,333
2028	639
Total	$ 2,972

10. LEASES

As of September 30, 2026, the Company had operating leases primarily for the land leases of its mining facilities in Georgia and Tennessee and finance leases primarily related to property and equipment used at its data center. The mining facilities comprise the Company's material underlying asset class under operating lease agreements.

During the year ended September 30, 2025, the Company entered into and assumed several new lease arrangements in connection with business acquisitions and site expansions. Finance leases were recognized primarily for properties obtained through the GRIID acquisition, including a ground lease and a property lease supporting bitcoin data center operations. New operating leases included data center and warehouse sites in Tennessee and Georgia, an office lease in Maryland, and additional short-term property leases related to new data center developments in Georgia. All leases which were effective during the period were entered into to support the Company's bitcoin mining and administrative activities.

During the year ended September 30, 2024, the Company assumed six land leases and three short-term leases through the acquisitions of bitcoin mining locations in Georgia and Tennessee and entered into one new operating land lease in Georgia. The land lease terms range from approximately 0.7 to 12.7 years. In connection with these transactions, the Company recognized total operating lease liabilities of $709 and corresponding right-of-use assets of $2,625 (based on acquisition-date allocations and new lease recognition). The short-term leases, which expired in October 2024, are recognized on a straight-line basis within General and administrative expenses on the Consolidated Statements of Operations and Comprehensive (Loss) Income.

Sandersville Data Center Infrastructure Lease - Lessor arrangement

In July 2026, the Company entered into a triple-net infrastructure lease agreement (the "Sandersville Lease") with a global technology company (the "Tenant") for 175 megawatts of critical information technology load at a new data center campus adjacent to the Company's existing Sandersville, Georgia site. Delivery of the lease capacity is expected to begin in the first quarter of fiscal year 2028, and, accordingly, no lease revenue has been recognized as of September 30, 2026. The Sandersville Lease provides an initial term of 20 years, with lease commencement expected in November 2027 and expiration of the initial term expected in November 2047, subject to the agreement's commencement provisions. The Tenant has two five-year extension options. Total contractual rental payments over the initial term are approximately $6,560,000, excluding payments associated with the extension options and variable reimbursements of property-related costs. Under the triple-net arrangement, the Tenant is responsible for costs and expenses associated with the leased premises. Commencement is subject to completion of construction and satisfaction of the applicable delivery conditions.

As of September 30, 2026, the Company had received an advance payment of $5,000 from the Tenant, which was recorded as Deferred revenue within Other long-term liabilities on the Consolidated Balance Sheets and within Increase in deferred revenue on the Consolidated Statements of Cash Flows. The advance payment will be applied toward the first month's rent upon lease commencement.

Office Space Operating Lease and Sublease

The Company also has an operating lease for office space which was previously utilized as its corporate headquarters. In January 2024, the Company ceased usage of the office space. In the quarter ended March 31, 2024, the Company wrote down the right of use asset as it considered the asset to be impaired since the space was not utilized and the efforts to find a sub-lessee at the time were unsuccessful. The Company impaired the right of use asset in the amount of $396 and has recorded this as Impairment expense - other on the Consolidated Statements of Operations and Comprehensive (Loss) Income.

In July 2024, the Company entered into a sublease agreement in which it sublets the office space to the sublessee for the remainder of the original lease term expiring in April 2027. The sublease remained in effect as of September 30, 2026. Sublease income for the years ended September 30, 2026, 2025, and 2024 was approximately $117, $87, and $15, respectively. The sublease did not relieve the Company from its original lease obligation.

The Company's lease costs recognized in the Consolidated Statements of Operations and Comprehensive (Loss) Income consist of the following:

	For the year ended September 30,		
($ in thousands)	**2026**	**2025**	**2024**
Operating lease cost [(1)]	$ 1,869	$ 1,524	$ 293
Finance lease cost:			
Depreciation expense of financed assets	$ 49	$ 73	$ 123
Interest on lease obligations	$ 92	$ 26	$ 10
Short-term rent expense	$ 551	$ 294	$ 7

[(1)] Included in general and administrative expenses.

Other lease information that is relevant to the periods presented is as follows:

($ in thousands)	For the year ended September 30, 2026	2025	2024
Cash paid for amounts included in measurement of lease obligations:			
Operating cash outflows from operating leases	$ 1,820	$ 1,411	$ 316
Operating cash outflows from finance leases	$ 92	$ 26	$ 10
Financing cash outflows from finance leases	$ 118	$ 50	$ 151

	September 30, 2026	September 30, 2025
Weighted-average remaining lease term - operating leases	4.3 years	2.0 years
Weighted-average remaining lease term - finance leases	2.1 years	8.9 years
Weighted-average discount rate - operating leases	8.45%	8.90%
Weighted-average discount rate - finance leases	8.37%	8.81%

The following is a schedule of the Company's lease liabilities by contractual maturity as of September 30, 2026:

($ in thousands) Fiscal Year	Operating leases	Finance leases
2027	$ 1,081	$ 255
2028	775	2,176
2029	594	60
2030	581	75
2031	281	75
Thereafter	262	225
Gross lease liabilities	3,574	2,866
Less: imputed interest	(600)	(336)
Present value of lease liabilities	$ 2,974	$ 2,530
Less: current portion of lease liabilities	(880)	(48)
Total lease liabilities, net of current portion	$ 2,094	$ 2,482

11. INDEBTEDNESS

As of September 30, 2026, the Company had a gross balance outstanding of $4,176,910, netted against discount on the debt payable of $95,806. Total principal payments on debt during the years ended September 30, 2026 and 2025 were $253,111 and $135,980, respectively. The following table reflects our outstanding debt, net of debt discounts and debt issuance costs, as of September 30, 2026 and 2025:

			As of	
($ in thousands)	**Maturity date**	**Effective interest rate**	**September 30, 2026**	**September 30, 2025**
2031 Senior secured notes	Oct-31	8.61%	$ 2,207,874	$ —
2032 Convertible notes	Feb-32	0.27%	1,133,384	—
2030 Convertible notes	Jun-30	0.46%	639,002	636,036
Two Prime line of credit	Sep-27	7.21%	90,000	—
Western Alliance Bank credit agreement	Aug-29	6.91%	5,206	6,052
Auto & equipment loans and financing	Oct-26 to Dec-31	0.0-11.3%	3,617	1,879
Corporate facility mortgage	Apr-30	6.76%	1,867	1,943
Marquee Funding Partners debt	Feb-27 to Mar-27	13.00%	154	746
Coinbase line of credit	Not specified	8.25%	—	174,500
Total debt outstanding, net of debt discounts and debt issuance costs			**$ 4,081,104**	**$ 821,156**
Less: current portion of debt			(92,235)	(176,570)
Long-term debt, net of current portion, debt discount, and debt issuance costs			**$ 3,988,869**	**$ 644,586**

The following table reflects the principal amount of debt maturities due over the next five years and thereafter as of September 30, 2026:

($ in thousands)	**Five-year debt maturities by fiscal year**						
Outstanding debt	**2027**	**2028**	**2029**	**2030**	**2031**	**Thereafter**	**Total**
2031 Senior secured notes	$ —	$ —	$ —	$ —	$ —	$ 2,276,000	$ 2,276,000
2032 Convertible notes	—	—	—	—	—	1,150,000	1,150,000
2030 Convertible notes	—	—	—	650,000	—	—	650,000
Two Prime line of credit	90,000	—	—	—	—	—	90,000
Western Alliance Bank credit agreement	930	996	3,327	—	—	—	5,253
Auto & equipment loans and financing	1,062	1,092	1,110	231	115	8	3,618
Corporate facility mortgage	87	93	100	1,605	—	—	1,885
Marquee Funding Partners debt	154	—	—	—	—	—	154
Total principal payments by fiscal year	$ 92,233	$ 2,181	$ 4,537	$ 651,836	$ 115	$ 3,426,008	$ 4,176,910
Unamortized deferred financing costs and discounts							(95,806)
Total debt book value as of September 30, 2026							**$ 4,081,104**

Description of outstanding debt

2031 Senior secured notes

In September 2026, CSDC Finance I, LLC ("CSDC Finance"), an indirect wholly owned subsidiary of the Company, issued $2,276,000 aggregate principal amount of 7.875% senior secured notes due 2031 (the "2031 Notes") pursuant to an indenture (the "Indenture"). The 2031 Notes were issued in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and to non-U.S. persons outside the United States pursuant to Regulation S under the Securities Act. Net proceeds were approximately $2,207,691 after deducting an original issue discount of $34,140, or 1.5% of par, and offering and issuance costs of $34,169. CSDC Finance used a portion of the net proceeds to fund the initial debt service reserve described below and to reimburse the Company for prior equity contributions used to fund capital expenditures for the Sandersville project. The effective interest rate for the 2031 Notes was 8.61%. While the 2031 Notes are accounted for as a single debt liability measured at amortized cost, the fair value of the 2031 Notes was determined to be $2,255,721 as of September 30, 2026 based on quoted prices in markets that are not active, which are considered to be Level 2 valuation inputs.

The 2031 Notes are guaranteed on a senior secured basis by CSRE Properties Sandersville, LLC (the "Subsidiary Guarantor"), CSDC Finance's sole subsidiary. The 2031 Notes and the guarantee are secured by first-priority liens on substantially all present and future assets of CSDC Finance and the Subsidiary Guarantor, including the Sandersville AI data-center project and designated project accounts, and on all equity interests of CSDC Finance held by its direct parent, CSDC Holdings I, LLC, in each case subject to permitted liens, specified exclusions (including legacy bitcoin mining assets of the Subsidiary Guarantor), and post-closing collateral requirements, including recording of a mortgage on the project site. The 2031 Notes are not guaranteed by CleanSpark, Inc., or by the Sandersville Tenant (as defined below), its parent company, or their affiliates. As of September 30, 2026, the carrying amount of assets pledged as collateral was $2,436,585, inclusive of $2,139,581 of cash and restricted cash.

The Subsidiary Guarantor, as landlord, is party to a 20-year triple-net lease of the Sandersville facility (the "Facility Lease") with a subsidiary of a leading global technology company (such subsidiary, the "Sandersville Tenant"), under which rent commences by phase as each phase is delivered. The Sandersville Tenant's parent company has guaranteed the Sandersville Tenant's payment obligations under the Facility Lease (the "Lease Guarantee"), subject to a cap equal to the remaining unpaid base rent and operating expenses. The Company has provided an uncapped completion guarantee to the collateral agent for the benefit of the holders of the 2031 Notes, under which the Company is required to fund CSDC Finance to the extent the proceeds of the 2031 Notes and other available funds, including prior equity contributions, are insufficient to achieve rent commencement for all phases under the Facility Lease. The completion guarantee is a senior unsecured obligation of the Company, is not a guarantee of the 2031 Notes, and terminates upon full rent commencement. The Company has separately guaranteed to the Sandersville Tenant the Subsidiary Guarantor's construction obligations under the Facility Lease.

The 2031 Notes mature on October 1, 2031, unless earlier repaid, redeemed, or repurchased. Interest is payable semiannually in arrears on April 1 and October 1, beginning April 1, 2027. Principal installments are expected to begin on the first semiannual payment date following commencement of full rent accrual for all phases under the related facility lease, or the second such payment date if full rent commencement occurs within 15 days before the first payment date. Each installment is sized so that the project debt service coverage ratio, as defined in the Indenture, equals 1.275 to 1.000 after giving effect to the payment. Based on the delivery schedule under the Facility Lease, the Company expects installments to begin on October 1, 2028. Installments are deferred, and replenishment of the debt service reserve is suspended, during the cure period following a termination of the Facility Lease or the Lease Guarantee.

The financing arrangements required an initial debt service reserve of $327,000. The required reserve is adjusted during construction as interest is paid, subject to a minimum reserve initially established at $100,000. Following full rent commencement, the required reserve is based on the next scheduled interest and principal installment, subject to the adjustments specified in the Indenture. Reserve funds may be used for debt service on the 2031 Notes, and excess balances may be released in accordance with the Indenture.

Offering proceeds not immediately used to fund the debt service reserve or permitted reimbursements of prior capital expenditures are required to be deposited into a designated notes proceeds bank account. Funds in that account are restricted to development and construction of the Sandersville project and associated costs and expenses until full rent commencement, after which remaining amounts may be used for other purposes as permitted by the Indenture. Project revenues are subject to a contractual payment priority for operating expenses, debt service, and reserve replenishment before other permitted uses, including distributions to the Company, which are limited by the restricted payment provisions of the Indenture. As of September 30, 2026, Restricted cash - current and Restricted cash – noncurrent under these arrangements totaled $92,605 and $2,046,976, respectively, and the restricted net assets of CSDC Finance and the Subsidiary Guarantor under the Indenture totaled $110,929.

The 2031 Notes have several early redemption provisions. Before October 1, 2028, CSDC Finance may redeem all or a portion of the 2031 Notes at 100% of principal plus the applicable make-whole premium. Optional redemption prices for the twelve-month periods beginning October 1, 2028 and 2029 are 103.938% and 101.969% of principal, respectively, and 100.000% beginning October 1, 2030. Before October 1, 2028, CSDC Finance may also use qualifying equity-offering proceeds to redeem up to 40% of the aggregate principal amount of 2031 Notes issued at 107.875% of principal, plus accrued and unpaid interest. On or after full rent commencement, if the project debt service coverage ratio is below 1.10 to 1.00, CSDC Finance may, on one occasion, redeem sufficient principal to increase that ratio to 1.10 to 1.00 at 100% of principal, plus accrued and unpaid interest. Upon a change of control of the Company or CSDC Finance before full rent commencement, or upon a change of control accompanied by a ratings decline thereafter, in each case as defined in the Indenture, CSDC Finance is required to offer to repurchase the 2031 Notes at 101% of principal, plus accrued and unpaid interest, subject to specified exceptions. Receipt of qualifying lease-termination proceeds requires an offer to repurchase 2031 Notes at 100% of principal, plus accrued and unpaid interest, subject to the Indenture's replacement-lease and timing provisions. CSDC Finance is also required to offer to repurchase 2031 Notes at 100% of principal, plus accrued and unpaid interest, with net cash proceeds of asset sales and casualty events in excess of $15,000 that are not reinvested within the periods specified in the Indenture.

The Indenture restricts CSDC Finance's and the Subsidiary Guarantor's ability to incur additional indebtedness, make distributions and certain investments, create liens, dispose of assets, enter into sale and leaseback transactions and affiliate transactions, engage in business unrelated to the Sandersville project, and undertake specified mergers, subject to exceptions. It also contains customary events of default and a project-specific event of default if the Facility Lease or the Lease Guarantee terminates and a qualifying replacement lease is not entered into within six months, potentially extendable to twelve months. The cross-default provision applies only to indebtedness of CSDC Finance and the Subsidiary Guarantor in excess of $25,000; the 2031 Notes do not cross-default to indebtedness of the Company. Upon certain events of default, the trustee or holders of at least 30% of outstanding principal may declare the 2031 Notes immediately due and payable. CSDC Finance and the Subsidiary Guarantor were in compliance with all applicable covenants under the 2031 Notes as of September 30, 2026.

2032 Convertible notes

In November 2025, we issued $1,150,000 aggregate principal amount of 0% convertible senior notes due 2032 (the "2032 Convertible Notes"). The 2032 Convertible Notes were issued in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. The 2032 Convertible Notes are senior, unsecured obligations of the Company and bear interest at a fixed rate of 0.00% per year, payable semiannually in arrears on February 15 and August 15 of each year, beginning on August 15, 2026. The 2032 Convertible Notes will mature on February 15, 2032. The net proceeds from the sales of the 2032 Convertible Notes were approximately $1,130,710 after deducting $19,290 of related offering and issuance costs. The unamortized debt issuance costs as of September 30, 2026 were $16,616. The Company used approximately $460,000 of the proceeds to repurchase its common stock (see Note 13 - Stockholders' Equity). The fair value of the 2032 Convertible Notes was determined to be $1,046,949 as of September 30, 2026 based on quoted prices in markets that are not active, which are considered Level 2 valuation inputs. While the 2032 Convertible Notes bear a 0% fixed interest rate, the effective interest rate for the notes as of September 30, 2026 was 0.27%, primarily reflecting the accretion of debt issuance costs.

Holders of the 2032 Convertible Notes may convert their notes at their option at any time prior to the close of business on the business day immediately preceding August 15, 2031 only under the following circumstances: (i) during any calendar quarter commencing after the calendar quarter ending on December 31, 2025 (and only during such calendar quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (ii) during the five business day period after any five consecutive trading day period (the "measurement period") in which the trading price per one thousand dollars ($1,000) of principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day; (iii) if we call such notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the applicable redemption date; or (iv) upon the occurrence of specified corporate events. On or after August 15, 2031 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their notes at any time, regardless of the foregoing circumstances. Upon conversion of the 2032 Convertible Notes, we will pay or deliver, as the case may be, cash, shares of our common stock, or a combination of cash and shares of our common stock, at our election.

As of September 30, 2026, none of the conditions permitting the holders of the 2032 Convertible Notes to convert their notes early or to require the Company to repurchase the 2032 Convertible Notes for cash had been met. Therefore, the 2032 Convertible Notes are classified as long-term.

The initial conversion rate for the 2032 Convertible Notes is 52.1832 shares of common stock per one thousand dollars ($1,000) of principal amount of 2032 Convertible Notes, which represents an initial conversion price of approximately $19.16 per share of common stock. The conversion rate and conversion price are subject to customary adjustments upon the occurrence of certain events. In addition, in connection with a make-whole fundamental change (as defined in the 2032 Indenture, dated as of November 13, 2025 (the "2032 Indenture"), by and between the Company and U.S. Bank Trust Company, National Association, as trustee (the "2032 Trustee")), which shall include among other things the Company's delivery of a notice of redemption, the Company will, in certain circumstances, increase the conversion rate for a holder who elects to convert its notes in connection with such a corporate event or redemption, as the case may be.

We may not redeem the 2032 Convertible Notes prior to February 20, 2029. Subsequent to February 20, 2029, we may redeem for cash all or part of the 2032 Convertible Notes, at our option, if the last reported sale price of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive), including the trading day immediately preceding the date on which we provide notice of redemption, during any period of 30 consecutive trading days (including the last trading day of such period) ending on, and including, the trading day immediately before the date we send the related notice of redemption, at a redemption price equal to 100% of the principal amount of the 2032 Convertible Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. However, we may not redeem less than all of the outstanding notes unless at least $75,000 aggregate principal amount of notes are outstanding and not called for redemption as of the time we send related redemption notices. Upon the occurrence of a fundamental change (as defined in the 2032 Indenture), subject to a limited exception described in the 2032 Indenture governing the notes, holders may require us to repurchase all or a portion of their notes for cash at a price equal to 100% of the principal amount plus accrued and unpaid special interest to, but not including, the fundamental change repurchase date (as defined in the 2032 Indenture).

The 2032 Indenture contains customary terms and covenants, including that upon certain events of default either the 2032 Trustee or the holders of at least 25% in principal amount of the outstanding 2032 Convertible Notes may declare 100% of the principal of, and accrued and unpaid special interest, if any, on, all the 2032 Convertible Notes to be due and payable.

2030 Convertible notes

In December 2024, we issued $650,000 aggregate principal amount of 0% convertible senior notes due 2030 (the “2030 Convertible Notes”), including the exercise in full by the initial purchasers of the 2030 Convertible Notes of their option to purchase up to an additional $100,000 principal amount of the 2030 Convertible Notes. The 2030 Convertible Notes were issued in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. The 2030 Convertible Notes will mature on June 15, 2030. The net proceeds from the sales of the 2030 Convertible Notes were approximately $633,688 after deducting $16,312 of offering and issuance costs related to the 2030 Convertible Notes and before the capped call transactions, as described below. The unamortized debt issuance costs as of September 30, 2026 were $10,998. The Company used $145,000 of the proceeds to repurchase its common stock. See Note 13 - Stockholders’ Equity. The fair value of the 2030 Convertible Notes was determined to be $794,359 as of September 30, 2026 based on quoted prices in markets that are not active, which is considered a Level 2 valuation methodology. While the 2030 Convertible Notes bear a 0% stated interest rate, the effective interest rate for the notes as of September 30, 2026 was 0.46%, primarily reflecting the accretion of debt issuance costs.

Holders of the 2030 Convertible Notes may convert their notes at their option at any time prior to the close of business on the business day immediately preceding December 15, 2029 only under the following circumstances: (i) during any calendar quarter commencing after the calendar quarter ending on March 31, 2025 (and only during such calendar quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (ii) during the five business day period after any five consecutive trading day period (the “measurement period”) in which the trading price per one thousand dollars ($1,000) of principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day; (iii) if we call such notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the applicable redemption date; or (iv) upon the occurrence of specified corporate events. On or after December 15, 2029 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their notes at any time, regardless of the foregoing circumstances.

Holders of the 2030 Convertible Notes have a one-time noncontingent right to require the Company to repurchase for cash all or any portion of their respective notes at a repurchase price equal to 100% of the principal amount of such notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the repurchase date on June 15, 2028.

As of September 30, 2026, none of the conditions permitting the holders of the 2030 Convertible Notes to convert their notes early or to require the Company to repurchase the 2030 Convertible Notes for cash had been met. The 2030 Convertible Notes are classified as long-term.

The initial conversion rate for the 2030 Convertible Notes is 67.5858 shares of common stock per one thousand dollars ($1,000) of principal amount of 2030 Convertible Notes, which represents an initial conversion price of approximately $14.80 per share of common stock. The conversion rate and conversion price are subject to customary adjustments upon the occurrence of certain events. In addition, in connection with a make-whole fundamental change (as defined in the Indenture, dated as of December 17, 2024 (the “Indenture”), by and between the Company and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”)), which shall include among other things the Company's delivery of a notice of redemption, the Company will, in certain circumstances, increase the conversion rate for a holder who elects to convert its notes in connection with such a corporate event or redemption, as the case may be.

On or after June 20, 2028, we may redeem for cash all or part of the 2030 Convertible Notes, at our option, if the last reported sale price of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive), including the trading day immediately preceding the date on which we provide notice of redemption, during any 30 consecutive trading days ending on, and including, the trading day immediately before the date we send the related notice of redemption. However, we may not redeem less than all of the outstanding notes unless at least $75,000 aggregate principal amount of notes are outstanding and not called for redemption as of the time we send related redemption notices. The redemption price of each note to be redeemed will be the principal amount of such note, plus accrued and unpaid special interest, if any. Upon the occurrence of a fundamental change (as defined in the Indenture), subject to a limited exception described in the Indenture governing the notes, holders may require us to repurchase all or a portion of their notes for cash at a price equal to 100% of the principal amount plus accrued and unpaid special interest to, but not including, the fundamental change repurchase date (as defined in the Indenture).

Upon conversion of the 2030 Convertible Notes, we will pay or deliver, as the case may be, cash, shares of our common stock, or a combination of cash and shares of our common stock, at our election. The embedded conversion and redemption features of the 2030 Convertible Notes do not meet the criteria for bifurcation and are not recognized as separate derivative instruments.

The Indenture contains customary terms and covenants, including that upon certain events of default either the Trustee or the holders of at least 25% in principal amount of the outstanding 2030 Convertible Notes may declare 100% of the principal of, and accrued and unpaid special interest, if any, on, all the 2030 Convertible Notes to be due and payable.

Capped calls

In connection with the issuance of the 2030 Convertible Notes, the Company entered into privately negotiated capped call transactions (the "2030 Capped Calls") with certain financial institutions at an aggregate cost of approximately $90,350. The 2030 Capped Calls cover, subject to anti-dilution adjustments, the number of shares of common stock underlying the 2030 Convertible Notes sold in the offering. By entering into the 2030 Capped Calls, the Company expects to reduce the potential dilution to its common stock (or, in the event a conversion of the 2030 Convertible Notes is settled in cash, to reduce its cash payment obligation) in the event that at the time of conversion of the 2030 Convertible Notes the trading price of the Company's common stock exceeds the conversion price of the 2030 Convertible Notes. The cap price of the 2030 Capped Calls is initially $24.66 per share and is subject to certain adjustments under the terms of the 2030 Capped Calls.

The 2030 Capped Calls meet the criteria for classification in equity, are not remeasured each reporting period, and are included as a reduction to additional paid-in-capital within shareholders' equity.

Coinbase line of credit and receivable for bitcoin collateral

On August 7, 2024, the Company signed a Master Loan Agreement (the "2024 Master Loan") with Coinbase Credit, Inc. ("Coinbase Credit" or the "Lender") for a line of credit in which the Lender will lend the Company certain digital assets or cash. The 2024 Master Loan has a credit limit of $50,000. On or prior to a drawdown, the Company is required to pledge collateral, and the Company has opted to pledge bitcoin to be held in a segregated custody account, such that the loan-to-value ratio of principal outstanding of the loan and the fair value of collateral is equal to or less than 64%. If the value of the collateral under the credit facility decreases past a specified margin, the Company may be required to post additional bitcoin as collateral.

The 2024 Master Loan includes embedded redemption features, which allow the lender to redeem the security before its maturity date ("redemption feature"). The 2024 Master Loan also includes a contingent interest feature that requires additional interest to be paid only if certain conditions are met. Under these redemption and contingent interest features, in the event of default, including failure to maintain sufficient collateral, the Lender may liquidate the collateral to satisfy the outstanding loan balance or charge incremental interest at the federal funds rate upon the under-collateralized portion of the loan. The Company assessed the embedded redemption features and the contingent interest feature and determined the features are clearly and closely related to the line of credit and do not require bifurcation. Upon transfer of the bitcoin, the Lender has the exclusive right to sell, pledge, and rehypothecate the bitcoin without notice to the Company. Either party can terminate a loan with two days' notice to the other party. As of the date of this report, no such termination has occurred.

The line of credit is used by the Company in the ordinary course of business to manage operating liquidity, and borrowings are drawn and repaid on a regular basis throughout the fiscal year. Pursuant to the terms, the line of credit initially bore interest of 9% per annum and has no defined maturity date but is terminable by either the Lender or the Company with notice. During September 2024 and September 2025, the interest rate on the line of credit was adjusted to 8.5% per annum and 8.25% per annum, respectively. The interest rate has not been subsequently amended.

Since the Lender has the rights to sell, pledge, and rehypothecate the bitcoin during the term of the applicable Coinbase master loan agreement, the Company derecognized the bitcoin transferred as collateral. As the Company has the right to receive the bitcoin back from the Lender upon the repayment of the line of credit, the Company recorded a corresponding Receivable for bitcoin collateral. The Receivable for bitcoin collateral is measured at fair value. Changes in fair value as well as gains and losses from bitcoin transferred to and received from collateral are recorded as (Loss) gain on bitcoin collateral under the Other (expense) income category in the Consolidated Statements of Operations and Comprehensive (Loss) Income.

In April 2025, the Company amended the 2024 Master Loan agreement (the "2025 Amended Master Loan") to expand the availability of borrowings to $200,000, and in September 2025, the Company further amended the facility through a side letter with Coinbase Credit to increase the maximum indicative borrowing capacity to $300,000. All other material terms remained consistent with the prior agreements.

In September 2026, the Company entered into a new Master Loan Agreement with Coinbase Credit (the "2026 Master Loan"). The 2026 Master Loan governs loans entered into after its effective date and prohibits additional loans under the 2025 Amended Master Loan, without affecting rights or obligations that accrued under the prior agreement. The Lender's rights to sell, pledge, and rehypothecate bitcoin collateral, as well as the default provisions underlying the Company's embedded-feature assessment, remained substantially consistent with the prior agreements. As of September 30, 2026, the Company had no outstanding balance under the facility and had no posted bitcoin collateral.

Two Prime line of credit and restricted bitcoin collateral

On September 19, 2025, the Company entered into a Master Loan Agreement (the "Two Prime Master Loan") with Two Prime Lending Limited, providing for a revolving line of credit of up to $100,000. Borrowings under the facility initially bore interest at a rate equal to the one-month Term SOFR plus 3.55% per annum and were scheduled to mature on September 14, 2026. On August 22, 2026, the Company entered into an amendment to the Two Prime Master Loan, which reduced the interest rate to SOFR plus 3.30% per annum and extended the maturity date to September 14, 2027. As with the Coinbase facility, borrowings require the Company to pledge bitcoin as collateral. The agreement establishes collateral requirements based on loan-to-value (LTV) ratios, including an initial maximum LTV ratio of approximately 62.5%, a margin call if the LTV exceeds 74%, and a liquidation trigger if the LTV exceeds 80%.

The Company is required to maintain collateral in a designated cold storage wallet with a third-party custodian and retains rights to any forked or airdropped tokens that may result from posted collateral. In contrast to the Company's accounting for the Coinbase facility, bitcoin posted as collateral for this Two Prime facility is not derecognized because the Company retains control under contractual terms that prohibit Two Prime from using or rehypothecating the collateral, subject to its contractual remedies upon default. This bitcoin is included in Bitcoin - current in the Consolidated Balance Sheets and disclosed as restricted bitcoin in Note 4 - Bitcoin.

As of September 30, 2026, the Company had an outstanding balance of $90,000 under the facility and 1,665 bitcoin were posted as collateral for this line of credit at a fair value of $139,128. The pledged bitcoin remains restricted from the Company's general use until repayment of the related borrowings and release of the collateral, whether at the September 14, 2027 maturity date or earlier, subject to permitted releases of excess collateral.

Western Alliance Bank credit agreement

On August 14, 2024, the Company entered into a credit agreement that provides for borrowings under a promissory note with Western Alliance Bank (the "Western Alliance Bank Credit Agreement"). Pursuant to this agreement, the Company executed a promissory note in the amount of $7,000 in order to finance the purchase of an aircraft for operational use. The aircraft is pledged as collateral for the note. The note bears a variable interest rate equal to the 30 day Secured Overnight Financing Rate ("SOFR") plus 3% per annum, payable monthly, and matures on August 14, 2029.

The credit agreement contains financial covenants, including a minimum loan-to-value ratio, a minimum debt service coverage ratio, and a minimum average deposit balance. As of September 30, 2026, the Company has a principal balance of $5,253 outstanding for the Western Alliance Bank Credit Agreement. The Company was in compliance with all covenants, and no events of default had occurred under the credit agreement.

Concurrently with the credit agreement, on August 14, 2024, the Company entered into a plain vanilla interest rate swap agreement with a counterparty in which the Company effectively pays a fixed rate of 6.75% on the Western Alliance Bank Credit Agreement. The interest rate swap had an initial notional value of $7,000. This interest rate swap has a maturity date of August 14, 2029. This interest rate swap was not designated as a hedge and is presented within Note 6 - Investments and Derivatives.

Corporate facility mortgage

On May 10, 2023, CleanSpark HQ, LLC, a single member limited liability company and subsidiary wholly owned by the Company, completed a refinancing transaction whereby it borrowed a net $1,937 against the equity of the real property purchased in April 2023 that is utilized as the Company's corporate office (see Note 8 - Property and Equipment). The loan agreement has a two-year term, 10% interest rate, and monthly interest only payments until maturity. In April 2025, the Company refinanced the outstanding balance with Western Alliance Bank through a new $2,000 promissory note through Bank of Nevada. The new loan matures in April 2030, bears interest at a variable rate equal to the one-month Term SOFR plus a margin of 2.85% (initially 7.17% as of the loan date), and requires monthly principal and interest payments, with the remaining unpaid principal due at maturity in April 2030.

Marquee Funding Partners debt

As of September 30, 2026, the unpaid balance on mortgages assumed from the acquisition in August 2022 of a bitcoin mining facility from WAHA Technologies Inc. is $154. The remaining payment terms range from 4-5 months with an annual interest rate of 13%. The last mortgage matures on March 1, 2027.

Auto and equipment loans and financing

The Company has entered into various financing arrangements to purchase vehicles and non-miner equipment with combined principal outstanding at September 30, 2026 of $2,566. The loans vary in terms from 1-62 months with annual interest rates ranging from 0.0-11.3%. The loans are secured by the purchased vehicles and equipment.

On August 28, 2024, the Company entered into a master financing agreement and related equipment financing schedule with Western Alliance Bank for borrowings of up to $1,000 to finance new equipment for operational purposes through February 28, 2025, and on March 27, 2026, the Company entered into an additional equipment schedule and amendment under its master financing agreement with Western Alliance Bank for borrowings of up to $1,000 to finance additional equipment purchases through September 27, 2026. During the interim term, borrowings under these financing arrangements bear interest at the Floating Wall Street Journal Prime Rate plus 1.00% per annum, calculated on the basis of a 360-day year consisting of twelve (12) consecutive thirty (30)-day months, and interest is charged for each day there is an outstanding balance.

As of September 30, 2026, the August 2024 financing agreement had an outstanding balance of $687, and approximately $365 was outstanding under the March 2026 financing arrangement. The Floating Wall Street Journal Prime Rate was 7.00% as of September 30, 2026, resulting in an interest rate of 8.00% per annum as of that date. The financing agreement contains financial covenants, including a minimum loan-to-value ratio, a minimum debt service coverage ratio, and a minimum average deposit balance. As of September 30, 2026, the Company was in compliance with all covenants, and no events of default had occurred under the financing agreement.

Capitalized interest

During September 2026, the Company began capitalizing interest related to long-term debt with eligible construction projects. For the year ended September 30, 2026, interest cost totaled $14,413. Of the total interest cost, $2,471 was capitalized and $11,942 was recognized in interest expense.

12. INCOME TAXES

The Company recognizes deferred tax assets, net of applicable reserves, related to net operating losses ("NOLs"), tax credit carryforwards, and certain temporary differences. The Company recognizes future tax benefits to the extent that realization of such benefits is more likely than not. Otherwise, a valuation allowance is applied.

For the years ended September 30, 2026, 2025, and 2024, the Company's (loss) income before provision for income taxes was as follows:

	For the year ended September 30,		
($ in thousands)	**2026**	**2025**	**2024**
Domestic	$ (1,019,580)	$ 403,575	$ (142,433)
Foreign	—	—	—
(Loss) income before income tax (benefit) expense	$ (1,019,580)	$ 403,575	$ (142,433)

The components of the provision for income taxes in the years ended September 30, 2026, 2025, and 2024 were as follows:

	For the year ended September 30,		
($ in thousands)	**2026**	**2025**	**2024**
Current:			
Federal	$ —	$ —	$ —
State	—	—	—
Deferred:			
Federal	(28,510)	33,972	3,344
State	(3,978)	5,139	—
Income tax (benefit) expense	$ (32,488)	$ 39,111	$ 3,344

The Company adopted ASU 2023-09 on a prospective basis beginning with the year ended September 30, 2026. A reconciliation of the federal statutory corporate income tax rate to our effective income tax rate, presented as both a rate and dollar amount, is as follows:

	For the year ended September 30, 2026	
($ in thousands)	**Amount**	**Percent**
Income tax provision at the statutory rate	$ (214,112)	21.0%
State income taxes (net of federal tax benefits)[(a)]	(3,978)	0.4%
Change in valuation allowance	174,900	(17.2%)
Nontaxable or nondeductible items[(b)]	10,702	(1.0%)
Income tax benefit	$ (32,488)	3.2%

[(a)] State taxes in California make up the majority (greater than 50%) of the tax effect in this category.
[(b)] Items within this category do not meet the conditions for disaggregation on the basis of the 5% threshold; therefore, no further disaggregation is required under ASU 2023-09.

Prior to the adoption of ASU 2023-09, our effective income tax rate as a percentage of pretax income differed from the U.S. federal statutory rate as shown below. The effective income tax rates for the years ended September 30, 2025 and 2024 as a percentage of pre-tax income were 9.7% and (2.3%), respectively. The significant reconciling items between the effective tax rate and the statutory tax rate consist of valuation allowance, adjustments to deferred taxes, state taxes, and permanent items.

	For the year ended September 30,	
($ in thousands)	**2025**	**2024**
Tax expense (benefit) at federal statutory rate	$ 84,750	$ (29,911)
State tax expense (benefit), net of federal effect	3,251	(3,075)
162(m) excess executive compensation	11,146	9,806
Stock option (windfall) shortfall	(228)	(2,314)
Return to provision adjustments	82	2,301
Deferred only adjustments	(8,498)	15,445
Change in valuation allowance	(53,214)	10,299
Other	1,822	793
Income tax expense	$ 39,111	$ 3,344

Deferred income taxes are the result of timing differences between GAAP accounting and tax basis of certain assets and liabilities, timing of income and expense recognition of certain items, and tax attributes such as net operating loss carry-forwards. These differences result in deferred tax assets and liabilities, which are recorded in the balance sheet, net of valuation allowance. The Company evaluates the realizability of its deferred tax assets and assesses the need for a valuation allowance on an ongoing basis. In evaluating its deferred tax assets, the Company considers whether it is more likely than not that the deferred income tax assets will be realized. The ultimate realization of deferred tax assets depends upon generating sufficient future taxable income prior to the expiration of the tax attributes. This assessment requires significant judgment.

The significant components of the Company's deferred tax assets and liabilities as of September 30, 2026 and 2025 were as follows:

($ in thousands)	**September 30, 2026**	**September 30, 2025**
Deferred tax assets:		
Net operating loss carryforwards	$ 188,623	$ 102,142
Sales tax payable	11,510	10,947
Capital loss carryforward	10,948	—
Fixed assets	7,051	—
Accruals	3,740	2,803
Intangible assets	1,883	2,687
Stock based compensation	1,375	647
Right of use - lease liability	1,183	979
Impairment	872	—
Charitable contributions	251	170
Tax credits	200	200
Other	1,274	613
Interest expense carryforwards	—	1,037
Gross deferred tax assets	$ 228,910	$ 122,225
Valuation allowance	(182,528)	(3,389)
Total deferred tax assets, net of valuation allowance	$ 46,382	$ 118,836
Deferred tax liabilities		
Change in fair value of digital currency	$ (54,549)	$ (133,639)
Prepaid expenses	(1,711)	(1,868)
Right of use - lease asset	(1,200)	(1,006)
Other	(1,306)	(1,008)
Fixed assets	—	(26,187)
Gross deferred tax liabilities	$ (58,766)	$ (163,708)
Net deferred tax liability	$ (12,384)	$ (44,872)

For balance sheet presentation, the Company nets deferred tax assets and liabilities within a given tax jurisdiction. When the amounts relate to different jurisdictions, the Company presents net deferred tax assets (net of valuation allowance) and net deferred tax liabilities separately within noncurrent assets and noncurrent liabilities, respectively. The following table summarizes this presentation:

	As of September 30,	
	2026	**2025**
Net non-current deferred tax liabilities	$ (12,384)	$ (44,872)

In accordance with ASC 740, *Accounting for Income Taxes*, the Company evaluates its deferred income taxes to determine if valuation allowances are required. Pursuant to U.S. income tax accounting standards, companies assess whether valuation allowances should be established against their deferred tax assets based on the consideration of all available evidence using a “more-likely-than-not” standard. The ultimate realization of deferred tax assets depends on the generation of future taxable income during the periods in which those temporary differences are deductible. The Company considers the scheduled reversal of deferred tax liabilities. To fully utilize the NOL carryforward, the Company will need to generate sufficient future taxable income in each respective jurisdiction. Due primarily to the Company’s history of losses, it is more likely than not that all or a portion of its deferred tax assets as of September 30, 2026 will not be realized.

The valuation allowance increased from $3,389 as of September 30, 2025 to $182,528 as of September 30, 2026, primarily due to a decrease in deferred tax liabilities, which reduced the future taxable income available to support realization of deferred tax assets.

	As of September 30,	
	2026	2025
Valuation allowance	$ (182,528)	$ (3,389)

As of September 30, 2026, the Company had $867,531 of federal and $199,171 of state NOL carryforwards available to reduce future taxable income, of which federal net operating loss carryforwards of $860,962 and state net operating loss of $82,521 have an indefinite life. The deferred tax asset for the state NOL is presented net of the uncertain tax position. The federal NOL will begin to expire on September 30, 2027, while the state NOL will begin to expire in the year ending September 30, 2036.

The Company's ability to utilize its federal and state NOL carryforwards and federal tax credit carryforwards to reduce future taxable income and future taxes, respectively, may be subject to restrictions attributable to equity transactions that may have resulted in a change in ownership as defined by Internal Revenue Code Section 382 (“Section 382”) or comparable provisions of state law. Tax attributes that exceed the Section 382 limitation in any year continue to be allowed as carryforwards until they expire and can be used to offset taxable income for years within the carryover period subject to the limitation in each year. Given the Company’s significant U.S. tax attributes, we continuously monitor potential ownership changes under Section 382. The Company completed a detailed study and determined that ownership changes (as defined under Section 382) occurred during the third quarter of 2020, fourth quarter of 2020, second quarter of 2023, and first quarter of 2026 triggering the application of Section 382. We do not currently expect any resulting Section 382 limitations on the use of our tax attributes to have a significant impact on our financial statements.

The Company files income tax returns in the U.S. federal and state jurisdictions. As of September 30, 2026, the 2022-2024 tax years generally remain subject to examination by the IRS and 2021-2024 tax years generally remain subject to examination by various state taxing authorities. However, as we utilize our net operating loss carryforwards, prior years can be subject to examination from 2007 forward.

On July 4, 2025, the One Big Beautiful Bill Act was enacted into law, introducing significant amendments to U.S. tax legislation with varying effective dates. Key provisions that impact the Company include the expansion of bonus depreciation, accelerated expensing of research and development costs, and changes to Section 163(j). The Company has incorporated these amendments into its September 30, 2026 tax provision.

The Company recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Recognized income tax positions are measured at the largest amount that has a greater than 50% likelihood of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

The Company records interest and penalties related to unrecognized tax benefits in income tax expense, if applicable. The Company has no interest or penalties for unrecognized tax benefits as of September 30, 2026 and 2025.

The following table presents a reconciliation of our unrecognized tax benefits (“UTBs”):

	For the year ended September 30,	
($ in thousands)	2026	2025
UTBs - October 1	$ 6,005	$ —
Gross increases - tax positions in prior period	—	6,270
Gross decreases - tax positions in prior period	—	—
Gross increases - tax positions in current period	—	—
Gross decreases - disposal of business unit	—	(265)
Settlement	—	—
Lapse of statute of limitations	—	—
UTBs - September 30	$ 6,005	$ 6,005

Included in the balance of UTBs as of September 30, 2026 and 2025, are no tax benefits that, if recognized, would affect the ETR. Also included in the balance of UTBs as of September 30, 2026 and 2025 are $6,005 and $6,005, respectively, of tax benefits that, if recognized, would result in adjustments to other tax accounts, primarily deferred taxes.

13. STOCKHOLDERS' EQUITY

Overview

As of September 30, 2026, the Company's authorized capital stock consisted of 600,000,000 shares of common stock, par value $0.001 per share, and 10,000,000 shares of preferred stock, par value $0.001 per share. As of that date, there were 302,825,324 shares of common stock issued, 260,459,933 shares of common stock outstanding, and 1,750,000 shares of Series A Preferred Stock issued and outstanding.

As of September 30, 2025, there were 296,087,533 shares of common stock issued, 284,327,598 shares of common stock outstanding, and 1,750,000 shares of Series A Preferred Stock issued and outstanding. The 1,000,000 shares of Series X Preferred Stock outstanding as of September 30, 2024 were redeemed on October 29, 2024 and were automatically retired and restored to the status of authorized but unissued shares of the Company's preferred stock upon such redemption. The Company filed a certificate of withdrawal with the state of Nevada withdrawing its designation of Series X Preferred Stock on December 3, 2024.

Under the certificate of designation for the Series A Preferred Stock, holders were previously entitled to quarterly dividends on 2% of the Company's earnings before interest, taxes, and amortization, payable in cash or common stock. In March 2026, the Company's Board of Directors (the "Board") approved, and the Company filed with the Nevada Secretary of State, an amended and restated certificate of designation for the Series A Preferred Stock, which provided for the extinguishment of the quarterly dividend feature and provided for a one-time dividend payment of $30,000. Following the amendment, the Series A Preferred Stock is no longer entitled to quarterly dividends based on the Company's earnings before interest, taxes, and amortization. The Company recorded the payment as a deemed dividend (the "Deemed Dividend"), which is included in the caption Preferred stock dividends, including the deemed dividend in the Consolidated Statements of Operations and Comprehensive (Loss) Income and Consolidated Statements of Stockholders' Equity.

The preferred stock dividend for the years ended September 30, 2026, 2025, and 2024 was $30,000, $11,140, and $3,422, respectively (inclusive of the Deemed Dividend paid in March 2026). The holders of the Series A Preferred Stock will also have a liquidation preference on the stated value of $0.02 per share plus any accumulated but unpaid dividends. The holders are further entitled to vote together with the holders of our common stock on all matters submitted to stockholders at a rate of forty-five (45) votes for each share of Series A Preferred Stock held. Each share of Series A Preferred Stock will automatically convert into three shares of common stock in connection with the consummation of a change of control event.

Common stock issuances for the year ended September 30, 2026

The Company issued 1,788,834 shares of common stock in connection with the Austin County, Texas Acquisition (see Note 3 - Acquisitions).

The Company issued 210,190 shares of common stock in connection with the exercise of stock options and warrants. Cash received from such issuance was $1,684.

Common stock repurchased for the year ended September 30, 2026

In connection with the issuance of the 2032 Convertible Notes in November 2025 (see Note 11 - Indebtedness), the Company repurchased 30,605,456 shares of its common stock from investors in privately negotiated transactions for an aggregate repurchase price of approximately $460,000. As of September 30, 2026, the Company has accrued $2,701 in excise taxes associated with this transaction. The shares were repurchased at fair value and the entire repurchase price was allocated to the repurchase of the shares.

Common stock issuances for the year ended September 30, 2025

The Company issued 5,031,221 shares of common stock in connection with the GRIID Acquisition.

The Company issued 16,619,361 shares of common stock under the March 2024 ATM Amendment, resulting in gross proceeds of $191,603 and issuance costs of $4,795.

The Company issued 158,039 shares of common stock in connection with the exercise of stock options and warrants. Cash received from such issuance was $922.

Common stock repurchased for the year ended September 30, 2025

In connection with the issuance of the 2030 Convertible Notes in December 2024 (see Note 11 - Indebtedness), the Company repurchased 11,759,935 shares of its common stock from investors in privately negotiated transactions for an aggregate repurchase price of approximately $145,000. The shares were repurchased at fair value and the entire repurchase price was allocated to the repurchase of the shares.

Common stock issuances for the year ended September 30, 2024

The Company issued 106,969,819 shares of common stock through its ATM offering facility, with gross proceeds of $1,253,697 and offering costs of $31,454, resulting in net proceeds of $1,222,243.

The Company issued 5,357,166 shares of common stock in relation to the settlement of restricted stock awards and withheld 1,763,415 shares of common stock valued at $22,555 for net settlement.

The Company issued 149,293 shares of common stock in connection with the exercise of stock options and warrants. Cash received from such issuance was $752.

14. STOCK WARRANTS

As part of the GRIID Acquisition on October 30, 2024, the Company issued several warrants to former holders of GRIID warrants. Those issued warrants include 13,800,000 Public Warrants, 7,270,000 Private Warrants, and approximately 1,734,000 GEM Warrants, of which approximately every 14 warrants are exercisable for one share of the Company's common stock at $165.24, $165.24, and $69.55 per share, respectively.

Management has determined that the Public Warrants are subject to accounting treatment as equity, while the Private Warrants and GEM Warrants are subject to accounting treatment as liabilities. At the consummation of the GRIID Acquisition, all warrants were measured at their fair value using the Black-Scholes option pricing model and included in the purchase price calculation.

On January 3, 2025, all Private Warrants were converted to Public Warrants. At September 30, 2026, the Company used the Black-Scholes option-pricing model to estimate the fair value of the GEM Warrants using Level 2 inputs. The fair value of the GEM Warrants is included in the Other long-term liabilities caption on the Consolidated Balance Sheets and the changes in fair value are included in Loss on derivative securities, net on the Consolidated Statements of Operations and Comprehensive (Loss) Income.

The following is a summary of stock warrant activity during the years ended September 30, 2026, 2025, and 2024:

	Number of Warrants Outstanding	Number of Shares to be Issued Upon Exercise of Warrants	Weighted Average Exercise Price ($) [1]
Balance, September 30, 2023	185,560	185,560	$ 13.49
Warrants expired	(103,000)	(103,000)	$ 18.20
Warrants exercised	(65,000)	(65,000)	$ 8.00
Balance, September 30, 2024	17,560	17,560	$ 6.12
Warrants granted	22,803,726	1,586,999	$ 157.96
Balance, September 30, 2025 and 2026	22,821,286	1,604,559	$ 156.30

[1] Weighted average calculated by weighting the exercise price by the number of common shares that would be granted on exercise.

As of September 30, 2026, there were warrants exercisable to purchase 1,604,559 shares of common stock in the Company and there were no unvested warrants. These warrants have a weighted average exercise price of $156.30. Most outstanding warrants contain provisions allowing a cashless exercise at their respective exercise prices.

As of September 30, 2026, 22,813,726 of the outstanding warrants had a remaining term of 2.1 years and an intrinsic value of $49. The remaining 7,560 of the outstanding warrants do not have expiration dates and have an intrinsic value of $70.

15. STOCK-BASED COMPENSATION

The Company sponsors the 2017 Incentive Plan, as amended (the "Plan"), which provides for equity-based compensation awards. The Plan includes an evergreen provision permitting the Board to increase the number of shares reserved under the Plan up to 15% of the Company's outstanding common shares. As of September 30, 2026, 2,302,721 shares remained available for future grants under the Plan.

The Company's stock-based compensation awards include stock options and restricted stock units. Grants of restricted stock units can be any of the following types: (a) time-based awards subject only to continued service conditions ("RSUs"), (b) performance-based awards subject to achievement of specified operational objectives ("PSUs"), or (c) market-performance-based awards with payout based on specified market conditions ("MPSUs"). The Company recognizes the forfeitures of stock options and restricted stock units as they occur.

The Company recognized $52,893, $45,335, and $29,555 for the fiscal years ended September 30, 2026, 2025, and 2024, respectively, in stock-based compensation.

STOCK OPTIONS

The following is a summary of stock option activity during the fiscal years ended September 30, 2026, 2025, and 2024:

	Number of Option Shares		Weighted Average Exercise Price ($)
Balance, September 30, 2023	1,970,458	$	14.86
Options granted	611,823	$	14.70
Options expired	(93,057)	$	9.38
Options forfeited	(97,246)	$	8.71
Options exercised	(106,516)	$	7.07
Balance, September 30, 2024	2,285,462	$	15.58
Options granted	309,330	$	9.61
Options expired	(140,722)	$	14.59
Options forfeited	(133,845)	$	12.81
Options exercised	(158,039)	$	5.84
Balance, September 30, 2025	2,162,186	$	15.66
Options expired	(933,074)	$	22.66
Options forfeited	(74,157)	$	10.54
Options exercised	(210,190)	$	8.01
Balance, September 30, 2026	944,765	$	11.02

The following is a summary of outstanding options and their attributes as of September 30, 2026:

Option status	Number of options	Weighted-average exercise price	Weighted-average remaining contractual term	Aggregate intrinsic value
Outstanding	944,765	$ 11.02	7.1 years	$ 3,175
Exercisable	767,369	$ 10.83	6.9 years	$ 2,664

Option activity for the year ended September 30, 2026

During the year ended September 30, 2026, 210,190 stock options were exercised for net cash proceeds to the Company of $1,684. The options exercised during that year had a total intrinsic value of $1,624.

The Company has granted no options for the year ended September 30, 2026.

Option activity for the year ended September 30, 2025

During the year ended September 30, 2025, 158,039 stock options were exercised for net cash proceeds to the Company of $922. The options exercised during that year had a total intrinsic value of $790.

For the year ended September 30, 2025, the Company also granted 309,330 options to purchase shares of common stock to employees with a total fair value of $2,635 and a weighted average grant-date fair value of $8.52 per option.

Option activity for the year ended September 30, 2024

During the year ended September 30, 2024, 106,516 stock options were exercised for net cash proceeds to the Company of $752. The options exercised during that year had a total intrinsic value of $1,111.

For the year ended September 30, 2024, the Company also granted 611,823 options to purchase shares of common stock to employees with a total fair value of $8,030 and a weighted average grant-date fair value of $13.12 per option.

Fair value for stock options is determined using the Black-Scholes option model. The Black-Scholes model utilized the following inputs to value the options granted during the years ended September 30, 2025 and 2024:

	For the year ended September 30,	
Fair value assumptions Options:	2025	2024
Risk free interest rate	3.56% - 4.65%	3.46% - 4.82%
Expected term (years)	1.00 - 6.32	5.77 - 6.16
Expected volatility	121.0% - 122.9%	122.1% - 176.0%
Expected dividends	0%	0%

The Company recognized stock-based compensation expense related to stock options of $3,267 and $4,098 for the years ended September 30, 2026 and 2025, respectively. As of September 30, 2026, the Company expects to recognize $1,766 of stock-based compensation for the non-vested outstanding options over a weighted-average period of 0.8 years.

RESTRICTED STOCK UNITS

On March 9, 2026, the Company granted 124,880 RSUs to Board members as part of their annual compensation. These RSUs have a combined grant-date fair value of $1,200. The RSUs are scheduled to vest in four equal quarterly installments on June 30, 2026, September 30, 2026, December 31, 2026, and March 31, 2027. As of September 30, 2026, the Company has settled and issued 62,440 of these RSUs in accordance with the prescribed vesting schedule.

On March 20, 2026, the Company granted 5,411,148 awards to members of its senior leadership team ("Leadership") under its 2026 Long-Term Incentive Plan ("2026 LTIP"), which was approved by the Compensation Committee of the Board, consisting of approximately 40% RSUs and 60% performance-based awards, with the performance-based portion split equally between PSUs and MPSUs. During May 2026, the award was granted to one additional, newly hired member of Leadership.

The Company's RSUs generally vest over 3 years, on an annual basis. The value of RSUs is calculated using the closing price of the Company's common stock on the grant date. Compensation cost for RSUs is recognized ratably over the requisite service period.

The following table summarizes the activity for all RSUs during the fiscal years ended September 30, 2026, 2025, and 2024:

	Number of Shares	Weighted Average Grant Date Fair Value Per Share	Aggregate Intrinsic Value
Outstanding at September 30, 2023	5,471,435	$ 4.18	$ 20,846
Granted	1,493,556	$ 9.67	
Vested	(5,268,276)	$ 4.66	
Forfeited	(22,504)	$ 5.81	
Outstanding at September 30, 2024	1,674,211	$ 7.56	$ 12,649
Granted	15,009,311	$ 9.11	
Vested	(3,602,080)	$ 8.27	
Forfeited	(190,023)	$ 7.98	
Outstanding at September 30, 2025	12,891,419	$ 9.16	$ 186,926
Granted	4,190,662	$ 10.88	
Vested	(4,701,249)	$ 9.26	
Forfeited	(1,070,591)	$ 11.59	
Outstanding at September 30, 2026	11,310,241	$ 9.53	$ 145,676

The total fair value of RSUs vested during the years ended September 30, 2026, 2025, and 2024 was $56,714, $35,829, and $72,108, respectively.

On October 1, 2024, the Company granted 136,520 time-based RSUs to its board members as part of their annual compensation. These RSUs vested 25% quarterly and have a combined grant-date fair value of $1,200. The 25% quarterly vesting occurred on February 13, 2025, May 13, 2025, August 13, 2025, and December 3, 2025. As of September 30, 2025, the Company had settled and issued 102,390 of these time-based RSUs in accordance with the prescribed vesting schedule. The remaining 34,130 were settled and issued in fiscal 2026.

During August 2025, the Company entered into a severance agreement with its Chief Executive Officer. In connection with the agreement, 717,665 previously granted restricted stock units were accelerated and vested immediately. In addition, 864,344 new RSUs were granted and vested immediately upon execution of the agreement, and an additional 864,344 new RSUs were granted subject to a two-year vesting schedule tied to the CEO's non-compete and other obligations pursuant to the severance agreement. The total fair value of all RSUs granted under the severance agreement was fully recognized as stock-based compensation expense totaling $20,003 as of the severance date in the year ended September 30, 2025, as the remaining vesting conditions were determined to be non-substantive at the date of termination.

On September 4, 2025, the Company granted 6,278,000 time based restricted stock units to certain executives to compensate for performance during fiscal year 2025 and to promote retention of such executives. Of these RSUs, 784,750 had vested by the end of the fiscal year. The remaining 5,493,250 RSUs will vest over the three years following the grant date.

On September 12, 2025, the Company granted an additional 58,824 time-based RSUs to its board members, representing a prorated portion of the fiscal 2026 annual equity award for directors, consistent with the Board's decision to align director compensation with the Company's annual meeting cycle (April through March). The grant was valued at $10.20 per share, the closing price of the Company's common stock on September 11, 2025, with a total grant-date fair value of approximately $609. The RSUs vest 50% on December 31, 2025 and 50% on March 31, 2026, subject to continued service.

As of September 30, 2026, the Company had 11,310,241 outstanding unvested time-based restricted stock awards, which will vest over the weighted average period of 2.0 years. As of September 30, 2026, the unrecognized compensation costs related to all RSUs are $92,393.

The Company recognized stock-based compensation expenses related to time-based RSUs of $44,920, $41,112, and $10,392 for the fiscal years ended 2026, 2025, and 2024, respectively.

PERFORMANCE STOCK UNITS

2026 Long-Term Incentive Plan

As mentioned above, 60% of the 2026 LTIP consists of performance-based awards, evenly split between PSUs and MPSUs. Under the 2026 LTIP, the operational PSU tranche is based on gross MW under executed contracts for Data Center Infrastructure leases and the market-performance tranche is based on a 20-day volume-weighted average price ("VWAP") multiple at 2.0x the baseline stock price on the grant date of $9.40. The Company valued the awards of the operational PSUs using the closing price of the Company's common stock on the grant date. The MPSUs were valued using a Monte Carlo simulation model whereby the grant date fair value was determined to be $5.79 per unit. Compensation cost for PSUs is recognized over the requisite service period based on the Company's estimate of the probable payout outcome, with cumulative catch-up adjustments or reversals of expense recorded when those estimates change. Compensation cost for MPSUs is recognized over the requisite service period based on the fixed grant-date fair value, regardless of whether the market condition is ultimately achieved, provided the requisite service is rendered. The 2026 LTIP PSUs and MPSUs may be achieved during the applicable performance measurement period, but any resulting awards vest only on March 20, 2029, subject to continued service. As of September 30, 2026, the Company adjusted the estimate to a 0% probability that the operational PSU tranche will vest, based on the moratoriums placed on new data centers in Texas where the Company is currently marketing data center locations. The signing of new executed leases at these locations is unlikely by March 20, 2027. This represents a change from the 100% likelihood estimated as of June 30, 2026. The Company evaluates the status of this performance metric estimate each period end and records an expense true-up in the period of change.

The following table summarizes the performance targets and payout levels for the operational PSU tranche granted under the 2026 LTIP:

2026 LTIP Operational PSU Performance Targets

Executed Lease Agreement Achievement Level through March 20, 2027	Payout as a % of Target PSU Tranche
Less than 600 MW	0%
600 MW to 699 MW	25%
700 MW to 799 MW	50%
800 MW or greater	100%

Strategic Transformation Performance Award

On March 20, 2026, the Company granted 7,698,000 performance stock awards to three executives under the one-time Strategic Transformation Performance Award ("STPA"). The STPA was approved by the Compensation Committee of the Board and was granted under the Company's stockholder-approved equity incentive plan. The STPA consisted entirely of performance-based awards, split equally between PSUs and MPSUs. Under the STPA, the operational PSU tranche is based on Total Gross MW of Data Center Infrastructure "Ready for Service" and the market-performance tranche is based on a 20-day VWAP multiple ranging from 5.0x to 10.0x the baseline stock price on the grant date of $9.40. The Company valued the awards of the operational PSUs using the closing price of the Company's common stock on the grant date. The MPSUs were valued using a Monte Carlo simulation model whereby the grant date fair value was determined to be $6.71 per unit. Compensation cost for PSUs is recognized over the requisite service period based on the Company's estimate of the probable payout outcome, with cumulative catch-up adjustments recorded when those estimates change. Compensation cost for MPSUs is recognized over the requisite service period based on the fixed grant-date fair value, regardless of whether the market condition is ultimately achieved, provided the requisite service is rendered. The STPA PSUs and MPSUs may be achieved during the performance period between the grant date and September 30, 2030, and any earned awards are released only if the grantee remains employed through September 30, 2030. As of September 30, 2026, the Company had executed one Data Center Infrastructure lease with a scheduled "Ready for Service" date within the performance period. The gross capacity under this lease was below the 1 GW minimum performance threshold for the operational PSU tranche, and the Company continued to estimate that 0% of that tranche would vest based on its assessment of the probable payout outcome. The Company will evaluate progress toward the performance threshold at each reporting date and record any resulting adjustment to compensation cost in the period in which its estimate of the probable payout outcome changes.

The following table summarizes the performance targets and payout levels for the operational PSU tranche granted under the STPA:

STPA Operational PSU Performance Targets

Data Center Infrastructure Capacity Ready for Service Achievement Level through September 30, 2030	Payout as a % of Target PSU Tranche
Less than 1.00 GW	0%
1.00 GW to 1.49 GW	25%
1.50 GW to 1.99 GW	40%
2.00 GW to 2.24 GW	70%
2.25 GW to 2.49 GW	90%
2.50 GW or greater	100%

The following table summarizes the market-performance targets and payout levels for the MPSU tranche granted under the STPA:

STPA MPSU Market-Performance Targets

20-Day VWAP Achievement Level through September 30, 2030	Implied 20-Day VWAP Based on $9.40 Baseline Stock Price	Payout as a % of Target MPSU Tranche
Less than 5.0x baseline stock price	Less than $47.00	0%
5.0x baseline stock price	$ 47.00	20%
6.0x baseline stock price	$ 56.40	35%
7.0x baseline stock price	$ 65.80	55%
8.0x baseline stock price	$ 75.20	75%
9.0x baseline stock price	$ 84.60	90%
10.0x baseline stock price	$ 94.00	100%

The following table summarizes the activity for all PSUs and MPSUs for the years ended September 30, 2026 and 2025:

	General PSUs	LTIP PSUs and MPSUs	STPA PSUs and MPSUs	Total Number of Shares	Weighted Average Grant Date Fair Value Per Share	Aggregate Intrinsic Value
Outstanding at September 30, 2024	—	—	—	—	$ —	$ —
Granted	40,000	—	—	40,000	$ 10.61	
Vested	(1,540)	—	—	(1,540)	$ 10.61	
Outstanding at September 30, 2025	38,460	—	—	38,460	$ 10.61	$ 558
Granted	—	3,280,591	7,698,000	10,978,591	$ 7.95	
Vested	(38,460)	—	—	(38,460)	$ 10.61	
Forfeited	—	(170,700)	—	(170,700)	$ 7.60	
Outstanding at September 30, 2026	—	3,109,891	7,698,000	10,807,891	$ 7.95	$ 139,206
Less: Not expected to vest	—	1,554,945	3,849,000	5,403,945	$ 9.40	
Expected to vest, September 30, 2026	—	1,554,946	3,849,000	5,403,946	$ 6.51	$ 69,603

The total fair value of PSUs and MPSUs vested during the years ended September 30, 2026 and 2025 was $401 and $14, respectively.

The fair values of the MPSUs were determined using the Monte Carlo simulation and the range of inputs used to value the MPSUs issued during the year ended September 30, 2026 was as follows:

Fair value assumptions - Market-based PSUs granted:	Period ended September 30, 2026
Risk free interest rate	3.95% - 4.04%
Expected volatility	98.0% - 101.7%
Expected dividends through the vesting term	$0.00
Performance period (years)	0.8 - 4.5
Vesting term (years)	2.8 - 4.5

As of September 30, 2026, the Company had 5,403,946 stock awards related to PSUs expected to vest combined with MPSUs outstanding. The total compensation cost related to unearned PSUs expected to vest and MPSUs not yet recognized, assuming the Company's current projected assessment of the level of performance that will be achieved, was approximately $29,075 and the weighted average period over which it is expected to be recognized is approximately 3.6 years. This estimate is based on the current projected levels of performance of outstanding PSUs. The compensation cost not yet recognized could be higher or lower based on actual achieved levels of performance.

Stock-based compensation expense relating to PSUs and MPSUs was $4,706, $125, and $13,600 for the years ended September 30, 2026, 2025, and 2024, respectively.

16. EARNINGS PER SHARE

The Company reports (Loss) income per share in accordance with FASB ASC 260-10, *Earnings Per Share*, which provides for calculation of "basic" and "diluted" earnings per share.

Basic earnings per share includes no dilution and is computed by dividing net (loss) income available to common stockholders by the weighted average common shares outstanding during the period. Diluted earnings per share reflects the potential dilution of securities that could share in the earnings of an entity. The calculation of diluted net (loss) income per share gives effect to common stock equivalents; however, potential common shares are excluded if their effect is anti-dilutive.

Shares of common stock issuable upon the exercise of outstanding stock options and warrants or the vesting of restricted stock are computed using the treasury stock method. Potential shares of common stock issuable upon conversion of the convertible notes and Series A preferred stock are computed using the if-converted method.

Provided below is the (Loss) income per share calculation for the years ended September 30, 2026, 2025, and 2024:

($ in thousands, except share and per share amounts)	For the year ended September 30, 2026	2025	2024
Numerator			
Net (loss) income attributable to common shareholders - Basic	$ (1,017,092)	$ 353,324	$ (149,199)
Non-cash interest expense on convertible notes	—	2,120	—
Net (loss) income attributable to common shareholders - Diluted	$ (1,017,092)	$ 355,444	$ (149,199)
Denominator			
Weighted-average common shares outstanding - Basic	271,878,302	282,182,800	216,860,819
Dilutive impact of stock options and other share-based awards	—	1,035,578	—
Dilutive impact of convertible notes	—	34,542,842	—
Weighted-average common shares outstanding - Diluted	271,878,302	317,761,220	216,860,819
(Loss) income per common share			
Basic	$ (3.74)	$ 1.25	$ (0.69)
Diluted	$ (3.74)	$ 1.12	$ (0.69)

Convertible senior notes are reflected in diluted earnings per share using the if-converted method when doing so is dilutive, meaning the additional shares and related interest add-back reduce earnings per share; otherwise, they are excluded as antidilutive. The number of shares that were not included in the calculation of net loss per diluted share because to do so would have been anti-dilutive, or for preferred stock, because the conversion contingency associated with the change in control had not occurred, and the contingency was not resolved for the years ended September 30, 2026, 2025, and 2024 is as follows:

	For the year ended September 30, 2026	2025	2024
Convertible notes	103,941,450	—	—
Series A preferred stock conversion	5,250,000	5,250,000	5,250,000
Anti-dilutive warrants	1,604,559	1,586,999	12,419
Anti-dilutive stock options	977,515	1,336,498	169,636
Anti-dilutive restricted stock awards	22,118,132	—	1,383,425
Total anti-dilutive securities	133,891,656	8,173,497	6,815,480

17. SEGMENT REPORTING

As of September 30, 2026, CleanSpark has two operating and reportable segments: Bitcoin Mining and Data Center Infrastructure. Previously, the Company operated as a single operating and reportable segment focused on bitcoin mining. The Company's reportable segments are organized by business activity, with each business unit delivering different services to different classes of customers. The Bitcoin Mining segment encompasses the Company's bitcoin mining operations, while the Data Center Infrastructure segment encompasses the leasing of a data center for AI use by a single customer, and includes the related development of data center facilities and infrastructure for leasing to other AI and HPC customers. They are managed separately because each business involves different uses of capital and corporate assets and involves different services and customer delivery needs.

The Company's Chief Executive Officer serves as the chief operating decision maker ("CODM") and uses consolidated net (loss) income as the measure of the Bitcoin Mining segment's performance. The CODM uses consolidated net (loss) income to evaluate the Bitcoin Mining segment's profitability and performance, to determine the volume and timing of bitcoin mining to be performed, to allocate and reallocate resources, including miner purchases and expansion projects, and to focus investment where long-term profitability appears most viable.

The CODM is regularly provided with information on certain significant segment expenses related to the Bitcoin Mining segment, including Cost of revenues (exclusive of depreciation and amortization), Professional fees, Payroll expenses, General and administrative expenses, Loss (gain) on disposal of assets, Loss (gain) on fair value of bitcoin, net, Depreciation and amortization, Indirect tax contingency expenses, and Impairment expense. These significant segment expenses are consistent with those presented on the Consolidated Statements of Operations and Comprehensive (Loss) Income, and depreciation expense attributable to miners is disclosed in Note 8 - Property and Equipment. The Company had no intersegment revenue for any period presented.

The Data Center Infrastructure segment was in the start-up phase as of September 30, 2026, and it had executed a lease but had not commenced recording leasing revenue and was building out its data center for use. Due to the segment being in its developmental stage, the CODM uses capital expenditure information, together with budgeted and forecasted information concerning projected profitability, cash flows to fund construction, and expenses, to evaluate project economics and allocate resources to the segment. Expenditures for additions to long-lived assets attributable to Data Center Infrastructure consisted of additions to construction in progress and were $351,850, $0, and $0 for the years ended September 30, 2026, 2025, and 2024, respectively. Data Center Infrastructure revenue, significant segment expenses, segment profit (loss), and other segment items were $0 for each of the years ended September 30, 2026, 2025, and 2024. No expenses, gains, or losses were included in Data Center Infrastructure's other segment items. The Company expects the segment's powered data center to begin generating revenue from tenant fit-out construction during fiscal 2027, with lease revenue expected to begin upon commencement of the Sandersville Lease in November 2027, during fiscal 2028.

The CODM is not provided with, and does not use, a measure of assets for the Bitcoin Mining segment to evaluate performance or allocate resources. Those decisions are based on the financial information and project economics described above rather than a Bitcoin Mining segment asset measure. Accordingly, Bitcoin Mining segment assets are not disclosed. The measure of assets provided to the CODM for the Data Center Infrastructure segment consists of construction in progress, which totaled $351,850, $0, and $0 as of September 30, 2026, 2025, and 2024, respectively. These amounts are included in Property and equipment, net on the Consolidated Balance Sheets.

All of the Company's long-lived assets, excluding a minority equity investment recorded at $36,124 as of September 30, 2026, are in the United States. Information about the Company's revenue and vendor concentrations is included in Note 18 - Revenue and Vendor Concentrations.

18. REVENUE AND VENDOR CONCENTRATIONS

The Company had one mining pool operator (Foundry Digital) during the fiscal years ended September 30, 2026, 2025, and 2024. Revenues from Foundry Digital represented 100% of the Company's total revenues for each of those years, as all bitcoin mining rewards are received through the Foundry mining pool.

The Company had the following significant suppliers of bitcoin miners, with the percentage based on purchase amounts:

	For the year ended September 30,		
	2026	2025	2024
Supplier A	72%	96%	100%
Supplier B	20%	—	—

19. COMMITMENTS AND CONTINGENCIES

Commitments under open construction projects

As of September 30, 2026, the Company had open, noncancellable commitments relating to the construction and development of new data center locations and operational facilities of $94,760.

Contractual future payments

The contractual future payments related to the Company's leases and indebtedness are disclosed in Note 10 - Leases and Note 11 - Indebtedness, respectively, to the Consolidated Financial Statements. The following table sets forth certain information concerning the Company's unconditional obligations to make contractual future payments towards our agreements as of September 30, 2026 (these amounts are not recorded in the Consolidated Balance Sheets):

	Fiscal Year		
($ in thousands)	**2027**	**2028**	**Total**
Contractual obligations:			
Commitments under open construction contracts	$ 90,552	$ 4,208	$ 94,760
Other service contracts	1,392	299	1,691
Total	$ 91,944	$ 4,507	$ 96,451

U.S. importation tariffs

On or about May 27, 2025, the Company began receiving invoices from the U.S. Customs and Border Protection agency ("CBP") asserting Chinese origin import tariffs on certain miners imported. By September 25, 2026, CleanSpark had successfully responded to all CBP document requests and received CBP approval of all outstanding administrative protests challenging the duty bills. CBP cancelled the related duty bills and restored the affected entries to their status as originally entered, resolving all tariff liabilities at issue. Accordingly, no commitments or liabilities for customs duties relating to this issue remain.

Legal contingencies

In addition to the legal matters disclosed below, the Company may from time to time be subject to various legal proceedings and claims that arise in the ordinary course of its business activities. The outcome of litigation is inherently uncertain. If one or more legal matters were resolved against the Company in a reporting period for amounts above management's expectations, the Company's financial condition and operating results for that reporting period could be materially adversely affected.

Hasthantra v. CleanSpark, Inc. et al.

On January 20, 2021, Scott Bishins ("Bishins"), individually and on behalf of all others similarly situated, filed a class action complaint in the United States District Court for the Southern District of New York against the Company and certain of its officers, including the Company's CEO and the Executive Chair.

On December 2, 2021, the Court appointed Bishins and Darshan Hasthantra as lead plaintiffs, and on February 1, 2024, the Court entered a voluntary dismissal of Bishins' individual claims.

On February 28, 2022, Bishins and Hasthantra filed an Amended Class Complaint alleging that, between December 10, 2020, and August 16, 2021, Defendants made material misstatements and omissions related to the Company's acquisition of ATL Data Centers LLC and its anticipated expansion of bitcoin mining operations. Hasthantra, on behalf of the Class, seeks an award of compensatory damages, and reimbursement of costs and expenses.

On September 24, 2025, the Court granted Hasthantra's motion for class certification. Expert discovery concluded in late 2025. On June 30, 2026, the Court granted the Company's motion to exclude in its entirety the report and opinions of the plaintiff's sole expert on loss causation and damages. The Court declined to exclude the plaintiff's construction expert but determined that appropriate limitations should be placed on his trial testimony. On October 14, 2026, the Court denied the plaintiff's request for leave to serve an amended report from the excluded expert. The action remains pending.

The Company believes that the claims asserted are without merit and intends to defend against them vigorously. At this time, the Company is unable to estimate potential losses, if any, that may arise.

Consolidated Smith Derivative Actions

Between February 21, 2023, and March 8, 2023, four shareholder derivative actions were filed in the Eighth Judicial District Court of the State of Nevada in Clark County against certain current and former officers and directors of the Company, including its Executive Chair, Chief Executive Officer, and former Chief Financial Officer. Each action was consolidated in the Eighth Judicial District Court of Nevada (the "Consolidated Smith Action"). The claims assert breach of fiduciary duty, unjust enrichment, and corporate waste under Nevada law, with the plaintiffs seeking monetary damages, restitution, declaratory relief, litigation costs, and the imposition of additional corporate governance and internal controls.

The Company's Board of Directors formed a Special Litigation Committee (the "SLC") to investigate and evaluate the claims in accordance with Nevada law. On November 6, 2023, the SLC began its investigation and, on October 16, 2024, moved for deference to its determination that the claims should be dismissed. On April 2, 2026, the Court denied the SLC's motion, and the Company subsequently filed a petition for a writ of mandamus with the Nevada Supreme Court challenging the April 2 order. On November 4, 2026, the Nevada Supreme Court declined discretionary review and denied the petition and the Company's related motion to stay. The proceedings are anticipated to resume in the district court.

The Company believes that the claims raised in the Consolidated Smith Action are without merit and intends to defend its interests vigorously against them. At this time, the Company is unable to estimate potential losses, if any, related to this matter.

20. SUBSEQUENT EVENTS

2031 Mortgage Loan

On November 2, 2026, subsequent to year-end, the Company, through its wholly owned subsidiary CSRE Properties Norcross, LLC, entered into a $13,020 secured mortgage loan with Western Alliance Bank. The loan is secured by the subsidiary's Norcross, Georgia property and related assets and is guaranteed by CleanSpark, Inc. The loan bears interest at one-month CME Term SOFR plus 2.50%, has a 5-year term ending on November 2, 2031, and requires monthly principal payments plus accrued interest beginning December 1, 2026, with a balloon payment at maturity. In connection with the financing, the Company also entered into an interest rate swap intended to economically fix the interest rate on the borrowing; the swap was not designated as a hedging instrument for accounting purposes.

CLEANSPARK, INC.
Schedule II - Valuation and Qualifying Accounts
(in thousands)

	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Additions from Business Combination	Deductions	Balance at End of Period
Year ended September 30, 2026					
Deferred tax valuation allowance	$ 3,389	$ 179,139	$ —	$ —	$ 182,528
Year ended September 30, 2025					
Deferred tax valuation allowance	$ 54,926	$ —	$ 1,677	$ 53,214	$ 3,389
Year ended September 30, 2024					
Deferred tax valuation allowance	$ 44,627	$ 10,299	$ —	$ —	$ 54,926

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of September 30, 2026. Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of September 30, 2026.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR"), as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles ("U.S. GAAP"). ICFR includes policies and procedures that (i) maintain records in reasonable detail that accurately and fairly reflect transactions and dispositions of assets, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized use, acquisition, or disposition of assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Projections of any evaluation of effectiveness for future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our Chief Executive Officer and our Chief Financial Officer conducted an evaluation of the effectiveness of ICFR as of September 30, 2026, based on the criteria set forth in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013).

Based on this evaluation, management concluded that our internal control over financial reporting was effective as of September 30, 2026.

Attestation Report of the Registered Public Accounting Firm

BDO USA, P.C., our independent registered public accounting firm, which also audited our consolidated financial statements included in this Report, issued an unqualified opinion on the effectiveness of our internal control over financial reporting as of September 30, 2026, which appears in Item 8. *Financial Statements and Supplementary Data* of this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Item 9B. Other Information

Rule 10b5-1 Plans

On September 4, 2026, Taylor Monnig, the Company's Chief Operating Officer and Executive Vice President, adopted an additional written trading arrangement intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. The arrangement provides for the sale of up to 54,695 shares of the Company's common stock and has a scheduled expiration date of March 24, 2027.

Except as described above, during the three months ended September 30, 2026, none of the Company's directors or officers, as defined in Rule 16a-1(f) under the Exchange Act, adopted or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as those terms are defined in Item 408 of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance

Information required by Item 10 is incorporated by reference from the Company's definitive proxy statement, to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 11. Executive Compensation

The information required by Item 11 is incorporated by reference from the Company's definitive proxy statement, to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by Item 12 is incorporated by reference from the Company's definitive proxy statement, to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by Item 13 is incorporated by reference from the Company's definitive proxy statement, to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 14. Principal Accounting Fees and Services

The information required by Item 14 is incorporated by reference from the Company's definitive proxy statement, to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

PART IV

Item 15. Exhibits and Financial Statement Schedules

1. Financial Statements. The consolidated financial statements are included in Part II, Item 8 of this Annual Report on Form 10-K beginning on page F-2.

2. Exhibits required to be filed by Item 601 of Regulation S-K. The information called for by this Item is incorporated by reference from the Index to Exhibits included in this Annual Report on Form 10-K.

Exhibit Number	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
2.1†	Agreement and Plan of Merger, dated June 26, 2024, by and among CleanSpark, Inc., Tron Merger Sub, Inc. and GRIID Infrastructure Inc.	8-K	001-39187	2.1	June 27, 2024	
3.1	Conformed Copy of First Amended and Restated Articles of Incorporation of CleanSpark, Inc., as amended through October 28, 2024	8-K	001-39187	3.1	February 6, 2025	
3.2	Second Amended and Restated Bylaws of CleanSpark, Inc., dated September 26, 2025	8-K	001-39187	3.1	September 26, 2025	
3.3	Certificate of Designation of Series X Preferred Stock, dated August 30, 2024	8-K	001-39187	3.1	August 30, 2024	
3.4	First Amended and Restated Certificate of Designation of Series A Preferred Stock of CleanSpark, Inc., effective March 20, 2026	8-K	001-39187	3.1	March 24, 2026	
4.1	Description of Registered Securities					X
4.2	Amended and Restated Warrant Agreement, dated November 8, 2024, by and between CleanSpark, Inc. and Securities Transfer Corporation	8-A	001-39187	4.1	November 8, 2024	
4.3	Form of Warrant Certificate (included in Exhibit 4.2)	8-A	001-39187	4.2	November 8, 2024	
4.4	Indenture, dated as of December 17, 2024, by and between CleanSpark, Inc. and U.S. Bank Trust Company, National Association, as trustee, relating to the 0.00% Convertible Senior Notes due 2030	8-K	001-39187	4.1	December 17, 2024	
4.5	Form of Note Representing the 0.00% Convertible Senior Notes due 2030 (included as Exhibit A to Exhibit 4.4)	8-K	001-39187	4.2	December 17, 2024	
4.6	Indenture, dated as of November 13, 2025, between CleanSpark, Inc. and U.S. Bank Trust Company, National Association, as trustee, relating to the 0.00% Convertible Senior Notes due 2032	8-K	001-39187	4.1	November 13, 2025	
4.7	Form of note representing the 0.00% Convertible Senior Notes due 2032 (included as Exhibit A to Exhibit 4.6)	8-K	001-39187	4.2	November 13, 2025	
4.8	Indenture, dated as of September 25, 2026, among CSDC Finance I, LLC, CSRE Properties Sandersville, LLC, CSDC Holdings I, LLC, and U.S. Bank Trust Company, National Association, as trustee and collateral agent, relating to the 7.875% Senior Secured Notes due 2031.	8-K	001-39187	4.1	September 25, 2026	
4.9	Form of note representing the 7.875% Senior Secured Notes due 2031 (included in Exhibit 4.8)	8-K	001-39187	4.1	September 25, 2026	
4.10	First Supplemental Indenture, dated November 23, 2026, relating to the 7.875% Senior Secured Notes due 2031.					X
10.1+	CleanSpark, Inc. 2017 Equity Incentive Plan	S-8	333-218831	10.12	June 19, 2017	
10.2+	First Amendment to CleanSpark, Inc. 2017 Equity Incentive Plan, dated as of October 7, 2020	DEF 14C	000-53498	Appendix B	July 28, 2020	
10.3+	Second Amendment to CleanSpark, Inc. 2017 Incentive Plan, dated September 17, 2021	8-K	001-39187	10.1	September 17, 2021	
10.4	Lease Agreement, by and between CleanSpark, Inc. and ANC Corporate Center & Paseo Verde, LLC, dated August 26, 2021	10-K	001-39187	10.42	December 14, 2021	

10.5	Hosting Agreement by and between CleanSpark, Inc. and Lancium LLC, dated as of March 29, 2022	10-Q	001-39187	10.3	May 10, 2022	
10.6+	Form of Restricted Stock Unit Award Agreement	8-K	001-39187	10.4	September 14, 2022	
10.7+	Form of Performance-Based Stock Unit Award Agreement	8-K	001-39187	10.5	September 14, 2022	
10.8+	Amendment to 2017 Incentive Plan, dated March 8, 2023	8-K	001-39187	10.1	March 9, 2023	
10.9	Future Sales and Purchase Agreement entered into by and between CleanSpark, Inc. and BITMAIN TECHNOLOGIES DELAWARE LIMITED on October 6, 2023	8-K	001-39187	10.1	October 11, 2023	
10.10	Future Sales and Purchase Agreement, dated January 6, 2024, by and between CleanSpark, Inc. and Bitmain Technologies Delaware Limited	8-K	001-39187	10.1	January 8, 2024	
10.11	Purchase and Sale Agreement for Parcel 2, dated May 29, 2024, by and between CSRE Properties Wyoming, LLC and MineOne Wyoming Data Center, LLC	8-K	001-39187	10.2	May 31, 2024	
10.12	Asset Purchase Agreements, dated June 17, 2024	8-K	001-39187	10.1	June 20, 2024	
10.13†	Real Estate Purchase and Sale Agreement, dated September 10, 2024, by and between US Farms & Mining, Inc. and CSRE Properties Tennessee, LLC	8-K	001-39187	10.4	September 11, 2024	
10.14†	Construction Management Services Agreement, dated September 16, 2024, by and between Beast Power, Inc. and CSRE Properties Mississippi, LLC	8-K	001-39187	10.3	September 17, 2024	
10.15	Form of Capped Call Confirmations	8-K	001-39187	10.1	December 17, 2024	
10.16	Master Loan Agreement, dated April 14, 2025, by and among Coinbase Credit, Inc., Coinbase, Inc. and CleanSpark, Inc.	8-K	001-39187	10.1	April 16, 2025	
10.17+†	Separation and General Release Agreement between the Company and Zachary K. Bradford dated August 10, 2025.	8-K	001-39187	10.1	August 11, 2025	
10.18+	Employment Agreement by and between CleanSpark, Inc. and S. Matthew Schultz, dated September 4, 2025.	8-K	001-39187	10.1	September 8, 2025	
10.19+	Employment Agreement by and between CleanSpark, Inc. and Gary A. Vecchiarelli, dated September 4, 2025.	8-K	001-39187	10.2	September 8, 2025	
10.20+	Employment Agreement by and between CleanSpark, Inc. and Scott E. Garrison, dated September 4, 2025.	8-K	001-39187	10.3	September 8, 2025	
10.21+	Employment Agreement by and between CleanSpark, Inc. and Taylor Monnig, dated September 4, 2025.	8-K	001-39187	10.4	September 8, 2025	
10.22+	Employment Agreement by and between CleanSpark, Inc. and Brian J. Carson, dated September 4, 2025.	8-K	001-39187	10.5	September 8, 2025	
10.23	Coinbase Side Letter, dated September 18, 2025.	8-K	001-39187	10.1	September 23, 2025	
10.24†	Two Prime Master Loan Agreement, dated September 19, 2025.	8-K	001-39187	10.1	September 25, 2025	
10.25	Indemnification Agreement, dated November 24, 2025, by and among Mr. Schultz, the S M Schultz Irrevocable Trust and the Company	10-K	001-39187	10.75	November 25, 2025	
10.26	Form of Director and Officer Indemnification Agreement	10-K	001-39187	10.76	November 25, 2025	
19.1	CleanSpark, Inc. Insider Trading Policy					X
21.1	List of Subsidiaries					X
23.1	Consent of BDO USA, P.C.					X
31.1	Certification of Chief Executive Officer pursuant to Securities Exchange Act Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Chief Financial Officer pursuant to Securities Exchange Act Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X

32.1*	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
97.1	CleanSpark, Inc. Executive Officer Incentive Compensation Recoupment (Clawback) Policy	10-K	001-39187	97.1	November 25, 2025	
101 INS**	Inline XBRL Instance Document					
101 SCH**	Inline XBRL Taxonomy Extension Schema Document					
101 CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document					
101 LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document					
101 PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document					
101 DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document					
104**	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101 attachments)					

* These certifications are being furnished solely to accompany this annual report pursuant to 18 U.S.C. Section 1350, are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

** The XBRL related information in Exhibit 101 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section and shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

+ Indicates management contract or compensatory plan.

† Portions of this exhibit have been redacted in compliance with Item 601(b)(10) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CLEANSPARK, INC.

By: */s/ S. Matthew Schultz*
S. Matthew Schultz
Chairman and Chief Executive Officer (Principal Executive Officer)
November 24, 2026

By: */s/ Gary A. Vecchiarelli*
Gary A. Vecchiarelli
President and Chief Financial Officer (Principal Financial Officer)
November 24, 2026

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

By: */s/ S. Matthew Schultz*
S. Matthew Schultz
Chairman and Chief Executive Officer (Principal Executive Officer)
November 24, 2026

By: */s/ Gary A. Vecchiarelli*
Gary A. Vecchiarelli
President and Chief Financial Officer (Principal Financial Officer)
November 24, 2026

By: */s/ Brian Carson*
Brian Carson
Chief Accounting Officer (Principal Accounting Officer)
November 24, 2026

By: */s/ Larry McNeill*
Larry McNeill
Director
November 24, 2026

By: */s/ Roger Beynon*
Roger Beynon
Director
November 24, 2026

By: */s/ Dr. Thomas Wood*
Dr. Thomas Wood
Director
November 24, 2026

By: */s/ Amanda Cavaleri*
Amanda Cavaleri
Director
November 24, 2026

Description of Registered Securities

CleanSpark, Inc. ("CleanSpark," "we," "our" or the "Company") is incorporated in the State of Nevada. The following description sets forth certain general terms and provisions of our common stock. This description is summarized from, and qualified in its entirety by reference to, the applicable provisions of Nevada Revised Statutes ("NRS") Chapters 78 and 92A, as amended, and our articles of incorporation, our bylaws, and the warrant agreement and form of warrant certificate governing the Public Warrants (as defined below), each as amended, amended and restated and/or otherwise modified from time to time, which are incorporated by reference as exhibits to the Annual Report on Form 10-K of which this exhibit is a part.

General

Our articles of incorporation authorize us to issue up to 600,000,000 shares of common stock, $0.001 par value per share, and 10,000,000 shares of preferred stock, $0.001 par value per share, of which 2,000,000 of such shares have been designated as Series A Preferred Stock. The Company previously designated 1,000,000 shares as Series X Preferred Stock; however, the certificate of designation for the Series X Preferred Stock was withdrawn on December 3, 2024, pursuant to a Certificate of Withdrawal filed with the Nevada Secretary of State.

Common Stock

Voting rights. Each holder of our common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Our stockholders do not have cumulative voting rights in the election of directors. Directors are elected by a plurality of the votes cast at the meeting of stockholders.

Dividends. Subject to preferences that may be applicable to any then-outstanding preferred stock, holders of our common stock are entitled to receive ratably those dividends and other distributions, if any, as may be declared from time to time by our board of directors out of legally available funds. We have never declared or paid any cash dividends on our common stock. We currently intend to retain future earnings, if any, to finance the expansion of our business. As a result, we do not anticipate paying any cash dividends in the foreseeable future.

Liquidation. In the event of the liquidation, dissolution or winding up of the Company, holders of our common stock are entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then-outstanding shares of preferred stock.

Rights and preferences. Holders of our common stock have no preemptive, conversion or subscription rights and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock, including any series of preferred stock that our board of directors may designate in the future.

Preferred Stock

Under our amended and restated articles of incorporation, as amended through October 28, 2024, our board of directors has the authority, without further action by the stockholders (unless such stockholder action is required by applicable law or the rules of any stock exchange or market on which our securities are then traded), to designate and issue up to 10,000,000 shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the designations, voting powers, preferences and rights of the shares of each wholly unissued series, and any qualifications, limitations or restrictions thereof, and to increase or decrease the number of shares of any such series, but not below the number of shares of such series then outstanding.

Nevada law provides that, in addition to any approval otherwise required and unless such right to vote is specifically denied in a corporation's articles of incorporation (including any applicable certificate of designation), any proposed amendment to a corporation's articles of incorporation that would adversely alter or change any preference or any relative or other right given to any class or series of outstanding shares must be approved by the holders of shares representing a majority of the voting power of each class or series adversely affected by the amendment regardless of limitations or restrictions on the voting power of the class or series.

Except as otherwise provided in the articles of incorporation, a proposed amendment that designates one or more new series of an existing class as having any preference or any relative or other right that has higher or equal seniority to the corresponding preference or relative or other right of an existing series of the same class does not, solely by virtue of the higher or equal seniority of the preference or right of the proposed new series, constitute an amendment that would adversely alter or change the preference or rights of the existing series.

Series A Preferred Stock

On April 15, 2015, pursuant to the authority granted under our then-current articles of incorporation, our board of directors designated a series of preferred stock as Series A Preferred Stock, consisting of up to one million (1,000,000) shares, par value $0.001. Under the First Amended and Restated Certificate of Designation for the Series A Preferred Stock, filed on March 20, 2026, holders of Series A Preferred Stock are entitled to a one-time special dividend of $17.1428571428571 per share of Series A Preferred Stock outstanding and are otherwise not entitled to further dividends. The holders will also have a liquidation preference, payable in cash, on the stated value of $0.02 per share plus any accumulated but unpaid dividends and each share of Series A Preferred Stock will automatically convert into three shares of our common stock in connection with a change of control event (as defined in the certificate of designation). The holders are entitled to vote together with the holders of our common stock on all matters submitted to stockholders at a rate of forty-five (45) votes for each share of Series A Preferred Stock held. Under the First Amended and Restated Certificate of Designation, (A) all shares of Series A Preferred Stock will vote in accordance with the vote of the holders of a majority of the shares of Series A Preferred Stock, if a majority of the shares of Series A Preferred Stock continue to be held by our directors or officers or entities controlled by our directors or officers, (B) if officers, directors, or entities controlled by officers or directors do not own a majority of the shares of Series A Preferred Stock, then all of the shares of Series A Preferred Stock will vote in accordance with the recommendation of our board of directors and (C) if there is no such recommendation by our board of directors, then the shares of Series A Preferred Stock will vote in the same manner and proportion as shares of our common stock and any other class or series of our capital stock that are entitled to vote.

On October 9, 2019, the certificate of designation for the Series A Preferred Stock was amended to increase the number of shares of preferred stock designated as Series A Preferred Stock from one million (1,000,000) shares to two million (2,000,000) shares.

Public Warrants

Each public warrant entitles the registered holder to purchase 0.069593885 of a share of our common stock at a price of $165.24 per share, subject to adjustment as discussed below (the "Public Warrants"), at any time provided that we have an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), covering the issuance of the shares of our common stock issuable upon exercise of the Public Warrants and a current prospectus relating to them is available and such shares are registered, qualified or exempt from registration under the securities or blue sky laws of the state of residence of the holder or we permit holders to exercise their Public Warrants on a cashless basis under the circumstances specified in the Amended and Restated Warrant Agreement, dated November 8, 2024 (the "Warrant Agreement"), by and between the Company and Securities Transfer Corporation, a Texas corporation, as warrant agent (the "Warrant Agent"). A holder of Public Warrants may exercise his, her or its Public Warrants only for a whole number of shares of our common stock. Accordingly, no fractional shares of common stock will be issued upon exercise of the Public Warrants. If, upon exercise of any Public Warrants, the holder thereof would be entitled to receive a fractional interest in a share of common stock, we shall, upon exercise, round down to the nearest whole number of shares of common stock to be issued to the holder and deliver to such holder cash in lieu of fractional shares. The Public Warrants will expire on the earlier to occur of (x) December 29, 2028, at 5:00 p.m., New York City time, or (y) redemption of the Public Warrants.

We are not obligated to deliver any shares of common stock pursuant to the exercise of a Public Warrant and will have no obligation to settle such Public Warrant exercise unless a registration statement under the Securities Act covering the issuance of the shares of our common stock issuable upon exercise is then effective and a prospectus relating thereto is current, or in the opinion of counsel to the Company, the exercise of the Public Warrant is exempt from the registration requirements of the Securities Act.

We may redeem the Public Warrants:

- in whole and not in part;
- at a price of $0.0006959 per Public Warrant;
- upon not less than thirty (30) days' prior written notice of redemption to each Public Warrant holder; and
- if, and only if, the reported last sales price of the shares of our common stock equals or exceeds $258.64 per share (as adjusted for share splits, share dividends, rights issuances, subdivisions, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date we send the notice of redemption to the Public Warrant holders.

If the foregoing conditions are satisfied and we issue a notice of redemption of the Public Warrants, each Public Warrant holder will be entitled to exercise his, her or its Public Warrant prior to the scheduled redemption date. However, the price of the shares of our common stock may fall below the $258.64 redemption trigger price as well as the $165.24 Public Warrant exercise price after the redemption notice is issued.

If we call the Public Warrants for redemption as described above, our management will have the option to require any holder that wishes to exercise his, her or its Public Warrant to do so on a "cashless basis." If our management takes advantage of this option, all holders of Public Warrants would pay the exercise price by surrendering their Public Warrants for that number of shares of our common stock equal to the quotient obtained by dividing (x) the product of the number of shares of our common stock underlying the Public Warrants, multiplied by the excess of the "fair market value" (defined below) over the exercise price of the Public Warrants by (y) the fair market value. The "fair market value" will mean the average last reported sale price of the shares of our common stock for the ten (10) trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of Public Warrants. If our management takes advantage of this option, the notice of redemption will contain the information necessary to calculate the number of shares of our common stock to be received upon exercise of the Public Warrants, including the "fair market value" in such case. Requiring a cashless exercise in this manner will reduce the number of shares to be issued and thereby lessen the dilutive effect of a Public Warrant redemption.

A holder of a Public Warrant may notify us in writing in the event he, she or it elects to be subject to a requirement that such holder will not have the right to exercise such Public Warrant, to the extent that after giving effect to such exercise, such holder (together with such holder's affiliates), to the Warrant Agent's actual knowledge, would beneficially own in excess of 9.8% of our common stock outstanding immediately after giving effect to such exercise.

If the number of outstanding shares of our common stock is increased by a stock dividend payable in shares of common stock, or by a split-up of shares of common stock or other similar event, then, on the effective date of such stock dividend, split-up or similar event, the number of shares of our common stock issuable on exercise of each Public Warrant will be increased in proportion to such increase in outstanding shares of common stock.

In addition, if we, at any time while the Public Warrants are outstanding and unexpired, pay a dividend or make a distribution in cash, securities or other assets to the holders of the shares of our common stock on account of such shares of common stock or other securities into which the Public Warrants are convertible (an "Extraordinary Dividend"), other than (a) as described above, or (b) as a result of certain ordinary cash dividends, then the Public Warrant exercise price will be decreased, effective immediately after the effective date of such Extraordinary Dividend, by the amount of cash and/or the fair market value of any securities or other assets paid on each share of our common stock in respect of such Extraordinary Dividend.

If the number of outstanding shares of our common stock is decreased by a consolidation, combination, reverse stock split or reclassification of the shares of our common stock or other similar event, then, on the effective date of such consolidation, combination, reverse share split, reclassification or similar event, the number of shares of common stock issuable on exercise of each Public Warrant will be decreased in proportion to such decrease in issued and outstanding shares of our common stock.

Whenever the number of shares of our common stock purchasable upon the exercise of the Public Warrants is adjusted, as described above, the Public Warrant exercise price will be adjusted by multiplying the Public Warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of shares of our common stock purchasable upon the exercise of the Public Warrants immediately prior to such adjustment, and (y) the denominator of which will be the number of shares of our common stock so purchasable immediately thereafter.

In case of any reclassification or reorganization of the outstanding shares of our common stock (other than those described above or that solely affects the par value of such shares of common stock), or in the case of any merger or consolidation of the Company with or into another corporation (other than a consolidation or merger in which the Company is the continuing corporation and that does not result in any reclassification or reorganization of issued and outstanding shares of common stock), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of the Company as an entirety or substantially as an entirety in connection with which the Company is dissolved, the holders of the Public Warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the Public Warrants and in lieu of the shares of common stock immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares of stock or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the Public Warrants would have received if such holder had exercised their Public Warrants immediately prior to such event; provided that if less than 70% of the consideration receivable by the holders of shares of our common stock in such a transaction is payable in the form of common stock in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the Public Warrant properly exercises the Public Warrant within thirty (30) days following public disclosure of such transaction, the warrant exercise price will be reduced as specified in the Warrant Agreement based on the per share consideration minus Black-Scholes Warrant Value (as defined in the Warrant Agreement) of the Public Warrant.

The Public Warrants are issued in registered form under the Warrant Agreement. The Warrant Agreement provides that the terms of the Public Warrants may be amended without the consent of any registered holder to cure any ambiguity or correct any defective provision but requires the written consent of the registered holders of at least a majority of the then issued and outstanding Public Warrants to make any change that adversely affects the interests of the registered holders of Public Warrants.

The Public Warrants may be exercised upon surrender of the warrant certificate on or prior to the expiration date at the offices of the Warrant Agent or the office of its successor as Warrant Agent, with the subscription form on the reverse side of the warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price (or on a cashless basis, if applicable), by certified check payable to the Warrant Agent or by wire transfer, for the number of Public Warrants being exercised. The warrant holders do not have the rights or privileges of holders of shares of our common stock and any voting rights until they exercise their Public Warrants and receive shares of our common stock. After the issuance of the shares of common stock upon exercise of the Public Warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by holders of shares of our common stock.

Anti-Takeover Laws

The NRS contain provisions governing the acquisition of a controlling interest in certain Nevada corporations. Nevada's "acquisition of controlling interest" statutes (NRS 78.378 through 78.3793, inclusive) contain provisions governing the acquisition of a controlling interest in certain Nevada corporations. These "control share" laws provide generally that any person that acquires a "controlling interest" in certain Nevada corporations may be denied voting rights, unless a majority of the disinterested stockholders of the corporation elect to restore such voting rights. These laws will apply to us as of a particular date if we were to have 200 or more stockholders of record (at least 100 of whom have addresses in Nevada appearing on our stock ledger at all times during the 90 days immediately preceding that date) and do business in the State of Nevada directly or through an affiliated corporation, unless our articles of incorporation or bylaws in effect on the tenth day after the acquisition of a controlling interest provide otherwise. These laws provide that a person acquires a "controlling interest" whenever a person acquires shares of a subject corporation that, but for the application of these provisions of the NRS, would enable that person to exercise (1) one-fifth or more, but less than one-third, (2) one-third or more, but less than a majority, or (3) a majority or more of all of the voting power of the corporation in the election of directors. Once an acquirer crosses one of these thresholds, shares which it acquired in the transaction taking it over the threshold and within the 90 days immediately preceding the date when the acquiring person acquired or offered to acquire a controlling interest become "control shares" to which the voting restrictions described above apply. Nevada corporations are entitled to opt out of the controlling interest provisions of the NRS. We have not made such an election in our articles of incorporation or bylaws. These laws may have a chilling effect on certain transactions if our articles of incorporation or bylaws are not timely amended to provide that these provisions do not apply to us or to an acquisition of a controlling interest, or if our disinterested stockholders do not confer voting rights in the control shares.

Nevada's "combinations with interested stockholders" statutes (NRS 78.411 through 78.444, inclusive) provide that specified types of business "combinations" between certain Nevada corporations and any person deemed to be an "interested stockholder" of the corporation are prohibited for two years after such person first becomes an "interested stockholder" unless the corporation's board of directors approves the combination (or the transaction by which such person becomes an "interested stockholder") in advance, or unless the combination is approved by the board of directors and sixty percent of the corporation's voting power not beneficially owned by the interested stockholder, its affiliates and associates. Furthermore, in the absence of prior approval certain restrictions may apply even after such two-year period. For purposes of these statutes, an "interested stockholder" is any person who is (1) the beneficial owner, directly or indirectly, of 10% or more of the voting power of the outstanding voting shares of the corporation, or (2) an affiliate or associate of the corporation and at any time within the two previous years was the beneficial owner, directly or indirectly, of 10% or more of the voting power of the then-outstanding shares of the corporation. The definition of the term "combination" is sufficiently broad to cover most significant transactions between a corporation and an "interested stockholder." These laws generally apply to Nevada corporations with 200 or more stockholders of record. However, a Nevada corporation may elect in its articles of incorporation not to be governed by these particular laws, but if such election is not made in the corporation's original articles of incorporation, the amendment (1) must be approved by the affirmative vote of the holders of stock representing a majority of the outstanding voting power of the corporation not beneficially owned by interested stockholders or their affiliates and associates, and (2) is not effective until 18 months after the vote approving the amendment and does not apply to any combination with a person who first became an interested stockholder on or before the effective date of the amendment. We have not made such an election in our original articles of incorporation, and we have not amended our articles of incorporation to so elect.

Further, NRS 78.139 provides that directors may resist a change or potential change in control of the corporation if the board of directors determines that the change or potential change is opposed to or not in the best interest of the corporation upon consideration of any relevant facts, circumstances, contingencies or constituencies pursuant to NRS 78.138(4).

Listing

The Company's common stock and Public Warrants are listed on the Nasdaq Capital Market under the ticker symbols "CLSK" and "CLSKW," respectively.

Transfer Agent and Warrant Agent

Securities Transfer Corporation is the transfer agent and registrar for our common stock and the Warrant Agent for our Public Warrants. Its address is 2901 N. Dallas Parkway, Suite 380, Plano, Texas 75093.

FIRST SUPPLEMENTAL INDENTURE

FIRST SUPPLEMENTAL INDENTURE (this "*Supplemental Indenture*"), dated as of November 23, 2026, among CSDC Finance I, LLC, a Delaware limited liability company (the "*Issuer*"), CSDC Holdings I, LLC, a Delaware limited liability company (the "*HoldCo*"), CSRE Properties Sandersville, LLC, a Georgia limited liability company (the "*Subsidiary Guarantor*" and, together with the Issuer and the Holdco, the "*Company Parties*") and U.S. Bank Trust Company, National Association, as Trustee (in such capacity, the "*Trustee*") and Collateral Agent (in such capacity, the "*Collateral Agent*") under the Indenture referred to below.

W I T N E S S E T H

WHEREAS, the Issuer has heretofore executed and delivered to the Trustee and the Collateral Agent an indenture (as amended, supplemented or otherwise modified from time to time, the "*Indenture*"), dated as of September 25, 2026, pursuant to which the Issuer issued $2,276,000,000 aggregate principal amount of the Issuer's 7.875% Senior Secured Notes due 2031 (the "*Initial Notes*");

WHEREAS, Section 9.01(a) of the Indenture provides that the Company Parties may from time to time amend the Indenture without the consent of any Holder to cure any ambiguity, omission, mistake, defect, error or inconsistency;

WHEREAS, the Issuer has provided to the Trustee an Opinion of Counsel and an Officer's Certificate required by Sections 9.05 and 13.02 of the Indenture;

WHEREAS, all conditions and requirements necessary to make this Supplemental Indenture a valid, binding, and legal instrument in accordance with the terms of the Indenture have been performed and fulfilled and the execution and delivery hereof have been in all respects duly authorized; and

WHEREAS, pursuant to Sections 9.01(a) and 9.05 of the Indenture, the Trustee and the Collateral Agent are authorized to execute and deliver this Supplemental Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company Parties, the Trustee and the Collateral Agent mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AMENDMENTS TO THE INDENTURE.

Amendments to Section 1.01.

Pursuant to Section 9.01(a) of the Indenture, the Issuer amends and restates the following definition as follows (with new text shown as underlined and deleted text shown as struck through):

"*Fiscal Year*" means a fiscal year of the Issuer ending on ~~December 31~~ September 30 of each calendar year.

Amendments to Section 4.03(a).

Pursuant to Section 9.01(a) of the Indenture, the Issuer amends and restates the following provision as follows (with new text shown as underlined and deleted text shown as struck through):

Compliance Certificate. (a) The Issuer shall deliver to the Trustee, within 120 days after the end of each fiscal year, commencing with the fiscal year ending ~~December 31, 2027~~ September 30, 2027, an Officer's Certificate stating that a review of the activities of the Issuer and the Company Parties during the preceding fiscal year has been made under the supervision of the signing Officer with a view to determining whether the Issuer has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to such Officer signing such certificate, that to the best of his or her knowledge the Issuer has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default has occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Issuer is taking or proposes to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action the Issuer is taking or proposes to take with respect thereto.

Amendments to Section 4.07(a).

Pursuant to Section 9.01(a) of the Indenture, the Issuer amends and restates the following provision as follows (with new text shown as underlined and deleted text shown as struck through):

Section 4.07. *Reports*.

(a) The Issuer shall furnish to the Trustee and the Holders:

(i) within 60 days after the end of each of the first three Fiscal Quarters of each Fiscal Year beginning with the first Fiscal Quarter in Fiscal Year 2027, the unaudited consolidated balance sheet of the Issuer as at the end of such Fiscal Quarter, and the related unaudited consolidated statements of operations, stockholders' equity and cash flows of the Issuer for such Fiscal Quarter and for the period from the beginning of the then current Fiscal Year to the end of such Fiscal Quarter; and

(ii) within 120 days after the end of each Fiscal Year ending after the Issue Date (or if such day is not a Business Day, on the next succeeding Business Day), the audited consolidated balance sheet of the Issuer as at the end of such Fiscal Year, and the related audited consolidated statements of operations, stockholders' equity and cash flows of the Issuer for such Fiscal Year, and a report on such consolidated financial statements of any independent auditors of recognized national standing selected by the Issuer in good faith; *provided*, *however*, that the information required pursuant to this clause (ii) for the Fiscal Year ended ~~December 31, 2026~~ September 30, 2026 may be unaudited and need not include a report thereon of any independent auditor.

3. GOVERNING LAW. THIS SUPPLEMENTAL INDENTURE, THE NOTES, AND THE SUBSIDIARY GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK

4. EXECUTION; COUNTERPART ORIGINALS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy will be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile, or PDF or other electronic transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture and signature pages for all purposes and shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and will be of the same effect, validity and enforceability as manually executed signatures or a paper-based recordkeeping system, as the case may be, to the extent and as provided for under applicable law, including the Electronic Signatures in Global and National Commerce Act of 2000 (15 U.S.C. §§ 7001-7006), the Electronic Signatures and Records Act of 1999 (N.Y. State Tech. §§ 301-309), or any other similar state laws based on the Uniform Electronic Transactions Act; *provided* that, notwithstanding anything herein to the contrary, the Trustee is not under any obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by such Trustee pursuant to procedures approved by such Trustee

5. EFFECT OF THIS SUPPLEMENTAL INDENTURE. The provisions of this Supplemental Indenture are intended to supplement the Indenture, and the Indenture and this Supplemental Indenture will henceforth be read together. Except as expressly supplemented by this Supplemental Indenture, the Indenture shall continue in full force and effect in accordance with the provisions thereof, and the Indenture (as supplemented and amended by this Supplemental Indenture) is in all respects hereby ratified and confirmed. This Supplemental Indenture and all its provisions shall be deemed a part of the Indenture in the manner and to the extent herein and therein provided and all of the rights, powers, protections and indemnities of each of the Trustee and the Collateral Agent under the Indenture shall apply to this Supplemental Indenture. To the extent of any inconsistency between the terms of the Indenture and this Supplemental Indenture, the terms of this Supplemental Indenture will control. This Supplemental Indenture shall constitute an indenture supplemental to the Indenture and shall be construed in connection with and form a part of the Indenture for all purposes, and every Holder of the Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

6. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

7. THE TRUSTEE AND THE COLLATERAL AGENT. Neither the Trustee nor the Collateral Agent shall be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Issuer. Additionally, neither the Trustee nor the Collateral Agent makes any representation as to the validity or sufficiency of this Supplemental Indenture. For the avoidance of doubt, neither the Trustee nor the Collateral Agent, by executing this Supplemental Indenture in accordance with the terms of the Indenture, agrees to undertake additional actions nor does it consent to any transaction beyond what is expressly set forth in this Supplemental Indenture, and each of the Trustee and the Collateral Agent reserves all rights and remedies under the Indenture.

8. PROVISIONS BINDING ON SUCCESSORS. All of the covenants, stipulations, promises and agreements made in this Supplemental Indenture by each of the parties hereto shall bind its successors and assigns whether so expressed or not.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

CSDC FINANCE I, LLC,
as Issuer

By: */s/ Leighton Koehler*
Name: Leighton Koehler
Title: Secretary of CleanSpark, Inc., Manager

CSDC HOLDINGS I, LLC,
as HoldCo

By: */s/ Leighton Koehler*
Name: Leighton Koehler
Title: Secretary of CleanSpark, Inc., Manager

CSRE PROPERTIES SANDERSVILLE, LLC,
as a Subsidiary Guarantor

By: */s/ Leighton Koehler*
Name: Leighton Koehler
Title: Secretary of CleanSpark, Inc., Manager

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee and Collateral Agent

By: _/s/ Bradley E. Scarbrough_
Name: Bradley E. Scarbrough
Title: Vice President

CLEANSPARK

INSIDER TRADING POLICY

Adopted by the Board of Directors on November 18, 2026

INTRODUCTION

This Insider Trading Policy (this "Policy") provides the standards of CleanSpark, Inc. (the "Company") on trading and causing the trading of the Company's securities or securities of other publicly traded companies while in possession of information that is material and not generally known to the public. This Policy is divided into two parts: (a) the first part prohibits trading under certain circumstances and applies to all directors, officers and employees of the Company, as well as independent contractors or consultants who have access to material nonpublic information of the Company, and (b) the second part imposes special additional trading restrictions and applies to all (i) directors of the Company, (ii) executive officers of the Company and (iii) the employees listed on **Attachment A** (collectively, "Covered Persons"). The persons designated as Covered Persons, including those persons listed on Attachment A, may be modified from time to time by the Compliance Officer or the Company's Board of Directors due to the degree of access those individuals may have to material, nonpublic information, as determined in the discretion of the Compliance Officer or the Company's Board of Directors.

One of the principal purposes of the federal securities laws is to prohibit so-called "insider trading." Simply stated, insider trading occurs when a person uses material nonpublic information obtained through involvement with the Company to make decisions to purchase, sell, give away or otherwise trade the Company's securities or to provide that information to others outside the Company. The prohibitions against insider trading apply to trades, tips and recommendations by virtually any person, including all persons associated with the Company, if the information involved is "material" and "nonpublic." These terms are defined in this Policy under Part I, Section C below. The prohibitions would generally apply to any director, officer or employee or independent contractor or consultant who buys or sells any securities on the basis of material nonpublic information that he or she obtained about the Company, its customers, suppliers, or other companies with which the Company has contractual relationships or may be negotiating transactions. ***Once you have reviewed this Policy, please sign the attached Insider Trading Policy Compliance Statement (Attachment B) and return it to the Compliance Officer (as defined below)***.

PART I

A. APPLICABILITY

This Policy applies to all transactions in the Company's securities, including common stock, options and any other securities that the Company may issue, such as preferred stock, notes, bonds and convertible securities, as well as to derivative securities relating to any of the Company's securities, whether or not issued by the Company.

This Policy applies to all employees of the Company and its subsidiaries, all officers of the Company and its subsidiaries and all members of the Company's Board of Directors. This Policy also applies to all independent contractors or consultants who have access to material nonpublic information of the Company (each, a "Material IC").

B. GENERAL POLICY: NO TRADING OR CAUSING TRADING WHILE IN POSSESSION OF MATERIAL NONPUBLIC INFORMATION

1. No director, officer, employee or Material IC may purchase or sell any Company security, whether or not issued by the Company, while in possession of material nonpublic information about the Company. (The terms "material" and "nonpublic information" are defined in Part I, Section C(1) and (2) below.)

2. No director, officer, employee or Material IC who knows of any material nonpublic information about the Company may communicate that information to any other person, including family and friends (so-called "tipping").

3. In addition, no director, officer, employee or Material IC may purchase or sell any security of any other company, whether or not issued by the Company, while in possession of material nonpublic information about that company that was obtained in the course of his or her involvement with the Company. No director, officer, employee or Material IC who knows of any such material nonpublic information may communicate that information to any other person, including family and friends.

4. For compliance purposes, you should never trade, tip or recommend securities (or otherwise cause the purchase or sale of securities) while in possession of information that you have reason to believe is material and nonpublic unless you first consult with, and obtain the advance approval of, the Compliance Officer (which is defined in Part I, Section C(3) below).

5. Covered Persons must "pre-clear" all trading in securities of the Company in accordance with the procedures set forth in Part II, Section C below.

The above prohibitions also apply to transacting in the securities of another company while in possession of material nonpublic information relating to such other company when that information is obtained in the course of employment with, or other services performed on behalf of, the Company. Without limiting the foregoing, caution should be exercised in trading in securities of any company when in possession of material nonpublic information that could reasonably be expected to affect the stock price of that company.

C. DEFINITIONS

1. Materiality. Insider trading restrictions come into play only if the information you possess is "material." Materiality, however, involves a relatively low threshold. Information is generally regarded as "material" if it has market significance, that is, if its public dissemination is likely to affect the market price of securities, or if it otherwise is information that a reasonable investor would want to know before making an investment decision.

Information dealing with the following subjects is reasonably likely to be found material in particular situations:

a. significant changes in the Company's prospects;

b. significant write-downs in assets or increases in reserves;

c. developments regarding significant litigation or government agency investigations;

d. liquidity problems;

e. changes in earnings estimates or unusual gains or losses in major operations;

f. major changes in management;

g. changes in dividends;

h. extraordinary borrowings, including new financings;

i. gain or loss of a significant contract, strategic partner, customer or supplier;

j. changes in debt ratings;

k. proposals, plans or agreements, even if preliminary in nature, involving mergers, acquisitions, divestitures, recapitalizations, strategic alliances, licensing arrangements, or purchases, sales or leases of substantial assets;

l. matters involving a significant new product or service;

m. significant cybersecurity incidents, such as a data breach;

n. public offerings; and

o. pending statistical reports (such as, consumer price index, money supply and retail figures, or interest rate developments).

Material information is not limited to historical facts but may also include projections and forecasts (or updates thereof)–particularly where intended to be publicly released. With respect to a future event, such as a merger, acquisition or introduction of a new product, the point at which negotiations or product development are determined to be material is determined by balancing the probability that the event will occur against the magnitude of the effect the event would have on a company's operations or stock price should it occur. Thus, information concerning an event that would have a large effect on stock price, such as a merger, may be material even if the possibility that the event will occur is relatively small. Determinations regarding the "materiality" of information are inherently judgment based. When in doubt about whether particular nonpublic information is material, presume it is material. **If you are unsure whether information is material, you should consult the Compliance Officer before making any decision to disclose such information (other than to persons who need to know it and to the extent you are authorized to do so) or to trade in or recommend securities to which that information relates**.

2. Nonpublic Information. Insider trading prohibitions come into play only when you possess information that is both material and "nonpublic." The fact that information has been selectively disclosed to a few members of the public does not make it public for trading purposes. To be "public" the information must have been disseminated through appropriate channels (for example, by means of a press release or a filing with the SEC) in a manner designed to reach investors generally, and enough time must have elapsed to permit investors to absorb the information. Even after public disclosure of information about the Company, you must allow **ONE** full day of trading to lapse after the information was publicly disclosed before you can treat the information as public. Therefore, for example, if the Company makes an announcement after trading begins on a Monday, you should not trade in Company securities until Wednesday (assuming all of the days are trading days and you are not aware of material, nonpublic information at that time and subject to any other applicable requirements of this Policy). If, on the other hand, the Company makes the announcement before regular trading begins on Monday, you could trade on Tuesday (subject to the same assumptions and other applicable requirements of this Policy).

Nonpublic information may include:

a. information available to a select group of analysts or brokers or institutional investors;

b. undisclosed facts that are the subject of rumors, even if the rumors are widely circulated; and

c. information that has been entrusted to the Company on a confidential basis until a public announcement of the information has been made and enough time has elapsed for the market to respond to a public announcement of the information (normally two or three days).

As with questions of materiality, if you are not sure whether information is considered public, you should either consult with the Compliance Officer or assume that the information is "nonpublic" and treat it as confidential.

3. Compliance Officer. The Company has appointed the General Counsel as the Compliance Officer for this Policy. The duties of the Compliance Officer include, but are not limited to, the following:

a. assisting with implementation of this Policy, including monitoring and enforcing compliance with this Policy;

b. circulating this Policy to all directors, officers, employees and Material ICs and ensuring that this Policy is amended as necessary to remain up-to-date with insider trading laws;

c. designating and announcing special trading blackout periods (as described in Part II, Section A below);

d. pre-clearing all trading in securities of the Company by Covered Persons in accordance with the procedures set forth in Part II, Section C below; and

e. providing approval of any transactions under Part II, Section D below.

D. TRANSACTIONS BY FAMILY MEMBERS, ENTITIES THAT YOU INFLUENCE OR CONTROL AND OTHERS

This Policy applies to your family members who reside with you (including a spouse, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws), anyone else who lives in your household, and any family members who do not live in your household but whose transactions in Company securities are directed by you or are subject to your influence or control, such as parents or children who consult with you before they trade in Company securities (collectively referred to as "Family Members"). You are responsible for the transactions of these other persons and therefore should make them aware of the need to confer with you before they trade in Company securities, and you should treat all such transactions for the purposes of this Policy and applicable securities laws as if the transactions were for your own account. This Policy does not, however, apply to personal securities transactions of Family Members where the purchase or sale decision is made by a third party not controlled by, influenced by or related to you or your Family Members.

This Policy also applies to any entities that you influence or control, including any corporations, partnerships, limited liability companies or trusts (collectively referred to as "Controlled Entities"), and transactions by these Controlled Entities should be treated for the purposes of this Policy and applicable securities laws as if they were for your own account.

E. VIOLATIONS OF INSIDER TRADING LAWS

Penalties for trading on or communicating material nonpublic information in violation of the federal securities laws can be severe, both for individuals involved in such unlawful conduct and their employers and supervisors, and may include jail terms, criminal fines, civil penalties and civil enforcement injunctions. In addition to the federal securities law, profiting from, or unauthorized disclosure of, material, nonpublic information could also violate (i) state securities laws, (ii) state right to financial privacy statutes, (iii) federal and state laws relating to theft and conversion, (iv) other Company policies and agreements entered into by Company personnel with the Company and (v) confidentiality agreements between the Company and companies with which the Company does business. Given the severity of the potential penalties, compliance with this Policy is absolutely mandatory.

1. Legal Penalties

A person who violates insider trading laws by engaging in transactions in a company's securities when he or she has material nonpublic information can be sentenced to a substantial jail term and required to pay a penalty of several times the amount of profits gained or losses avoided.

In addition, a person who tips others may also be liable for transactions by the tippees to whom he or she has disclosed material nonpublic information. Tippers can be subject to the same penalties and sanctions as the tippees, and the SEC has imposed large penalties even when the tipper did not profit from the transaction.

The SEC can also seek substantial penalties from any person who, at the time of an insider trading violation, "directly or indirectly controlled the person who committed such violation," which would apply to the Company and/or management and supervisory personnel. These control persons may be held liable for up to the greater of $2,636,135 (as of January 15, 2025, subject to periodic inflation adjustments) or three times the amount of the profits gained or losses avoided.

2. Company-imposed Penalties

Directors, officers, employees and Material ICs who violate this Policy may be subject to disciplinary action by the Company, including dismissal for cause or termination of other service to the Company. Any exceptions to this Policy, if permitted, may only be granted by the Compliance Officer and must be provided before any activity contrary to the above requirements takes place.

PART II

F. BLACKOUT PERIODS

Subject to the limited exceptions under Section E below, all Covered Persons are prohibited from trading in the Company's securities during blackout periods.

1. Quarterly Blackout Periods. Subject to the limited exceptions under Part II, Section E below, trading in the Company's securities by Covered Persons is prohibited during a "blackout period" beginning on (and including) the 7th calendar day prior to the end of the third month of each fiscal quarter and continuing through (and including) one full trading day after the Company's financial results for that fiscal quarter (or fiscal year in the case of the fourth fiscal quarter) are publicly disclosed and a Form 10-Q or Form 10-K, as applicable, is filed.

2. Other Blackout Periods. From time to time, other types of material nonpublic information regarding the Company (such as negotiation of mergers, acquisitions or dispositions or new product developments) may be pending and not be publicly disclosed. While such material nonpublic information is pending, the Compliance Officer or the Company's Board of Directors may impose special blackout periods during which Covered Persons (or a subset thereof) are prohibited from trading in the Company's securities. If the Company imposes a special blackout period, it will notify the Covered Persons affected. No Covered Person so notified should disclose the existence of a special blackout period to any other persons.

G. TRADING WINDOW

Covered Persons are permitted to trade in the Company's securities when no blackout period is in effect. Generally this means that Covered Persons can trade during the period beginning on the first day after the blackout period under Part II, Section A(1) ends and ending on the day immediately preceding the day that the next blackout period under Part II, Section A(1) begins. However, even during this trading window, a Covered Person who is in possession of any material nonpublic information should not trade in the Company's securities until the information has been made publicly available or is no longer material. In addition, as described under Part II, Section A(2) above, the Compliance Officer or the Company's Board of Directors may close regularly scheduled trading windows if a special blackout period is imposed and will re-open the trading window once the special blackout period has ended.

H. PRE-CLEARANCE OF SECURITIES TRANSACTIONS

1. Because Covered Persons are likely to obtain material nonpublic information on a regular basis, the Company requires all such persons to refrain from engaging in any transaction in Company securities (including acquisition, disposition, gift, contribution to a trust or other transfer), even during a trading window under Part II, Section B above, without first pre-clearing all transactions in the Company's securities, but subject to subsection 4 below.

2. Subject to the exemption in subsection 4 below, no Covered Person may, directly or indirectly, purchase or sell any Company security at any time without first obtaining prior approval from the Compliance Officer.

3. A request for pre-clearance should be submitted to the Compliance Officer in writing at least **two business** days in advance of the proposed transaction. The Compliance Officer shall record the date each request is received, the date and time each request is approved or disapproved, and, if approved, the specified period for which permission is granted. Unless revoked, a grant of permission will normally remain valid until the close of trading three business days following the day on which it was granted. If the transaction does not occur during the specified period for which permission is granted, pre-clearance of the transaction must be re-requested. Notwithstanding any grant of permission by the Compliance Officer, the Covered Person will continue to be subject to the prohibition on trading while aware of material, nonpublic information. A Covered Person denied permission to engage in a transaction in Company securities may not disclose such denial to others, because any such disclosure could result in an unintended distribution of information about a pending material event. The Compliance Officer will not grant pre-clearance of a transaction during the period beginning with and including the day of any event triggering a mandatory filing of a Form 8-K through and including the date of filing of such Form 8-K.

Please note that obtaining the permission of the Compliance Officer to engage in a transaction does not constitute confirmation that you are not in possession of material, nonpublic information at the time of such transaction. Only you are aware of the information in your possession, and it is your responsibility not to engage in a transaction in Company securities when in possession of material, nonpublic information.

4. Pre-clearance is not required for purchases and sales of securities under an Approved 10b5-1 Plan. With respect to any purchase or sale under an Approved 10b5-1 Plan, the third party effecting transactions on behalf of the Covered Person should be instructed to send duplicate confirmations of all such transactions to the Compliance Officer.

I. PROHIBITED TRANSACTIONS

1. Directors and executive officers of the Company are prohibited from trading in the Company's equity securities during a blackout period imposed under an "individual account" retirement or pension plan of the Company, during which at least 50% of the plan participants are unable to purchase, sell or otherwise acquire or transfer an interest in equity securities of the Company, due to a temporary suspension of trading by the Company or the plan fiduciary.

2. All persons covered by this Policy are prohibited from engaging in the following transactions in the Company's securities unless advance approval is obtained from the Compliance Officer:

a. Short-term trading. Any person covered by this Policy who purchases Company securities is discouraged from selling any Company securities of the same class for at least six months after the purchase;

b. Short sales. Any person covered by this Policy may not sell the Company's securities short (i.e., selling Company securities you do not own at the time of sale);

c. Options trading. Any person covered by this Policy may not buy or sell puts or calls or other derivative securities on the Company's securities;

d. Trading on margin; pledging. Any person covered by this Policy may not hold Company securities in a margin account or pledge Company securities as collateral for a loan; and

e. Hedging. Any person covered by this Policy may not enter into hedging or monetization transactions or similar arrangements with respect to Company securities.

J. LIMITED EXCEPTIONS.

The following are limited exceptions to certain of the restrictions imposed by the Company under this Policy. Please be aware that even if a transaction is subject to an exception to this Policy, you will need to separately assess whether the transaction complies with applicable law. For example, even if a transaction is indicated as exempt from this Policy, you may need to comply with disclosure obligations and the "short-swing" trading disgorgement provisions of Section 16 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), to the extent applicable. You are responsible for complying with applicable law at all times.

1. Qualified 10b5-1 Plans. The trading restrictions under this Policy do not apply to transactions of a Covered Person under a pre-approved written plan, contract, instruction, or arrangement under Rule 10b5-1 (an "**Approved 10b5-1 Plan**"). An Approved 10b5-1 Plan may only be established during a trading window, when a Covered Person is not in possession of material nonpublic information and when a special blackout period is not in effect. Any Covered Person subject to this Policy who wishes to enter into an Approved 10b5-1 Plan must submit it to the Compliance Officer for prior, written approval. Subsequent modifications (by formal amendment or otherwise) and terminations of any Approved 10b5-1 Plan must also be pre-approved by the Compliance Officer. The actual transactions effected pursuant to an Approved 10b5-1 Plan will not, however, be subject to the pre-clearance procedures for transactions in Company securities and may occur during blackout periods. Whether or not pre-approval will be granted will depend on all the facts and circumstances at the time, but the following guidelines should be kept in mind:

a. The Approved 10b5-1 Plan must be in writing and may only be adopted, modified or terminated during a trading window, when a Covered Person is not in possession of material nonpublic information and when a special blackout period is not in effect;

b. The Approved 10b5-1 Plan must be adopted, modified or terminated in good faith and not as part of a plan or scheme to evade the anti-fraud rules under the federal securities laws, and the Covered Person must act in good faith with respect to the Approved 10b5-1 Plan throughout its duration;

c. The Covered Person adopting the Approved 10b5-1 Plan must not have the ability to influence how, when or whether to make purchases or sales after the Approved 10b5-1 Plan is adopted;

d. Any Covered Person must certify, before adopting, modifying or terminating an Approved 10b5-1 Plan, that he or she (1) is not in possession of material nonpublic information, and (2) is adopting or modifying the Approved 10b5-1 Plan in good faith and not as part of a plan or scheme to evade the anti-fraud rules under the federal securities laws;

e. No Covered Person may have more than one Approved 10b5-1 Plan covering the same time period, except as follows:

(i) Two Approved 10b5-1 Plans may be maintained simultaneously if one of them is a successor Approved 10b5-1 Plan under which trades are not scheduled to begin until the completion or expiration of the predecessor Approved 10b5-1 Plan. If the predecessor Approved 10b5-1 Plan is terminated early, trading under the successor Approved 10b5-1 Plan cannot commence until the applicable cooling-off period has run from the termination date of the predecessor Approved 10b5-1 Plan; or

(ii) In addition to an Approved 10b5-1 Plan, a Covered Person may use sell-to-cover arrangements covered by Section E.4 below.

f. The Covered Person may not have more than one single-trade Approved 10b5-1 Plan (i.e., a trading plan designed to effect a trade in a single transaction) during any consecutive 12-month period;

g. Transactions under the Approved 10b5-1 Plan may not commence until the later of (1) 90 days following the adoption or modification of the Approved 10b5-1 Plan or (2) 2 business days following the disclosure in a periodic report (on Form 10-Q or 10-K) of the Company's financial results for the fiscal quarter in which the Approved 10b5-1 Plan was adopted or modified (but not required to exceed 120 days following such adoption or modification); and

h. A copy of the executed version of any Approved 10b5-1 Plan must be provided to the Compliance Officer for retention in accordance with the Company's record retention policy.

Although not strictly prohibited under Rule 10b5-1 or this Policy, the following actions might undermine the "good faith" requirement of Rule 10b5-1, and should be avoided:

- frequently amending an Approved 10b5-1 Plan after it is established;
- terminating an Approved 10b5-1 Plan before it is completed;
- selling securities outside of an Approved 10b5-1 Plan while an Approved 10b5-1 Plan is in operation; and
- timing public disclosures to benefit sales pursuant to an Approved 10b5-1 Plan.

The Company reserves the right to prohibit any transactions in Company securities, even pursuant to a previously approved Approved 10b5-1 Plan, if the Compliance Officer or the Board of Directors, in its discretion, determines that such prohibition is required by applicable law or in the best interests of the Company. Any Approved 10b5-1 Plan submitted for approval hereunder should explicitly acknowledge the Company's right to prohibit transactions in Company securities (and effectively suspend any such Approved 10b5-1 Plan) as specified above.

Rule 10b5-1(c) under the Exchange Act is designed to provide a defense for directors, officers and other persons from insider trading liability under Rule 10b-5 for transactions in Company securities executed pursuant to a previously established contract, plan or instruction. You should be aware that Rule 10b5-1(c) only provides an "affirmative defense" (which you would have to prove) in the event there is an insider trading proceeding. It does not prevent someone from bringing action. Additionally, it does not prevent the media from publicizing purchases or sales made pursuant to a trading plan.

The use of Approved 10b5-1 Plans does not obviate the need to file a Form 144 or Forms 3, 4 or 5, and individuals subject to Section 16 of the Exchange Act are required to indicate on any Form 4 or Form 5 if a transaction reported on that form was made under an Approved 10b5-1 Plan and provide the date that the Approved 10b5-1 Plan was adopted. In addition, commencing with the Company's fiscal quarter ending December 31, 2023, the Company is required, in each annual report on Form 10-K and quarterly report on Form 10-Q, to publicly disclose during the fiscal quarter covered by such report (or in the case of a Form 10-K, the fourth quarter of the Company's fiscal year) whether any individuals subject to Section 16 of the Exchange Act have adopted, modified or terminated an Approved 10b5-1 Plan during the previous fiscal quarter and describe the material terms of each Approved 10b5-1 Plan that was adopted, modified or terminated, including the name and title of the individual subject to Section 16 of the Exchange Act, the date the Approved 10b5-1 Plan was adopted, modified or terminated, the Approved 10b5-1 Plan's duration and the total amount of securities to be purchased or sold under the Approved 10b5-1 Plan. The Company is not, however, required to disclose any information relating to the pricing terms of any Approved 10b5-1 Plan. The Compliance Officer (in consultation with such other members of management as the Compliance Officer may determine to be appropriate) will consider in each case whether public announcement of an Approved 10b5-1 Plan should be made at the time it is established.

2. Receipt and vesting of stock options, restricted stock, restricted stock units and stock appreciation rights.

3. The trading restrictions under this Policy do not apply to the grant of stock options, restricted stock, restricted stock units or stock appreciation rights issued by the Company, without an investment decision being made by the recipient. The trading restrictions under this Policy also do not apply to the vesting, cancellation or forfeiture of stock options, restricted stock, restricted stock units or stock appreciation rights in accordance with applicable plans and agreements.

4. Exercise of stock options; settlement of restricted stock units. The trading restrictions under this Policy do not apply to the exercise of stock options for cash or the settlement of restricted stock units under the Company's equity incentive plans. Likewise, the trading restrictions under this Policy do not apply to the exercise of stock options for shares of stock with the Company or an election to have the Company withhold securities to cover tax obligations in connection with an option exercise, vesting of restricted stock or settlement of restricted stock units.

The trading restrictions of this Policy do not apply to the sale of the Company's common stock for the limited purpose of covering tax withholding obligations (and any associated broker or other fees) (a "sell-to-cover arrangement"), provided such sell-to-cover arrangement is effected pursuant to (a) a written plan, contract, instruction or arrangement that meets the requirement set forth in Section E.1 above to qualify as an Approved 10b5-1 Plan or (b) a sell-to-cover program mandated by the Company. The Company shall not mandate a sell-to-cover program except during a trading window, when the Company is not in possession of material non-public information and when a special blackout period is not in effect.

5. Certain 401(k) plan transactions. The trading restrictions in this Policy do not apply to purchases of Company stock in any Company 401(k) plan or employee stock purchase plan, as applicable, resulting from periodic contributions to such plan based on your payroll contribution election. The trading restrictions do apply, however, to sales of Company securities acquired pursuant to any Company 401(k) plan or employee stock purchase plan and to elections you make under any Company 401(k) plan to (i) increase or decrease the percentage of your contributions that will be allocated to a Company stock fund, (ii) move balances into or out of a Company stock fund, (iii) borrow money against any 401(k) plan account if the loan will result in liquidation of some or all of your Company stock fund balance, and (iv) pre-pay a plan loan if the pre- payment will result in the allocation of loan proceeds to a Company stock fund.

6. Stock splits, stock dividends and similar transactions. The trading restrictions under this Policy do not apply to a change in the number of securities held as a result of a stock split or stock dividend applying equally to all securities of a class, or similar transactions.

7. Gifts and inheritance. The trading restrictions under this Policy (other than the pre-clearance requirements hereunder) do not apply to transfers of Company securities by will or the laws of descent and distribution. However, the trading restrictions under this Policy do apply to any gifts involving Company securities.

8. Change in form of ownership. The trading restrictions under this Policy (other than the pre-clearance requirements hereunder) do not apply to transactions that involve merely a change in the form in which you own securities. For example, you may transfer shares to an inter vivos trust of which you are the sole beneficiary during your lifetime, subject to the pre-clearance requirements hereunder.

9. Other exceptions. Any other exception from this Policy must be approved by the Compliance Officer, in consultation with the Board of Directors or an independent committee of the Board of Directors, and legal counsel. However, no exceptions will be granted for, nor will any exception that is granted allow, trading by a Covered Person while the Covered Person is actually aware of material nonpublic information.

K. BROKER REQUIREMENTS

In order to assist in complying with this Policy and applicable securities laws (including Section 16 of the Exchange Act), each Covered Person should require that any broker that assists the Covered Person with open market transactions involving Company securities:

- Not enter any order for the Covered Person without (a) except for orders under Approved 10b5-1 Plans, first verifying with the Compliance Officer that the trading window is open, no blackout period is in effect and the transaction was pre-cleared; and (b) complying with the brokerage firm's compliance procedures (e.g., Rule 144 procedures); and

- Report promptly (and in any case by the end of the transaction date) by (a) telephone and (b) email to the Covered Person and, if possible, also directly to the Compliance Officer, the details of every transaction involving Company securities (including any transaction pursuant to an Approved 10b5-1 Plan) handled by the broker for the Covered Person.

Each Covered Person should inform his or her broker that he or she is a Covered Person subject to the trading window, blackout period and pre-clearance requirements of this Policy and of the specific requirements detailed above, including at any time the Covered Person retains a new broker. Each Covered Person should also inform his or her broker of the prohibitions on short sales, derivative transactions, hedging transactions, margining and pledging with respect of Company securities. If a Covered Person intends to effect trading in Company securities through a broker or online brokerage platform where communicating Covered Person status and these requirements is not possible, the Covered Person must inform the Compliance Officer, and the Compliance Officer may impose additional requirements in respect of such trading.

L. POST-TERMINATION TRANSACTIONS

If your relationship with the Company (as a director, officer or employee or otherwise) terminates during a blackout period applicable to you or otherwise while you are aware of material nonpublic information regarding the Company, you will continue to be subject to this Policy, and specifically to the ongoing prohibition against trading, until such blackout period ends or otherwise until the information has become public or is no longer material.

M. ACKNOWLEDGMENT AND CERTIFICATION

All persons covered by this Policy are required to sign the Insider Trading Policy Compliance Statement attached as **Attachment B**.

ATTACHMENT A

Covered Persons

Any persons with any of the following titles or responsibilities:

- Member of the Board of Directors
- Vice President level and above
- Executive or administrative assistant supporting Vice President level and above
- Within the Finance, Accounting, Internal Audit, Investor Relations, Legal, and Tax Departments: manager level and above

ATTACHMENT B

CLEANSPARK, INC.
(THE "COMPANY")

INSIDER TRADING POLICY COMPLIANCE STATEMENT

I have carefully reviewed the Company's Insider Trading Policy (the "**Policy**") dated November 18, 2026, and I understand all of its provisions. I certify that, to the best of my knowledge, I have complied with this Policy and its procedures since such date (or during my term of employment or service, if it commenced after such date) and that I will continue to adhere to the Policy and these procedures in the future.

Without limiting the preceding paragraph, I understand that, if I am a Covered Person, the Compliance Officer will be required, and will have the discretion to, exercise his judgment in determining whether to (a) approve particular transactions by me in Company securities or my establishment, modification or termination of any Approved 10b5-1 Plan or other arrangements for trading in Company securities and (b) subject me to any blackout periods. I also recognize that, if I am a Covered Person, the Compliance Officer will be required to analyze and assess any request I may make to establish, modify or terminate any Approved 10b5-1 Plan or to engage in a particular transaction in Company securities, based on verifiable information available to the Compliance Officer at the time of the request and in the context of the Company's intent to preserve its reputation for maintaining the highest legal, business and ethical standards, as well as the Company's obligation to comply with all laws and regulations pertaining to insider trading. I acknowledge and affirm that the Compliance Officer's determination with regard to any particular transaction, Approved 10b5-1 Plan or blackout period will be made solely on behalf of, and for the benefit of, the Company and further acknowledge and affirm the Compliance Officer's right to make that determination in his sole discretion. I hereby agree to be bound by, and to accept without objection, any determination of the Compliance Officer not to permit any Approved 10b5-1 Plan or particular transaction or to subject me to any such blackout period.

I realize that failure to observe and comply with all of the provisions contained in the Policy may subject me to disciplinary action by the Company, including discharge. Any capitalized terms used but not defined herein have the meanings given to them in the Policy.

Acknowledged by:

Signature: Date:

Print Name:

Title:

Exhibit 21.1

Subsidiaries

The following are the wholly owned and controlled, directly or indirectly, subsidiaries of CleanSpark, Inc., as at September 30, 2026 unless otherwise noted below, and the states in which they are organized. The names of certain subsidiaries have been omitted because, considered in the aggregate as a single subsidiary, they would not constitute, as of the end of the year covered by this report, a "significant subsidiary" as that term is defined in Rule 1-02(w) of Regulation S-X under the Securities Exchange Act of 1934.

Subsidiary	Jurisdiction	Immediate Parent	Line of Business	Subsidiaries Operating in the US	Subsidiaries Operating Outside the US
CleanSpark AI DC, LLC	State of Delaware	CleanSpark, Inc.	Data Center Infrastructure	10	0
CleanSpark Bitcoin Mining, LLC	State of Delaware	CleanSpark, Inc.	Bitcoin Mining	45	0
CleanSpark Capital, LLC	State of Nevada	CleanSpark, Inc.	Digital Asset Management	2	0

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-276409) and Form S-8 (Nos. 333-287102, 333-218831, 333-249959, 333-259917, 333-271178 and 333-275961) of CleanSpark, Inc. of our reports dated November 24, 2026 relating to the consolidated financial statements and schedule, and the effectiveness of CleanSpark, Inc.'s internal control over financial reporting, which appear in this Annual Report on Form 10-K.

/s/ BDO USA, P.C.
Las Vegas, Nevada

November 24, 2026

Exhibit 31.1

Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer

I, S. Matthew Schultz, certify that;

1. I have reviewed this Annual Report on Form 10-K for the year ended September 30, 2026 of CleanSpark, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 24, 2026

/s/ S. Matthew Schultz

By: S. Matthew Schultz
Title: Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer

I, Gary A. Vecchiarelli, certify that;

1. I have reviewed this Annual Report on Form 10-K for the year ended September 30, 2026 of CleanSpark, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 24, 2026

/s/ Gary A. Vecchiarelli

By: Gary A. Vecchiarelli
Title: President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of CleanSpark, Inc. (the "Company") on Form 10-K for the year ended September 30, 2026 filed with the Securities and Exchange Commission (the "Report"), I, S. Matthew Schultz, Chief Executive Officer of the Company, and I, Gary A. Vecchiarelli, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the consolidated financial condition of the Company as of the dates presented and the consolidated result of operations of the Company for the periods presented.

By: /s/ S. Matthew Schultz
Name: S. Matthew Schultz
Title: Chairman and Chief Executive Officer
(Principal Executive Officer)
Date: November 24, 2026

By: /s/ Gary A. Vecchiarelli
Name: Gary A. Vecchiarelli
Title: President and Chief Financial Officer
(Principal Financial Officer)
Date: November 24, 2026

This certification has been furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.