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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2026

OR

☐ **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 001-37605

POWERCOMPUTE, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**47-3844457**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. employer identification no.)**
1200 West Platt Street **Suite 100** **Tampa, FL**	**33606**
(Address of principal executive offices)	**(Zip code)**

Registrant's telephone number, including area code: 813-222-8996

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

Title of each class:	Trading symbol	Name of each exchange on which registered
Common Stock par value $0.001 per share	PWCM	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The registrant had 2,535,061 shares of Common Stock, par value $0.001 per share, outstanding as of November 12, 2026.

POWERCOMPUTE, INC.

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PART I. FINANCIAL INFORMATION
ITEM 1. Financial Statements

PowerCompute, Inc. and Subsidiaries Consolidated Balance Sheets

	September 30, 2026 (unaudited)	December 31, 2025
Assets		
Cash	$ 652,628	$ 1,424,426
Marketable securities	51,130	37,380
Prepaid expenses and other assets	1,062,607	1,198,486
Finance receivables	-	17,533
Digital assets - current (Note 2)	5,349,553	2,563,474
Digital assets - collateral (Note 2)	-	5,500,000
Digital assets receivable, net (Note 2)	-	12,678,014
Galaxy loan derivative asset (Note 4)	-	47,673
Due from related parties (Note 7)	5,504	-
Income tax receivable	-	31,187
Current assets	7,121,422	23,498,173
Fixed assets, net (Note 3)	8,105,600	9,917,350
Intangible assets, net (Note 3)	6,130,406	6,327,769
Deposits on mining equipment	192,998	1,597
Investment in Seastar Medical Holding Corporation	40,780	25,073
Digital assets - long-term (Note 2)	-	8,233,035
Digital assets - collateral (Note 2)	-	2,200,000
Right of use assets (Note 5)	576,360	728,995
Other assets	326,543	384,234
Long-term assets	15,372,687	27,818,053
Total assets	$ 22,494,109	$ 51,316,226
Liabilities and stockholders' equity		
Accounts payable and accrued expenses	1,579,477	1,745,875
Note payable - short-term (Note 4)	212,027	7,006,912
Master digital currency loan (Note 4)	-	10,920,838
Due to related parties (Note 7)	-	48,319
Current portion of lease liability (Note 5)	297,638	194,618
Total current liabilities	2,089,142	19,916,562
Note payable - long-term (Note 4)	1,250,000	1,932,502
Lease liability - net of current portion (Note 5)	326,785	590,368
Long-term liabilities	1,576,785	2,522,870
Total liabilities	3,665,927	22,439,432
Stockholders' equity (Note 6)		
Preferred stock, par value $.001; 150,000,000 shares authorized; no shares issued and outstanding as of September 30, 2026 and December 31, 2025	-	-
Common stock, par value $.001; 350,000,000 shares authorized; 2,535,061 and 564,940 shares issued and outstanding as of September 30, 2026 and December 31, 2025	2,535	565
Additional paid-in capital	127,442,742	123,199,948
Accumulated deficit	(106,879,528)	(92,582,928)
Total PowerCompute stockholders' equity	20,565,749	30,617,585
Non-controlling interest	(1,737,567)	(1,740,791)
Total stockholders' equity	18,828,182	28,876,794
Total liabilities and stockholders' equity	$ 22,494,109	$ 51,316,226

The accompanying notes are an integral part of these unaudited consolidated financial statements.

PowerCompute, Inc. and Subsidiaries Consolidated Statements of Operations (unaudited)

	Three Months ended September 30,		Nine Months ended September 30,	
	2026	**2025**	**2026**	**2025**
Revenues:				
Digital mining revenues	$ 1,705,572	$ 2,010,404	$ 5,691,972	$ 6,090,708
Specialty finance revenue	94,825	141,634	290,253	303,968
Rental revenue	88,375	26,265	132,098	83,288
Total revenues	**1,888,772**	**2,178,303**	**6,114,323**	**6,477,964**
Operating costs and expenses:				
Digital mining cost of revenues (exclusive of depreciation and amortization shown below)	1,144,403	1,177,184	4,584,020	4,013,878
Curtailment and energy sales	(304,301)	(151,887)	(816,967)	(524,842)
Staff costs and payroll	1,022,566	2,537,105	3,453,665	4,675,209
Depreciation and amortization	777,661	1,972,133	2,447,631	6,049,054
Loss (gain) on fair value of Bitcoin, net	(1,045,781)	(1,032,374)	4,057,244	(2,983,537)
Professional fees	525,295	443,335	1,321,378	1,116,649
Selling, general and administrative	331,880	448,487	1,053,625	1,133,871
Real estate management and disposal	30,869	14,687	64,252	73,421
Collection costs	9,301	1,702	34,485	27,643
Settlement costs with associations	-	-	-	3,693
Loss (gain) on disposal of assets	-	-	(2,739)	286,359
Other operating costs	307,760	284,929	1,115,978	799,889
Total operating costs and expenses	**2,799,653**	**5,695,301**	**17,312,572**	**14,671,287**
Operating loss	**(910,881)**	**(3,516,998)**	**(11,198,249)**	**(8,193,323)**
Unrealized gain (loss) on marketable securities	8,020	10,400	13,750	(3,420)
Unrealized gain (loss) on investment and equity securities	2,794	16,422	15,707	(140,452)
Impairment loss on prepaid mining machine deposit	-	-	(17,193)	-
Loss on loan derivative	(4,382,238)	-	(2,690,205)	-
Loss on fair value of purchased Bitcoin, net	-	-	-	(52,704)
Gain on fair value of digital assets receivable	6,681,408	-	1,802,195	-
Change in credit loss reserve on digital assets receivable	-	-	9,187	-
Interest expense	(1,011,929)	(235,282)	(2,244,187)	(683,734)
Interest income	555	916	15,619	2,592
Income (loss) before income taxes	**387,729**	**(3,724,542)**	**(14,293,376)**	**(9,071,041)**
Income tax expense	-	-	-	-
Net income (loss)	**$ 387,729**	**$ (3,724,542)**	**$ (14,293,376)**	**$ (9,071,041)**
Less: loss (gain) attributable to non-controlling interest	(805)	(4,903)	(3,224)	43,476
Net income (loss) attributable to PowerCompute, Inc.	**$ 386,924**	**$ (3,729,445)**	**$ (14,296,600)**	**$ (9,027,565)**
Less: deemed dividends (Note 6)	(13,196)	(347,782)	(53,219)	(347,782)
Net income (loss) attributable to common shareholders	**$ 373,728**	**$ (4,077,227)**	**$ (14,349,819)**	**$ (9,375,347)**
Basic income (loss) per common share (Note 1)	$ 0.20	$ (10.21)	$ (11.98)	$ (34.63)
Diluted income (loss) per common share (Note 1)	$ 0.20	$ (10.21)	$ (11.98)	$ (34.63)
Weighted average number of common shares outstanding				
Basic	1,848,219	399,457	1,197,461	270,754
Diluted	1,861,381	399,457	1,197,461	270,754

The accompanying notes are an integral part of these unaudited consolidated financial statements.

PowerCompute, Inc. and Subsidiaries Consolidated Statements of Cash Flows (unaudited)

	Nine Months ended September 30,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (14,293,376)	$ (9,071,041)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	2,447,631	6,049,054
Noncash lease expense	173,352	152,723
Amortization of debt issue costs and debt discount	1,379,725	66,994
Stock option expense	695,453	259,384
Accrued interest expense on finance lease	32,051	42,875
Loss (gain) on fair value of Bitcoin, net	4,057,244	(2,930,833)
Gain on fair value of digital assets receivable	(1,802,195)	-
Impairment loss on mining machine deposit	17,193	-
Unrealized loss (gain) on marketable securities	(13,750)	3,420
Loss on loan derivative	2,690,205	-
Change in credit loss reserve on digital assets receivable	(9,187)	-
Unrealized loss (gain) on investment and equity securities	(15,707)	140,452
Loss (gain) on disposal of fixed assets	(2,739)	286,359
Interest settled through sale of collateral Bitcoin	118,583	-
Interest capitalized into loan principal	58,287	-
Write-off of income tax receivable	31,187	-
Change in operating assets and liabilities:		
Prepaid expenses and other assets	596,753	391,857
Due to related party	(53,823)	43,393
Accounts payable and accrued expenses	(114,562)	2,081,605
Mining of digital assets	(5,691,972)	(6,090,708)
Lease liability payments	(213,331)	(194,322)
Net cash used in operating activities	(9,912,978)	(8,768,788)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net collections (investment) of finance receivables - original product	11,604	(3,145)
Net collections (investment) in finance receivables - special product	5,929	(3,952)
Capital expenditures	(641,371)	(635,691)
Acquisition of hosting site	-	(4,230,368)
Collection of note receivable	-	200,000
Proceeds from sale of fixed assets	14,191	953,153
Investment in digital assets		(18,673,167)
Investment in digital assets - Tether	(5,297)	(29,572)
Proceeds from sale of Bitcoin	7,279,498	6,984,091
Proceeds from the sale of Tether	3,173	29,460
Change in deposits for mining equipment	-	(1,004,326)
Distribution to members	-	(1,015)
Net cash provided by (used in) investing activities	6,667,727	(16,414,532)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings, net of issuance costs	-	1,240,195
Settlement of Galaxy loan collar derivative	(61,000)	-
Insurance financing repayments	(626,604)	(588,123)
Debt repayments	(250,000)	-
Proceeds from warrant exercise, net of issuance costs	5,471	95,999
Proceeds from the issuance of common stock, net of issuance costs	3,405,586	21,348,668
Issuance costs	-	-
Net cash provided by financing activities	2,473,453	22,096,739
NET DECREASE IN CASH	(771,798)	(3,086,581)
CASH - BEGINNING OF PERIOD	1,424,426	3,378,152
CASH - END OF PERIOD	**$ 652,628**	**$ 291,571**
SUPPLEMENTAL DISCLOSURES OF NON-CASH ACTIVITIES		
Operating lease right-of-use assets recognized upon lease extension	$ 20,717	$ -
Bitcoin transferred to lenders as collateral, net of Bitcoin returned	$ 7,504,310	$ -
Loan derivatives recognized upon issuance and refinancing of debt	$ 1,183,468	$ -
Derivative settlement financed through an increase in loan principal	$ 3,765,000	$ -
Common stock issued for proceeds receivable under the ATM offering	$ 152,842	$ -
Prepaid insurance financed through issuance of debt	$ 282,122	$ -
Accrued interest financed through new borrowing	$ 51,836	$ -
Loan principal settled through liquidation of Bitcoin collateral	$ 21,875,123	$ -
Deferred equity issuance costs reclassified to additional paid-in capital	$ 14,588	$ -
Insurance financing	$ -	$ 352,501
Issuance of common stock as retainer for services	$ -	$ 431,460

SUPPLEMENTAL DISCLOSURES OF CASHFLOW INFORMATION		
Cash paid for taxes	$ -	$ -
Cash paid for interest	$ 796,688	$ 489,083

The accompanying notes are an integral part of these unaudited consolidated financial statements.

PowerCompute, Inc. and Subsidiaries Consolidated Statements of Changes in Stockholders' Equity
For the Three and Nine Months Ended September 30, 2026 and 2025
(unaudited)

	Common Stock					
	Shares	Amount	Additional paid-in capital	Accumulated Deficit	Non-Controlling Interest	Total Equity
Balance - December 31, 2024	**205,336**	**$ 205**	**$ 102,689,867**	**$ (65,662,731)**	**$ (1,684,782)**	**$ 35,342,559**
Stock option expense	-	-	110,805	-	-	110,805
Member distribution	-	-	-	-	(1,015)	(1,015)
Issuance costs	-	-	(6,285)	-	-	(6,285)
Net loss	-	-	-	(5,398,674)	(8,325)	(5,406,999)
Balance - March 31, 2025	**205,336**	**$ 205**	**$ 102,794,387**	**$ (71,061,405)**	**$ (1,694,122)**	**$ 30,039,065**
Stock option expense	-	-	24,621	-	-	24,621
Net income (loss)	-	-	-	100,554	(40,054)	60,500
Balance - June 30, 2025	**205,336**	**$ 205**	**$ 102,819,008**	**$ (70,960,851)**	**$ (1,734,176)**	**$ 30,124,186**
Stock issued for services	12,784	13	431,447	-	-	431,460
Warrant exercise	1,333	1	95,998	-	-	95,999
Shares issued for cash in public offering, net	401,266	401	21,354,552	-	-	21,354,953
Stock option expense	-	-	123,958	-	-	123,958
Net income (loss)	-	-	-	(3,729,445)	4,903	(3,724,542)
Balance - September 30, 2025	**620,719**	**$ 620**	**$ 124,824,963**	**$ (74,690,296)**	**$ (1,729,273)**	**$ 48,406,014**
Balance - December 31, 2025	**564,940**	**$ 565**	**$ 123,199,948**	**$ (92,582,928)**	**$ (1,740,791)**	**$ 28,876,794**
Stock option expense	-	-	331,149	-	-	331,149
Warrant exercise	81,376	81	91	-	-	172
Net income (loss)	-	-	-	(10,119,214)	3,672	(10,115,542)
Balance - March 31, 2026	**646,316**	**$ 646**	**$ 123,531,188**	**$ (102,702,142)**	**$ (1,737,119)**	**$ 19,092,573**
Stock option expense	-	-	199,299	-	-	199,299
Warrant exercise	109,440	110	2,627	-	-	2,737
Common stock issued	178,906	179	795,284	-	-	795,463
Net loss	-	-	-	(4,564,310)	(1,253)	(4,565,563)
Balance - June 30, 2026	**934,662**	**$ 935**	**$ 124,528,398**	**$ (107,266,452)**	**$ (1,738,372)**	**$ 15,524,509**
Stock option expense	-	-	165,005	-	-	165,005
Warrant exercise	102,480	102	2,460	-	-	2,562
Common stock issued	1,497,919	1,498	2,746,879	-	-	2,748,377
Net income	-	-	-	386,924	805	387,729
Balance - September 30, 2026	**2,535,061**	**$ 2,535**	**$ 127,442,742**	**$ (106,879,528)**	**$ (1,737,567)**	**$ 18,828,182**

All share and per-share amounts have been adjusted retroactively to reflect a one-for-twenty-five (1:25) reverse stock split, including rounding of fractional shares.

The accompanying notes are an integral part of these unaudited consolidated financial statements.

POWERCOMPUTE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying unaudited consolidated financial statements include the accounts of PowerCompute, Inc., previously known as LM Funding America, Inc. ("we," "our," "PWCM," or the "Company"), and its wholly-owned subsidiaries: US Digital Mining and Hosting Co., LLC ("US Digital") (including all 100% owned subsidiary limited liability companies thereof), LM Funding, LLC; REO Management Holdings and various single purpose limited liability companies owned by REO Management Holdings, LLC which own various properties, LLC (including all 100% owned subsidiary limited liability companies thereof); LM Funding of Colorado, LLC; LM Funding of Washington, LLC; LM Funding of Illinois, LLC. It also includes LMFAO Sponsor LLC (a 69.5% owned subsidiary). All significant intercompany balances and transactions have been eliminated in consolidation.

The accompanying unaudited consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and note disclosures normally included in the annual consolidated financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to those rules and regulations, although the Company believes that the disclosures made are adequate to make the information not misleading. The interim consolidated financial statements as of September 30, 2026 and for the three and nine months ended September 30, 2026 and September 30, 2025, are unaudited. In the opinion of management, the unaudited interim consolidated financial statements include all adjustments, consisting only of normal recurring adjustments, necessary to provide a fair statement of the results for the interim periods. The accompanying consolidated balance sheet as of December 31, 2025, is derived from the audited consolidated financial statements presented in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

There were no changes to the Company's most significant estimates and assumptions, significant accounting policies, or recent accounting pronouncements that were disclosed in Note 2 - Summary of Significant Accounting Policies included in the Form 10-K other than as discussed below.

Reverse Stock Split

On June 24, 2026, the Board approved a one-for-twenty-five (1:25) reverse split of the Company's issued and outstanding common stock, par value $0.001 per share, pursuant to which every twenty-five outstanding shares of common stock were converted into one share of common stock (the "Reverse Stock Split"). The Reverse Stock Split became effective at 12:01 a.m. Eastern Time on July 13, 2026. The Company has retroactively adjusted all share amounts and per-share data herein to give effect to the Reverse Stock Split. Refer to Note 6 – Stockholders' Equity.

Corporate Name and Ticker Symbol Change

On July 20, 2026, the Company filed a Certificate of Amendment to its Certificate of Incorporation to change its corporate name from LM Funding America, Inc. to "PowerCompute, Inc." The name change became effective at 12:01 a.m., Eastern Time, on July 22, 2026. In connection with the name change, the Company's common stock began trading on the Nasdaq Capital Market under the new ticker symbol "PWCM" on July 22, 2026.

Going Concern

The accompanying consolidated financial statements of the Company have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes that the Company will continue in operation one year after the date these financial statements are issued and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. On August 27, 2014, FASB issued ASU 2014-15, *Disclosure of Uncertainties about an Entity's ability to Continue as a Going Concern*, which requires management to assess a company's ability to continue as a going concern within one year from financial statement issuance and to provide related footnote disclosures in certain circumstances. The evaluation of going concern under the accounting guidance requires significant judgment and requires the Company to consider that it has historically incurred losses in recent years as it has prepared to grow its business through expansion and acquisition opportunities. The Company must also consider its current liquidity as well as future market and economic conditions that may be deemed outside the control of the Company as they relate to obtaining financing and generating future profits.

As of September 30, 2026, the Company had approximately $653 thousand available cash on-hand and Bitcoin with a fair market value of approximately $5.3 million.

The Company has experienced significant cumulative net losses of approximately $48.9 million from January 1, 2024 through September 30, 2026. These losses resulted in the usage of all cash proceeds from the Company's public offerings in 2021, 2025 and 2026. The Company's net cash used in operating activities for the nine months ended September 30, 2026 was approximately $9.9

million and net working capital was approximately $5.0 million. Additionally, as of September 30, 2026 the Company had $1.25 million of outstanding debt under a loan due to the Brown Family Enterprises, LLC (the "Brown Loan") with repayment terms extended until December 31, 2027. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

The Company has a history of refinancing debt and management was able to extend the remaining balance of the Brown Loan until December 31, 2027.

Management's plans to address these conditions also include the continued use of its at-the-market ("ATM") program. The ATM program is currently effective and has been utilized to raise capital; however, future proceeds under the ATM program depend, among other things, on the Company's ability to maintain compliance with Nasdaq's continued listing requirements, including applicable market value requirements, market conditions, trading volume, the Company's stock price, and other factors that are not within the Company's control.

As of the date these financial statements are issued, management has not concluded that its plans are probable of mitigating the conditions and events that raise substantial doubt within one year after the date these financial statements are issued. Accordingly, substantial doubt about the Company's ability to continue as a going concern has not been alleviated. The financial statements do not reflect any adjustments that may be required if the Company is unable to continue as a going concern.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates include the evaluation of probable losses on balances due from third parties, the realization of deferred tax assets, the evaluation of contingent losses related to litigation and reserves on notes receivable, estimates of the recoverability and useful lives of long-lived assets and stock-based compensation. Our estimates may change, however, as new events occur and additional information is obtained, and any such changes will be recognized in the consolidated financial statements.

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. The Company had no uncertain tax positions as of September 30, 2026 and December 31, 2025.

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, property and equipment, stock-based and other compensation, and other accrued expenses. 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 the U.S., or the 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 expense/(benefit) from operations for the three and nine months ended September 30, 2026 and 2025 was nil in each period, which resulted primarily from maintaining a full valuation allowance against the Company's deferred tax assets.

Income (Loss) Per Share

Basic income (loss) per share is calculated as net income (loss) attributable to common stockholders divided by the weighted average number of common shares outstanding during the period. The number of outstanding shares used for the EPS calculation includes outstanding penny warrants. Refer to Note 6 – Stockholders' Equity.

For the three months ended September 30, 2026, diluted income per share included the effect of dilutive warrants; however, diluted income per share was equal to basic income per share due to rounding. For periods in which the Company reported a net loss, potential common shares were excluded from the calculation of diluted loss per share because their effect would have been anti-dilutive.

The potential anti-dilutive stock-based compensation awards consisted of:

	September 30, 2026	September 30, 2025
Stock Options	71,200	71,208
Stock Warrants	1,125,781	1,022,334

For three months ended September 30, 2026, remaining unexercised warrants are included in the diluted EPS calculation. The following table illustrates the computation of basic and diluted EPS for the three and nine months ended September 30, 2026 and 2025:

	Three months ended September 30, 2026			Three months ended September 30, 2025		
	Income (loss) (Numerator)	Shares (Denominator)	Per-Share Amount	Income (loss) (Numerator)	Shares (Denominator)	Per-Share Amount
Net income (loss) attributable to PowerCompute, Inc.	$ 386,924			$ (3,729,445)		
Less: deemed dividends	(13,196)			(347,782)		
Basic and diluted EPS						
Net income (loss) attributable to common shareholders	373,728	1,848,219	$ 0.20	(4,077,227)	399,457	$ (10.21)
Net income (loss) attributable to common shareholders - dilutive		1,861,381	$ 0.20		399,457	$ (10.21)

	Nine months ended September 30, 2026			Nine months ended September 30, 2025		
	Loss (Numerator)	Shares (Denominator)	Per-Share Amount	Loss (Numerator)	Shares (Denominator)	Per-Share Amount
Net loss attributable to PowerCompute, Inc.	$ (14,296,600)			$ (9,027,565)		
Less: deemed dividends	$ (53,219)			$ (347,782)		
Basic and diluted EPS						
Net income (loss) attributable to common shareholders	$ (14,349,819)	1,197,461	$ (11.98)	$ (9,375,347)	270,754	$ (34.63)
Net income (loss) attributable to common shareholders - dilutive		1,197,461	$ (11.98)		270,754	$ (34.63)

Recently Adopted Accounting Pronouncements

There were no new accounting pronouncements adopted during the three and nine months ended September 30, 2026 and 2025 that were determined to have a material effect on the Company's financial position, results of operations or cash flows.

In November 2024, the FASB issued ASU 2024-04, *Debt—Debt with Conversion and Other Options: Induced Conversions of Convertible Debt Instruments* ("ASU 2024-04"), which clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion or extinguishments of convertible debt. ASU 2024-04 is effective for annual reporting periods beginning after December 15, 2025, and interim periods within those annual periods. Early adoption is permitted. There was no impact of the standard on the Company's consolidated financial statements and related disclosures.

Recently Issued Accounting Pronouncements

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* ("ASU 2024-03"), which 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. ASU 2024-03 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.

Note 2. Digital Assets and Digital Assets Receivable, net

Digital assets consisted of the following:

	September 30, 2026	December 31, 2025
Bitcoin	$ 5,345,258	$ 8,061,303
Tether	4,295	2,171
Digital assets - current	5,349,553	8,063,474
Bitcoin - long-term	-	10,433,035
Total digital assets	$ 5,349,553	$ 18,496,509

Bitcoin

	September 30, 2026	December 31, 2025
Number of Bitcoin held	63.8	211.4
Carrying basis - per Bitcoin	$ 79,368	$ 100,863
Fair value - per Bitcoin	$ 83,781	$ 87,505
Carrying basis of Bitcoin	$ 5,063,700	$ 21,322,419
Fair value of Bitcoin	$ 5,345,258	$ 18,494,338

The carrying basis represents the valuation of Bitcoin at the time the Company earns the Bitcoin through mining activities or the cost paid for purchased Bitcoin. The Company uses FIFO method for the carrying value and identifying Bitcoin sold during a period.

Fair value of Bitcoin was determined using Level 1 inputs. As of September 30, 2026 and December 31, 2025, approximately nil Bitcoin and 88 Bitcoin, respectively, (with an approximate fair value of $7.7 million) were held in a custody account as collateral for the Company's loans with SE & AJ Liebel Limited Partnership. Accordingly, the Company was restricted in its ability to use the Bitcoin separately held as collateral in the operation of its business. The Company regularly moves the collateral Bitcoin out of the collateral account when the fair value of such Bitcoin increases and deposited additional Bitcoin into the collateral account when the fair value of such Bitcoin decreases.

The following table presents a roll-forward of Bitcoin for the nine months ended September 30, 2026 and 2025:

	September 30, 2026	September 30, 2025
Bitcoin beginning of period	$ 18,494,338	$ 14,019,205
Addition of Bitcoin from mining activities	5,691,972	6,090,708
Purchase of Bitcoin	-	18,673,167
Bitcoin transferred as collateral for loan	(7,504,310)	-
Disposition of Bitcoin from sales	(7,279,498)	(6,984,091)
Loss on fair value of purchased Bitcoin, net	-	(52,704)
Gain (loss) on fair value of Bitcoin, net	(4,057,244)	2,983,537
End of period	**$ 5,345,258**	**$ 34,729,822**

The Company recognized realized loss (gain) from dispositions of Bitcoin during the three and nine months ended September 30, 2026 and 2025 of approximately ($0.1) million and $0.5 million for 2026, respectively, and approximately ($0.2) million and ($0.2) million for 2025, respectively.

Digital Assets Receivable, net

A summary of digital assets receivable, net is as follows:

	September 30, 2026	December 31, 2025
Digital assets receivable, net	$ -	$ 12,687,201
Credit loss reserve on digital assets receivable	-	(9,187)
End of period	$ -	$ 12,678,014

Bitcoin Receivable - in dollars

	September 30, 2026	September 30, 2025
Bitcoin beginning of period	$ 12,678,014	$ -
Interest settled through sale of collateral Bitcoin, net of change in credit loss reserve	(109,395)	-
Bitcoin transferred on settlement of loan	7,504,310	-
Disposition of Bitcoin from sales	(21,875,124)	-
Gain on fair value of Bitcoin, net	1,802,195	-
End of period	**$ -**	**$ -**

Bitcoin Receivable - in units

Bitcoin beginning of period	145.0	-
Bitcoin transferred to as collateral for loan	162.0	-
Bitcoin transferred on settlement of loan	(39.6)	-
Disposition of Bitcoin from sales	(267.4)	-
End of period	**-**	**-**

Fair value of Bitcoin was determined using Level 1 inputs as of September 30, 2026 and December 31, 2025 and approximately nil Bitcoin and 145 Bitcoin, respectively were held.

As required under the loan facility with Galaxy Digital LLC ("Galaxy") established in October 2025, the Company has pledged nil and 145 Bitcoin, respectively, as collateral as of September 30, 2026 and December 31, 2025. This security interest was subsequently increased to 174 Bitcoin in the nine months ended September 30, 2026 before the loan was repaid in full on July 27, 2026.

On July 27, 2026, the Company, through its wholly owned subsidiary US Digital, entered into a bridge loan transaction (the “Bridge Loan”) under which it borrowed an aggregate of approximately $18.1 million from ChainFi Inc. d/b/a Arch Lending (“Arch”) under two separate Promissory Notes (the “Bridge Notes”). The purpose of the Bridge Notes was to fund the repayment in its entirety of the Company’s $18 million in aggregate indebtedness to Galaxy and SE & AJ Liebel Limited Partnership in advance of the completion of a secured term loan facility with Arch to be secured by the Bitcoin in the Company’s treasury. The Bridge Notes were paid off in full in connection with the Company’s loan facility with Arch.

On August 3, 2026, the Company, through US Digital, entered into a new loan facility (the “First Arch Loan Facility”) with Arch pursuant to which Arch made available to US Digital a non-recourse, collared, 30-day rolling loan secured by US Digital’s Bitcoin (the “Collar Loan”). On August 3, 2026, US Digital borrowed an aggregate of approximately $18.1 million in an initial 30-day loan under the First Arch Loan Facility (the "August 3 Loan") secured by 307 Bitcoin (with mutually agreed upon floor and ceiling prices) and bearing interest at 2.0% per annum, which loan was used to pay off the Bridge Notes. Under the First Arch Loan Facility, the Collar Loan automatically rolled over for successive 30-day periods unless either party provided notice of non-renewal, and at each rollover date, the interest rate, floor price, and ceiling price were reset based on then-prevailing market conditions. At each maturity, if the Bitcoin reference price was below the agreed-upon floor price, US Digital could elect to walk away, repay the loan and recover the collateral, or roll the loan by curing the shortfall. The terms and conditions of the First Arch Loan Facility were set forth in a Loan and Security Agreement entered into by US Digital and Arch on August 3, 2026.

On August 25, 2026, the Company, through its wholly owned subsidiary US Digital, entered into a new loan facility (the “Second Arch Loan Facility”) with Arch pursuant to which Arch made available to US Digital a new non-recourse, collared, 30-day loan secured by US Digital’s Bitcoin (the “Second Collar Loan”).

On August 25, 2026, US Digital borrowed an aggregate of approximately $21.89 million under the Second Arch Loan Facility secured by 307 Bitcoin (with mutually agreed upon floor, ceiling, and barrier prices) and bearing interest at 6.5% per annum (the “New Loan”). Approximately $18.1 million of the loan proceeds from the Second Collar Loan were used to pay off the August 3 Loan, and the remaining $3.765 million of proceeds from the Second Collar Loan were used to fund the collar feature of the August 3 Loan Facility, which had a Bitcoin collar ceiling of $66,370.

Under the Second Arch Loan Facility, the Second Collar Loan was to roll over automatically for successive 30-day periods unless either party provided notice of non-renewal, and at each rollover date, the interest rate, floor price, ceiling price, and barrier price were to be reset based on then-prevailing market conditions. At each maturity, if the Bitcoin reference price (*i.e.*, the Bitcoin market price at that time) was below the agreed-upon floor price, US Digital could elect to walk away, repay the loan and recover the collateral, or roll the loan by curing the shortfall, and if the Bitcoin reference price was higher than the ceiling price of the loan, then the excess was for the benefit of Arch so long as the reference price equaled or exceeded the agreed-upon barrier price. Under the Second Collar Loan, the floor price was $71,112 per Bitcoin for the initial 30-day period, the ceiling price was $75,000, and the barrier price was $93,500.

On September 24, 2026, the Company fully repaid and terminated the Second Arch Loan Facility. Arch sold approximately 267.4 of

the 307 pledged Bitcoin to satisfy approximately $21.89 million of principal, $118.6 thousand of accrued interest and a $440.1 thousand loss on disposal of digital assets for the repayment of the New Collar Loan, and returned the remaining approximately 39.6 Bitcoin to the Company.

While a loan was outstanding with Arch or Galaxy, the lender had the right and the ability to use the pledged digital assets at its discretion, including the ability to sell or pledge such digital assets to third parties. At the conclusion of each loan, the lender was obligated to return the same type and quantity of digital assets as those pledged by the Company. Because the collateral pledged under the respective loan facility could be rehypothecated, the pledged Bitcoin was derecognized from the Company's ending Bitcoin balance and recorded in "Digital assets receivable, net" on the Company's consolidated balance sheets.

The digital assets receivable balance is initially measured upon transfer at fair value and subsequently remeasured at fair value as of the balance sheet date. For the three and nine months ended September 30, 2026 and 2025, the Company recognized an increase in fair value of approximately $6.7 million and $1.8 million for 2026, respectively, and nil and nil for 2025, respectively, within "Gain on fair value of digital assets receivable" on the consolidated statements of operations. The valuation measurements are based on the actual sale price of the Bitcoin or the value of Bitcoin as of the last day of the quarter.

The digital assets receivable balance was evaluated for possible credit losses, in accordance with ASC 326 - Financial Instruments - Credit Losses. An allowance for credit losses of nil and approximately $9 thousand was recorded in "Digital assets receivable, net" on the Company's consolidated balance sheets as of September 30, 2026 and December 31, 2025, respectively.

Note 3. Fixed Assets and Intangible Assets, net

The components of fixed assets as of September 30, 2026 and December 31, 2025 are as follows:

	Useful Life	September 30, 2026	December 31, 2025
Mining machines	9 months - 4 years	$ 22,548,172	$ 22,388,471
Mining site equipment	6-10 years	4,984,547	4,827,888
Building	30 years	467,707	569,480
Real estate assets owned	30 years	59,825	80,056
Furniture, computer and office equipment	3-5 years	506,178	440,313
Land		525,000	525,000
Gross fixed assets		29,091,429	28,831,208
Less: accumulated depreciation		(20,985,829)	(18,913,858)
Fixed assets, net		$ 8,105,600	$ 9,917,350

As of September 30, 2026 and December 31, 2025, there were approximately 8,300 and 7,200 miners, respectively, located at various hosting sites. The Company's depreciation expense recognized for the three and nine months ended September 30, 2026 and 2025 was approximately $0.7 million and $2.3 million for 2026, respectively and approximately $1.9 million and $5.9 million for 2025, respectively. The Company reclassified approximately $102 thousand from Building to mining site equipment in 2026.

The loss (gain) on disposal of fixed assets during the three and nine months ended September 30, 2026 and 2025 was approximately nil and ($3) thousand for 2026, respectively, and nil and $286 thousand for 2025, respectively.

Intangible assets as of September 30, 2026 and December 31, 2025 consist of the following:

	Useful Life (Years)	September 30, 2026	December 31, 2025
Power and interconnection rights	25	$ 6,578,600	$ 6,578,600
Gross intangible assets		6,578,600	6,578,600
Less: accumulated amortization		(448,194)	(250,831)
Total intangible assets, net		$ 6,130,406	$ 6,327,769

During the three and nine months ended September 30, 2026 and 2025 the Company recognized approximately $66 thousand and $197 thousand of amortization expense for 2026, respectively, and approximately $57 thousand and $167 thousand of amortization expense for 2025, respectively.

Note 4. Debt and Other Financing Arrangements

Galaxy Loan Facility

On October 29, 2025, the Company entered into a Master Digital Currency Loan Agreement (the "Galaxy Loan Facility") with Galaxy Digital LLC ("Galaxy"), which establishes the terms and conditions pursuant to which the Company may borrow U.S. Dollars and/or specified digital currencies under the Galaxy Loan Facility. On October 30, 2025, the Company made a draw under the Galaxy Loan Facility and borrowed a principal sum of $11 million (the "October 2025 Loan"). In connection with the October 2025 Loan, the Company granted to Galaxy a security interest in 145 Bitcoin owned by the Company as collateral. This security interest was subsequently increased to 174 Bitcoin in the nine months ended September 30, 2026.

The settlement amount of the loans borrowed under the Loan Agreement are adjusted based on the Bitcoin price relative to a contractual floor and ceiling market price of Bitcoin ("Collar Feature"), and is cash settled.

During the first half of 2026, the Company amended the Galaxy Loan Facility on January 28, February 27, and April 6 to extend the loan and modify the collar's pricing terms, resulting in realized derivative settlement losses of approximately $48 thousand and gains of approximately $67 thousand and $214 thousand, respectively. On May 26, 2026, the Company extended the Galaxy Loan Facility from June 26, 2026 through August 28, 2026 with no other terms modified. On July 27, 2026, the Galaxy Loan Facility was repaid in full with proceeds from the Bridge Notes.

The Collar Feature is an embedded derivative requiring bifurcation under ASC 815-15. The fair value of the Collar Feature is calculated using a Black-Scholes calculation using Level 3 inputs. Significant inputs for the fair value of the Collar Feature for the January, February, and April modifications include the volatility of Bitcoin observed for a similar term as the remaining term of the loan of 32.4% - 59.25%, and short-term treasury interest rates of 3.5%. The Collar Features are embedded derivatives bifurcated from the host loans under ASC 815-15 and are carried at fair value, with changes in fair value recognized in "Loss on loan derivative" on the consolidated statements of operations. The initial fair value of each Collar Feature at bifurcation was recorded as a discount to the host loan and is amortized to interest expense using the effective interest method. The Galaxy Loan Facility had the following number of Bitcoin along with the floor and ceiling prices for each collar outstanding:

Collar Date	Number of Bitcoin	Floor	Ceiling
January 28, 2026	164	$67,073	$101,000
February 27, 2026	174	$63,218	$70,300
April 6, 2026	174	$63,218	$70,000
May 26, 2026	174	$63,218	$70,000

The fair value of the Galaxy derivative was nil at September 30, 2026.

On July 27, 2026, the Company, through its wholly owned subsidiary US Digital, entered into a bridge loan transaction (the "Bridge Loan") under which it borrowed an aggregate of approximately $18.1 million from ChainFi Inc. d/b/a Arch Lending ("Arch") under two separate Promissory Notes (the "Bridge Notes"). The purpose of the Bridge Notes was to fund the repayment in its entirety of the Company's $18 million in aggregate indebtedness to Galaxy and SE & AJ Liebel Limited Partnership in advance of the completion of a secured term loan facility with Arch to be secured by the Bitcoin in the Company's treasury. The Bridge Notes were paid off in full in connection with the Company's loan facility with Arch.

Arch Loan Facility

On August 3, 2026, the Company, through US Digital, entered into a new loan facility (the "First Arch Loan Facility") with Arch pursuant to which Arch made available to US Digital a non-recourse, collared, 30-day rolling loan secured by US Digital's Bitcoin (the "Collar Loan"). On August 3, 2026, US Digital borrowed an aggregate of approximately $18.1 million in an initial 30-day loan under the First Arch Loan Facility (the "August 3 Loan") secured by 307 Bitcoin (with mutually agreed upon floor and ceiling prices) and bearing interest at 2.0% per annum, which loan was used to pay off the Bridge Notes. Under the First Arch Loan Facility, the Collar Loan automatically rolled over for successive 30-day periods unless either party provided notice of non-renewal, and at each rollover date, the interest rate, floor price, and ceiling price were reset based on then-prevailing market conditions. At each maturity, if the Bitcoin reference price was below the agreed-upon floor price, US Digital could elect to walk away, repay the loan and recover the collateral, or roll the loan by curing the shortfall. The terms and conditions of the First Arch Loan Facility were set forth in a Loan and Security Agreement entered into by US Digital and Arch on August 3, 2026.

On August 25, 2026, the Company, through its wholly owned subsidiary US Digital, entered into a new loan facility (the "Second Arch Loan Facility") with Arch pursuant to which Arch made available to US Digital a new non-recourse, collared, 30-day loan secured by US Digital's Bitcoin (the "Second Collar Loan").

On August 25, 2026, US Digital borrowed an aggregate of approximately $21.89 million under the Second Arch Loan Facility secured by 307 Bitcoin (with mutually agreed upon floor, ceiling, and barrier prices) and bearing interest at 6.5% per annum (the "New Loan"). Approximately $18.1 million of the loan proceeds from the Second Collar Loan were used to pay off the August 3 Loan, and

the remaining $3.765 million of proceeds from the Second Collar Loan were used to fund the collar feature of the August 3 Loan Facility, which had a Bitcoin collar ceiling of $66,370.

Under the Second Arch Loan Facility, the Second Collar Loan was to roll over automatically for successive 30-day periods unless either party provided notice of non-renewal, and at each rollover date, the interest rate, floor price, ceiling price, and barrier price were to be reset based on then-prevailing market conditions. At each maturity, if the Bitcoin reference price (*i.e.*, the Bitcoin market price at that time) was below the agreed-upon floor price, US Digital could elect to walk away, repay the loan and recover the collateral, or roll the loan by curing the shortfall, and if the Bitcoin reference price was higher than the ceiling price of the loan, then the excess was for the benefit of Arch so long as the reference price equaled or exceeded the agreed-upon barrier price. Under the Second Collar Loan, the floor price was $71,112 per Bitcoin for the initial 30-day period, the ceiling price was $75,000, and the barrier price was $93,500.

On September 24, 2026, the Company fully repaid and terminated the Second Arch Loan Facility. Arch sold approximately 267.4 of the 307 pledged Bitcoin to satisfy approximately $21.89 million of principal, $118.6 thousand of accrued interest and a $440.1 thousand loss on disposal of digital assets for the repayment of the New Collar Loan, and returned the remaining approximately 39.6 Bitcoin to the Company.

While a loan was outstanding with Arch or Galaxy, the lender had the right and the ability to use the pledged digital assets at its discretion, including the ability to sell or pledge such digital assets to third parties. At the conclusion of each loan, the lender was obligated to return the same type and quantity of digital assets as those pledged by the Company. Because the collateral pledged under the respective loan facility could be rehypothecated, the pledged Bitcoin was derecognized from the Company's ending Bitcoin balance and recorded in "Digital assets receivable, net" on the Company's consolidated balance sheets.

The digital assets receivable balance is initially measured upon transfer at fair value and subsequently remeasured at fair value as of the balance sheet date. For the three and nine months ended September 30, 2026 and 2025, the Company recognized an increase in fair value of approximately $6.7 million and $1.8 million for 2026, respectively, and nil and nil for 2025, respectively, within "Gain on fair value of digital assets receivable" on the consolidated statements of operations. The valuation measurements are based on the actual sale price of the Bitcoin or the value of Bitcoin as of the last day of the quarter.

The Collar Feature is an embedded derivative requiring bifurcation under ASC 815-15. The fair value of the Collar Feature is calculated using a Black-Scholes calculation using Level 3 inputs. Significant inputs for the fair value of the Collar Feature for the July and August modifications include the volatility of Bitcoin observed for a similar term as the remaining term of the loan of 32.6% and 40.8% and short-term treasury interest rates of 2.0%.

The derivative asset of approximately nil and $48 thousand was classified as "Galaxy loan derivative asset" on the consolidated balance sheets as of September 30, 2026 and December 31, 2025, respectively. The Company recognized a loss on loan derivative for the three and nine months of 2026 and 2025 of approximately $4.4 million and $2.7 million respectively for 2026 and approximately nil and nil respectively for 2025. The loss for the three months ended September 30, 2026 reflects the $3.8 million paid to settle the First Arch Collar Feature, less the $0.4 million fair value of the Arch Collar Features at inception, and a $1.0 million loss on the Galaxy Collar Feature through repayment of the Galaxy Loan Facility on July 27, 2026.

The Arch Loans had the following number of Bitcoin along with the floor and ceiling prices for each collar outstanding:

Collar Date	Number of Bitcoin	Floor	Ceiling	Barrier
August 3, 2026	307	$58,860	$66,370	-
August 25, 2026	307	$71,112	$75,000	$93,500

The following table presents a rollforward of the Galaxy and Arch Collar Features, which are measured at fair value on a recurring basis using Level 3 inputs, for the nine months ended September 30, 2026:

	Galaxy	Arch	Total
Balance, December 31, 2025	$ 47,673	$ -	$ 47,673
Loan derivatives recognized upon issuance and refinancing of debt	(760,106)	(423,362)	(1,183,468)
Loss on loan derivative	651,433	(3,341,638)	(2,690,205)
Settlements of loan	61,000	3,765,000	3,826,000
Balance, September 30, 2026	$ -	$ -	$ -

Extension of Loan with Brown Family Enterprises

On July 28, 2026, we entered into a Third Amendment to Secured Promissory Note with Brown Family Enterprises, LLC under which the Company and Brown Family Enterprises agreed to extend the maturity date of the $1.5 million loan from Brown Family Enterprises to December 31, 2026. On November 2, 2026 this loan repayment terms was extended again December 31, 2027.

Debt of the Company consisted of the following as of September 30, 2026 and December 31, 2025:

	September 30, 2026	December 31, 2025
Financing agreement with Imperial PFS that is unsecured. Down payment of $9,218 was required upfront. Eleven installment payments of $16,743 are to be made over the loan term. The note matured on June 1, 2026. Annualized interest was 9.45%.	-	100,461
Financing agreement with Imperial PFS that is unsecured. Down payment of $6,900 was required upfront. Six installment payments of $12,604 are to be made over the loan term. The note matured on June 1, 2026. Annualized interest was 9.45%.	-	75,627
Financing agreement with Imperial PFS that is unsecured. Down payment of $50,635 was required upfront. Ten installment payments of $47,553 are to be made over the loan term. The note matured on August 1, 2026 and was repaid in full. Annualized interest is 8.6%.	-	380,423
Financing agreement with Imperial PFS that is unsecured. Down payment of $22,978 was required upfront. Eleven installment payments of $23,559 are to be made over the loan term. The note matures on July 1, 2027. Annualized interest is 8.7%.	212,027	-
Secured loan with Brown Family Enterprises LLC. The note was to mature on December 31, 2026 and was extended to December 31, 2027 under the Fourth Amendment effective October 31, 2026. Interest is 11% per annum.	1,250,000	1,500,000
Loan with SE & AJ Liebel Limited Partnership. Nil and $2.2 million of Bitcoin had been pledged as collateral as of September 30, 2026 and December 31, 2025, respectively. The note had a maturity date of September 15, 2027. The note was repaid in full on July 27, 2026. Interest was 12% per annum.	-	2,000,000
Loan with SE & AJ Liebel Limited Partnership. Nil and $5.5 million of Bitcoin had been pledged as collateral as of September 30, 2026 and December 31, 2025, respectively. The note had a maturity date of August 6, 2026. The note was repaid in full on July 27, 2026. Interest was 12% per annum.	-	5,000,000
Loan with Galaxy Digital LLC. Nil and approximately $12.7 million of Bitcoin had been pledged as collateral as of September 30, 2026 and December 31, 2025, respectively. The note was repaid in full on July 27, 2026. Interest was 0% per annum.	-	11,000,000
Debt discount	-	(196,259)
	$ 1,462,027	$ 19,860,252

Minimum required principal payments on the Company's debt as of September 30, 2026 are as follows:

Maturity	Amount
2026	117,793
2027	1,344,234
	$ 1,462,027

Note 5. Commitments and Contingencies

Leases

Lease expense recognized for the three and nine months ended September 30, 2026 and 2025 for operating lease was approximately $53 thousand and $117 thousand for 2026, respectively, and was approximately $44 thousand and $122 thousand for 2025, respectively.

The amortization and interest expense recognized for the three and nine months ended September 30, 2026 and 2025 for finance lease was:

Amortization: approximately $33 thousand and $99 thousand for 2026, respectively, and was approximately $33 thousand and $99 thousand for 2025, respectively.
Interest expense: approximately $10 thousand and $36 thousand for 2026, respectively, and was approximately $12 thousand and $43 thousand for 2025, respectively.

The following table presents supplemental balance sheet information related to leases as of September 30, 2026 and December 31, 2025:

	Balance Sheet Line Item	September 30, 2026	December 31, 2025
Assets			
ROU assets - operating lease	Right of use asset, net	$ 214,335	$ 268,236
ROU assets - finance lease	Right of use asset, net	362,025	460,759
Total lease assets		$ 576,360	$ 728,995
Liabilities			
Current lease liabilities - operating lease	Current portion of lease liability	$ 111,355	$ 97,852
Current lease liabilities - finance lease	Current portion of lease liability	186,283	96,766
Long-term lease liabilities - operating lease	Lease liability - net of current portion	111,202	178,269
Long-term lease liabilities - finance lease	Lease liability - net of current portion	215,583	412,099
Total lease liabilities		$ 624,423	$ 784,986
Weighted-average remaining lease term (in years) - operating lease		1.9	2.6
Weighted-average discount rate - operating lease		9.97%	10.07%
Weighted-average remaining lease term (in years) - finance lease		2.7	3.5
Weighted-average discount rate - finance lease		10.10%	10.10%

The following table presents supplemental cash flow information and non-cash activity related to leases for the nine months ended September 30, 2026 and 2025:

Lease Supplemental Cash Flow Table	September 30,	
	2026	**2025**
Operating cash flow information		
Accrued interest expense on finance lease	$ 32,051	$ 42,875
Cash paid for amounts included in the measurement of lease liabilities	(213,331)	(194,322)
Non-cashflow information		
Operating lease right-of-use assets recognized upon lease extension	$ 20,717	$ -

The following table presents maturities of lease liabilities on an undiscounted basis as of September 30, 2026:

Lease Maturity Table

	Operating Leases	Finance Leases	Total Leases
2026	31,992	-	31,992
2027	129,469	147,518	276,987
2028	80,029	151,944	231,973
2029	3,935	181,502	185,437
2030 and thereafter	-	-	-
(less: imputed interest)	(22,868)	(79,098)	(101,966)
	$ 222,557	$ 401,866	$ 624,423

Legal Proceedings

Except as described below, we are not currently a party to material pending or known threatened litigation proceedings. However, we frequently become party to litigation in the ordinary course of business, including either the prosecution or defense of claims arising from contracts by and between us and client Associations. Regardless of the outcome, litigation can have an adverse impact on us because of prosecution, defense, and settlement costs, diversion of management resources and other factors.

The Company accrues for contingent obligations, including estimated legal costs, when the obligation is probable and the amount is reasonably estimable. As facts concerning contingencies become known, the Company reassesses its position and makes appropriate adjustments reflecting the new position.

Uptime Purchase Agreement Matter

In October 2021, we entered into a sale and purchase agreement (the "Uptime Purchase Agreement") with Uptime Armory LLC ("Uptime") to purchase 18 modified 40-foot cargo containers ("POD5ive containers") for approximately $3.15 million, of which we paid approximately $2.4 million (75%) in 2021 as a non-refundable down payment and the remaining 25% in 2022 upon Uptime's notice of completion; however, no containers have been delivered as of September 30, 2026. In November 2022, we filed suit in Florida circuit court against Uptime and Bit5ive, LLC ("Bit5ive") alleging breach of contract and violation of the Florida Deceptive and Unfair Trade Practices Act. The court stayed the action and ordered the parties to confidential arbitration governed by the American Arbitration Association. We recorded an impairment charge of approximately $3.15 million on our mining machine deposit in the fourth quarter of 2022. The arbitrator ruled in favor of US Digital's dispositive motions against Uptime and Bit5ive, and we have filed a Proof of Claim in the amount of the arbitrator's award of approximately $3.2 million (owed joint and several with Bit5ive) following the defendants' filing for Assignment for the Benefit of Creditors. The likelihood and amount of recovery of the Company's outstanding claims cannot be estimated at this time.

Uptime Hosting Agreement Matter

In October 2021, US Digital also entered into a hosting agreement with Uptime Hosting LLC (the "Hosting Agreement") to host the Company's 18 POD5ive containers for 6 cents per kilowatt with a one-year term, under which we paid a refundable deposit of approximately $0.8 million. On June 29, 2022, the Hosting Agreement was terminated pursuant to a Release and Termination Agreement in which Uptime Hosting LLC agreed to repay the $0.8 million deposit. We recorded an impairment charge of approximately $0.8 million on our prepaid hosting deposit in the fourth quarter of 2022. In September 2022, we filed suit in Florida circuit court against Uptime Hosting LLC for return of the deposit and other damages, alleging breach of contract and violation of the Florida Deceptive and Unfair Trade Practices Act. We have since amended the complaint to add claims against additional defendants, including breach of contract, violations of Florida's Uniform Fraudulent Transfer Act and Florida Fraudulent Asset Conversion, violation of the Florida Deceptive and Unfair Trade Practices Act, and claims for equitable liens.

CFTC Enforcement Action

On September 30, 2024, the Commodity Futures Trading Commission ("CFTC") filed an enforcement action in the U.S. District Court for the Southern District of Florida, styled Commodity Futures Trading Commission v. Traders Domain FX LTD d/b/a The Traders Domain, et al., Case No. 1:24-cv-23745-RKA (the "CFTC Action"). Among the named defendants were Algo Capital LLC ("Algo Capital") and certain insiders and affiliates of Algo Capital previously involved in state court Assignment for the Benefit of Creditors ("ABC") proceedings. The Company's claims against Robert D Collazo, Uptime, Uptime Hosting LLC, Bit5ive, Block Consulting Services, LLC, and 6301 Southwest Ranches LLC were under the jurisdiction of the ABC proceedings therefore such claims are now a part of the CFTC Action.

On October 3, 2024, the District Court entered an order granting the CFTC's motion for the appointment of a receiver (the "Receivership Order"). All assets that are collected from the individuals and entities named in the CFTC Action will be remitted to the Receiver for administration and potential distribution under the supervision of the federal court. The receiver is currently in the process of identifying and recovering assets. There has been no significant development in this case in 2026. The likelihood and

amount of recovery of the Company's outstanding claims against Uptime, Uptime Hosting LLC and Bit5ive cannot be estimated at this time.

Note 6. Stockholders' Equity

Reverse Stock Split

On June 24, 2026, the Board approved the Reverse Stock Split. The Reverse Stock Split was effected by the filing of an amendment to our Certificate of Incorporation on July 9, 2026 which provided that the Reverse Stock Split became effective at 12:01 a.m. Eastern Time on July 13, 2026. No fractional shares were issued as a result of the Reverse Stock Split and, in lieu thereof, any person who would otherwise be entitled to a fractional share of common stock as a result of the Reverse Stock Split received one share of common stock. The Company's common stock began trading on The Nasdaq Capital Market on a split-adjusted basis on July 13, 2026. The Company has retroactively adjusted all share amounts and per-share data herein to give effect to the Reverse Stock Split.

At-the-Market Program

On March 27, 2026, the Company entered into an at the market offering agreement (the "Sales Agreement") with Maxim Group LLC (the "Agent"), pursuant to which the Company may, from time to time, at the Company's discretion, offer and sell shares of the Company's common stock, having an aggregate offering price of up to $75,000,000 (the "Shares"), through the Agent, acting as sales agent. The Shares to be sold under the Sales Agreement, if any, will be issued and sold pursuant to the Company's shelf registration statement which was filed with the Securities and Exchange Commission ("SEC") on August 13, 2024 (the "Registration Statement") and was declared effective on November 21, 2024. A prospectus supplement related to the Company's ATM program with the Agent under the Sales Agreement was filed with the SEC on March 27, 2026. The ATM program will remain in effect until the Sales Agreement is terminated by either the Company or Agent, with the Company having the right to terminate the agreement at any time upon 10 days' notice and the Agent having the right to terminate at any time.

The Company sold approximately 1,498,000 shares and generated approximately $2.8 million in net proceeds for the three months ended September 30, 2026 and approximately 1,677,000 shares and generated approximately $3.6 million in net proceeds for the nine months ended September 30, 2026.

As of September 30, 2026, an aggregate gross sales limit of approximately $71.4 million remains available for issuance under the ATM program. Approximately $35 thousand of legal and professional fees incurred related to the establishment of the ATM program as of September 30, 2026 were deferred and recorded within "Prepaid expenses and other assets" on the Consolidated Balance Sheets and will be expensed against Additional Paid in Capital ratably as stock is issued under the program.

Stock Options

The following is a summary of the stock option plan activity during the nine months ended September 30, 2026 and 2025:

	2026		2025	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding at beginning of the year	71,208	$ 95.75	23,735	$ 226.50
Granted	-	-	47,473	30.25
Expired	(8)	82,031.25	-	-
Exercised	-	-	-	-
Options outstanding at end of the period	71,200	$ 86.94	71,208	$ 95.75
Options exercisable at end of the period	62,130	$ 95.47	23,735	$ 226.50

Stock compensation expense recognized for the three and nine months ended September 30, 2026 and 2025 related to stock options was approximately $165 thousand and $695 thousand, respectively for 2026 and approximately $124 thousand and $259 thousand, respectively for 2025. There was approximately $0.1 million of unrecognized compensation cost associated with unvested stock options remaining as of September 30, 2026.

The aggregate intrinsic value of the outstanding common stock options as of September 30, 2026 and December 31, 2025 was nil. The remaining weighted average life of the options as of September 30, 2026 was approximately 8.06 years.

Warrants

The following is a summary of the warrant activity during the nine months ended September 30, 2026 and 2025:

	2026		2025	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Warrants outstanding at beginning of the year	1,465,228	$ 12.00	189,902	$ 73.25
Issued	-	-	837,273	27.50
Exercised	(293,296)	0.025	(1,333)	72.00
Expired	-	-	(3,508)	72.00
Warrants outstanding and exercisable at end of the period	1,171,932	$ 14.55	1,022,334	$ 33.75

During the three and nine months ended September 30, 2026, 102,480 and 293,296 pre-funded warrants, respectively were exercised for $0.025 per share.

The exercise price of the outstanding 2021 public warrants to purchase an aggregate of 46,151 shares of Company common stock was reduced from $12.00 per share in various steps down to $1.25 per share as a result of sales under the ATM program for the nine months ending September 30, 2026. The price resets was accounted for as a deemed dividend. Income (loss) attributable to common shareholders was decreased (increased) by the calculated value transferred to the holder of approximately $13 thousand and $53 thousand in the basic and diluted EPS calculations for the three and nine months ended September 30, 2026 and by the calculated value transferred to the holder of approximately $348 thousand and $348 thousand in the basic and diluted EPS calculations for the three and nine months ended September 30, 2025.

The aggregate intrinsic value of the outstanding common stock warrants as of September 30, 2026 and December 31, 2025 was approximately nil and $3.2 million, respectively. The remaining weighted average life of the warrants as of September 30, 2026 and December 31, 2025 was 2.7 years and 3.75 years, respectively.

As of September 30, 2026, there were no warrants that were unvested. All outstanding warrants contain provisions allowing a cashless exercise at their respective exercise prices.

Note 7. Related Party Transactions

Legal services for the Company associated with the collection of delinquent assessments from property owners was performed by a law firm (“BLG Association Law, PLLC”, or “BLGAL”) which Bruce M. Rodgers is a 50% owner of BLGAL. Ms. Gould, who is a Director of the Company, works as the General Manager of BLGAL.

The law firm has historically performed collection work primarily on a deferred billing basis wherein the law firm receives payment for services rendered upon collection from the property owners or at amounts ultimately subject to negotiations with the Company.

Under the service agreement, the Company pays BLGAL a fixed monthly fee of $43 thousand for services rendered during the three and nine months ended September 30, 2026 and 2025, respectively. The Company pays BLGAL a minimum per unit fee of $700 in any case where there is a collection event and BLGAL receives no payment from the property owner, including any unit where the Company has taken title to the unit or where the Association has terminated its contract with either BLGAL or the Company.

Amounts paid to BLGAL for the three and nine months ended September 30, 2026 and 2025 were approximately $129 thousand and $387 thousand, respectively for 2026 and approximately $129 thousand and $387 thousand, respectively, for 2025.

Pursuant to the Services Agreement, as amended, in effect during the three and nine months ended September 30, 2026 and 2025, the Company paid all costs (lien filing fees, process and serve costs) incurred in connection with the collection of amounts due from property owners. Any recovery of these collection costs is accounted for as a reduction in expense incurred. The Company incurred expenses related to collection costs for the three and nine months ended September 30, 2026 and 2025 in the amounts of approximately $18 thousand and $56 thousand, respectively for 2026 and approximately $17 thousand and $59 thousand, respectively, for 2025. Recoveries during the three and nine months ended September 30, 2026 and 2025 were approximately $8 thousand and $21 thousand, respectively, for 2026 and approximately $15 thousand and $31 thousand, respectively, for 2025.

The Company also shares office space, personnel and related common expenses with BLGAL. All shared expenses, including rent, are charged to BLGAL based on an estimate of actual usage. Any expenses of BLGAL paid by the Company that have not been reimbursed or settled against other amounts are included within due to related parties in the accompanying consolidated balance sheet.

BLGAL was charged for office sub-lease for the three and nine months ended September 30, 2026 and 2025 for a total of approximately $7 thousand and $22 thousand, respectively for 2026 and approximately $7 thousand and $22 thousand, respectively for 2025.

Amounts payable (receivable) to (from) BLGAL as of September 30, 2026 and December 31, 2025 were approximately ($6) thousand and $48 thousand, respectively.

Note 8. Segment Information

The Company applies ASC 280 Segment Reporting in determining its reportable segments. The Company has two reportable segments: Specialty Finance and Mining, HPC and Treasury Operations. The guidance requires that segment disclosures present the measure(s) used by the Chief Operating Decision Maker ("CODM") who is our Chief Executive Officer to decide how to allocate resources and for purposes of assessing such segments' performance. The Company's CODM uses revenue, income from operations and income before taxes of our reportable segments to assess the performance of the business of our reportable operating segments. Segment asset information is not disclosed as such information is not regularly reviewed by the CODM. The CODM regularly reviews total assets as reported on the consolidated balance sheet. Performance results are monitored, reviewed, and measured monthly and quarterly to assess returns on investment, compensation decisions and changing strategies, if required.

No operating segments have been aggregated to form the reportable segments. The corporate oversight function, and other components that may earn revenues that are only incidental to the activities of the Company are aggregated and included in the "All Other" category.

The Specialty Finance segment generates revenue from providing funding to nonprofit community associations and rental revenues from acquired properties. The Mining, HPC and Treasury Operations segment generates revenue from the Bitcoin the Company earns through its mining activities and GPU computing activity. The following tables present revenue and segment income (loss) for the Company's reportable segments and reconciliations to consolidated amounts:

	Three Months Ended September 30, 2026			
	Specialty Finance	Mining, HPC and Treasury Operations	All Other	Total
Revenue, net	$ 183,200	$ 1,705,572	$ -	$ 1,888,772
Digital mining cost of revenue	-	1,144,403	-	1,144,403
Curtailment and energy sales	-	(304,301)	-	(304,301)
Staff costs and payroll	5,672	253,559	763,335	1,022,566
Professional fees	-	(2,893)	528,188	525,295
Loss on fair value of mined bitcoin, net	-	(1,045,781)	-	(1,045,781)
Depreciation and amortization	98	709,205	68,358	777,661
Gain on disposal of fixed assets	-	-	-	-
Other segment expenses (1)	157,908	300,763	221,139	679,810
Operating loss	19,522	650,617	(1,581,020)	(910,881)
Unrealized gain on investment and equity securities	-	-	2,794	2,794
Unrealized gain on marketable securities	-	-	8,020	8,020
Loss on loan derivative	-	(4,382,238)	-	(4,382,238)
Gain on fair value of digital assets receivable	-	6,681,408	-	6,681,408
Interest income	-	-	555	555
Interest expense	-	(975,238)	(36,691)	(1,011,929)
Income (Loss) before income taxes	19,522	1,974,549	(1,606,342)	387,729
Fixed asset additions	-	217,242	-	217,242

	Nine Months Ended September 30, 2026			
	Specialty Finance	Mining, HPC and Treasury Operations	All Other	Total
Revenue, net	$ 422,351	$ 5,691,972	$ -	$ 6,114,323
Digital mining cost of revenue	-	4,584,020	-	4,584,020
Curtailment and energy sales	-	(816,967)	-	(816,967)
Staff costs and payroll	66,785	860,622	2,526,258	3,453,665
Professional fees	4,974	28,505	1,287,899	1,321,378
Loss on fair value of mined bitcoin, net	-	4,057,244	-	4,057,244
Depreciation and amortization	580	2,242,010	205,041	2,447,631
Gain on disposal of fixed assets	-	(2,739)	-	(2,739)
Other segment expenses (1)	493,993	1,018,157	756,190	2,268,340
Operating loss	(143,981)	(6,278,880)	(4,775,388)	(11,198,249)
Gain on fair value of digital assets receivable	-	1,802,195	-	1,802,195
Change in credit loss reserve on digital assets receivable	-	9,187	-	9,187
Unrealized gain on investment and equity securities	-	-	15,707	15,707
Unrealized gain on marketable securities	-	-	13,750	13,750
Loss on loan derivative	-	(2,690,205)	-	(2,690,205)
Impairment loss on prepaid mining machine deposits	-	(17,193)	-	(17,193)
Interest income	-	-	15,619	15,619
Interest expense	-	(2,125,664)	(118,523)	(2,244,187)
Loss before income taxes	(143,981)	(9,300,560)	(4,848,835)	(14,293,376)
Fixed asset additions	-	440,814	4,578	445,392

	Three Months Ended September 30, 2025			
	Specialty Finance	Mining, HPC and Treasury Operations	All Other	Total
Revenue, net	$ 167,899	$ 2,010,404	$ -	$ 2,178,303
Digital mining cost of revenue	-	1,177,184	-	1,177,184
Curtailment and energy sales	-	(151,887)	-	(151,887)
Staff costs and payroll	142,625	527,894	1,866,586	2,537,105
Professional fees	2,916	1,890	438,529	443,335
Gain on fair value of Bitcoin, net	-	(1,032,374)	-	(1,032,374)
Depreciation and amortization	477	1,886,301	85,355	1,972,133
Loss on disposal of fixed assets	-	-	-	-
Other segment expenses (1)	175,045	498,603	76,157	749,805
Operating loss	(153,164)	(897,207)	(2,466,627)	(3,516,998)
Unrealized gain on investment and equity securities	-	-	16,422	16,422
Unrealized gain on marketable securities	-	-	10,400	10,400
Interest income	-	-	916	916
Interest expense	-	(193,692)	(41,590)	(235,282)
Loss before income taxes	(153,164)	(1,090,899)	(2,480,479)	(3,724,542)
Fixed asset additions	-	3,051,331	-	3,051,331

	Nine Months Ended September 30, 2025			
	Specialty Finance	Mining, HPC and Treasury Operations	All Other	Total
Revenue, net	$ 387,256	$ 6,090,708	$ -	$ 6,477,964
Digital mining cost of revenue	-	4,013,878	-	4,013,878
Curtailment and energy sales	-	(524,842)	-	(524,842)
Staff costs and payroll	484,485	1,067,203	3,123,521	4,675,209
Professional fees	4,974	28,505	1,083,170	1,116,649
Gain on fair value of Bitcoin, net	-	(2,983,537)	-	(2,983,537)
Depreciation and amortization	1,430	5,847,903	199,721	6,049,054
Loss on disposal of fixed assets	-	286,359	-	286,359
Other segment expenses (1)	586,234	1,041,076	411,207	2,038,517
Operating loss	(689,867)	(2,685,837)	(4,817,619)	(8,193,323)
Loss on fair value of purchased Bitcoin, net	-	(52,704)	-	(52,704)
Unrealized loss on investment and equity securities	-	-	(140,452)	(140,452)
Unrealized loss on marketable securities	-	-	(3,420)	(3,420)
Interest income	-	-	2,592	2,592
Interest expense	-	(564,307)	(119,427)	(683,734)
Loss before income taxes	(689,867)	(3,302,848)	(5,078,326)	(9,071,041)
Fixed asset additions	1,170	3,425,367	2,006	3,428,543

1) Other segment items for each reportable segment include rent, collection costs, office and general business expenses, travel, and insurance costs.

Note 9. Subsequent Events

Capital Expenditures

On October 26, 2026, the Company placed an order for 600 Antminer S21++ mining machines for approximately $1.0 million which was paid in November 2026. This equipment is expected to be received and placed in service in December 2026.

Financing

On October 1, 2026, the Company entered into a insurance premium finance agreement with Imperial PFS that is unsecured. Down payment of $55,000 was required upfront with ten installment payments of $50,662 are to be made over the loan term. The note matures on September 1, 2027 with annualized interest is 8.1%.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Management's Discussion and Analysis should be read in conjunction with the Unaudited Consolidated Financial Statements and Notes for the three and nine months ended September 30, 2026, and with the Annual Report on Form 10-K for the year ended December 31, 2025.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts included in this Quarterly Report on Form 10-Q, including, without limitation, statements regarding our future financial position, business strategy, budgets, projected revenues, projected costs, and plans and objectives of management for future operations, are forward-looking statements. These forward-looking statements are identified by the use of words such as "may," "will," "should," "expect," "estimate," "believe," "intend," "forecast," "anticipate," "project," "predict," "plan," "guidance," and other similar expressions, or the negative of these expressions. However, the absence of these or similar words or expressions does not mean a statement is not forward-looking.

We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are not guarantees and are subject to known and unknown risks, uncertainties, and assumptions about us that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by such forward-looking statements. Important factors which could materially affect our results and our future performance include, without limitation:

- our ability to retain the listing of our securities on the Nasdaq Capital Market,
- our operating losses and indebtedness could raise substantial doubt about our ability to continue as a going concern,
- our ability to successfully execute on our strategic expansion from Bitcoin mining into high-performance computing ("HPC") and artificial intelligence ("AI") infrastructure services,
- our plans and expectations regarding the conversion of existing Bitcoin mining facilities to support HPC and AI workloads, including the expected timeline, cost, and scope of such conversions,
- our ability to attract and retain customers for our HPC and AI infrastructure services on commercially reasonable terms, including the negotiation of long-term contracts that generate predictable, recurring revenue,
- potential strategic initiatives, including joint ventures, partnerships, acquisitions, or divestitures related to our HPC and AI or Bitcoin operations,
- our expectations regarding the relative economic returns of HPC and AI infrastructure services compared to Bitcoin operations and the anticipated pace of transition between these business lines,
- our ability to successfully develop, market, and operate GPU-as-a-service offerings for AI and HPC customers,
- the relatively early stage of our Bitcoin mining business and our lack of operating history in such business,
- volatility surrounding the value of Bitcoin and other cryptocurrencies,
- the uncertainty surrounding the Bitcoin mining business in general,
- bankruptcy or financial problems of our hosting vendors in our mining business,
- our Bitcoin treasury strategy has not been tested over an extended period of time or under different market conditions,
- our treasury strategy is concentrated on Bitcoin,
- we are subject to counterparty risks, including in particular risks relating to our custodians,
- the ability to scale our mining business,
- our ability to employ and retain qualified employees,
- our ability to establish and maintain internal accounting controls,
- changes in the credit or capital markets,
- changes in interest rates,
- deterioration in general economic conditions, and
- other factors set forth under "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 and Item 1A of this Quarterly Report on Form 10-Q.

Overview

PowerCompute, Inc. ("we", "our", "PWCM", or the "Company") currently maintains three distinct business operations: our Bitcoin treasury operations, Bitcoin mining business, and our specialty finance business. In July 2026, we announced our business expansion into AI infrastructure and HPC.

Artificial Intelligence Infrastructure Business

In July 2026, we announced the expansion of our business into HPC and AI to take advantage of the 26 MW of power under our control. This expansion follows a broader industry trend in which other companies that, like us, have historically focused on Bitcoin mining have sought to redeploy their power and infrastructure assets to support AI and HPC workloads for hyperscalers and other AI and HPC customers.

In July 2026, we acquired one graphics processing unit ("GPU") with approximately 101.7 teraflops of capacity, representing our initial investment in HPC-capable computing hardware. We began selling our computing capacity to Vast.AI in July 2026 under a demand pricing model, pursuant to which the pricing we receive for our computing capacity will vary based on prevailing market demand for such capacity. Income from GPU computing was approximately $1 thousand for each of the three and nine months ended September 30, 2026.

Bitcoin mining and Bitcoin treasury operations currently remain our primary business. Consistent with the approach taken by other Bitcoin mining companies that have begun to diversify into HPC and AI infrastructure, we intend to continue operating our Bitcoin mining business to generate cash flow and help fund our operations while we build out our new HPC and AI business line. Over time, we expect our capital allocation to increasingly reflect investment in additional GPUs, power capacity, and data center infrastructure necessary to support HPC and AI workloads, and we may pursue additional strategic arrangements, such as hosting agreements, leasing arrangements, or joint ventures, to accelerate this expansion.

Bitcoin Treasury Operations and Strategy

In August 2025, we launched our Bitcoin treasury operations. In August 2025 we raised approximately $21.3 million in net proceeds from capital raises and we purchased approximately 164 Bitcoins in August 2025 with substantially all of the proceeds from such offering, with the remainder used for working capital purposes. In December 2025, we raised an additional approximately $5.9 million in net proceeds from capital raises and we purchased an additional 47 Bitcoins with substantially all of the proceeds from such offering.

Our Bitcoin treasury strategy for the next twelve months includes holding Bitcoin from our mining operations. We do not expect to issue equity or debt securities or engage in other capital raising transactions with the objective of using the proceeds to purchase Bitcoin. We have not set any specific target for the amount of Bitcoin we seek to hold. This overall strategy also contemplates that we may periodically sell Bitcoin for general corporate purposes or in connection with strategies that generate tax benefits in accordance with applicable law, enter into additional capital raising transactions, including those that could be collateralized by our Bitcoin holdings, and consider pursuing strategies to create income streams or otherwise generate funds using our Bitcoin holdings.

Decisions to purchase or sell Bitcoin are made on a case-by-case basis at management's discretion, taking into account factors such as our liquidity, general market conditions, and anticipated cash requirements. As of September 30, 2026, Bitcoin represented 100% of our treasury holdings. We do have small holdings of Tether outside of our treasury holdings that are valued in the aggregate at less than $10,000 and are used for purchases with merchants that accept such crypto assets as payment. We do not currently engage in hedging activities. Any future hedging activity, if undertaken, would be determined by management on a discretionary basis.

Bitcoin Mining Business

Our Bitcoin mining business operation deploys our computing power to mine Bitcoin and validate transactions on the Bitcoin network. We believe that developments in Bitcoin mining have created an opportunity for us to deploy capital and conduct large-scale mining operations in the United States. We conduct this business through a wholly owned subsidiary, US Digital, which we formed in 2021 to develop and operate our Bitcoin mining business.

Factors such as access to computer processing capacity, interconnectivity, electricity cost, environmental factors (such as cooling capacity) and location play important roles in mining. 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 generally considered to be one of the most important metrics for evaluating Bitcoin mining companies.

We obtain Bitcoin as a result of our mining operations, and we sell Bitcoin from time to time to support our operations and strategic growth. We do not currently plan to engage in regular trading of Bitcoin (other than as necessary to convert our Bitcoin into U.S. dollars) or to engage in hedging activities related to our holding of Bitcoin; however, our decision to hold or sell Bitcoin at any given time may be impacted by the Bitcoin market, which has been historically characterized by significant volatility. Currently, we do not use a formula or specific methodology to determine whether or when we will sell Bitcoin that we hold, or the number of Bitcoins we will sell. Rather, decisions to hold or sell Bitcoins are currently determined by management by monitoring the market in real time.

The value of Bitcoin has historically been subject to wide swings. The carrying value of each Bitcoin we hold reflects the price of one Bitcoin quoted on the active exchange at the end of the reporting period. Therefore, negative swings in the market price of Bitcoin could have a material impact on our earnings and on the carrying value of our Bitcoin. The following table provides a range of intraday low and intraday high Bitcoin prices from December 31, 2022 through September 30, 2026.

Range of intraday Bitcoin prices

Quarterly Reporting Periods Ended	Minimum Price	Maximum Price
December 31, 2022	$ 15,486	$ 21,474
March 31, 2023	$ 16,489	$ 29,178
June 30, 2023	$ 24,750	$ 31,422
September 30, 2023	$ 24,915	$ 31,838
December 31, 2023	$ 26,544	$ 44,800
March 31, 2024	$ 38,501	$ 73,836
June 30, 2024	$ 56,500	$ 72,777
September 30, 2024	$ 49,050	$ 70,000
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	$ 58,115	$ 82,814
September 30, 2026	$ 57,718	$ 87,397

The following reflects the financial summary of our Bitcoin holdings:

Bitcoin

	September 30, 2026	December 31, 2025
Number of Bitcoin held	63.8	211.4
Carrying basis - per Bitcoin	$ 79,368	$ 100,863
Fair value - per Bitcoin	$ 83,781	$ 87,505
Carrying basis of Bitcoin	$ 5,063,700	$ 21,322,419
Fair value of Bitcoin	$ 5,345,258	$ 18,494,338

As of September 30, 2026 and December 31, 2025, we held approximately 63.8 and 211 Bitcoin, respectively. The fair value of our Bitcoin as of September 30, 2026 and December 31, 2025 was approximately $5.3 million and $18.5 million, respectively, on our consolidated balance sheets. This does not include 145 Bitcoin valued at approximately $12.7 million as of December 31, 2025 classified as Digital assets receivable, net. As of September 30, 2026 and December 31, 2025 approximately nil Bitcoin and 88 Bitcoin, respectively (with an approximate fair value of $7.7 million) were held in a custody account as collateral for the Company's $7.0 million loans with SE & AJ Liebel Limited Partnership and were classified within "Digital assets - collateral" on the consolidated balance sheets.

The following is a summary of the average cost of revenues for mining each Bitcoin during the three and nine months ended September 30, 2026 and 2025:

Cost of Revenues - Analysis of costs to mine one Bitcoin (per Bitcoin amounts are actual)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Bitcoin Mined	23.9	17.6	77.9	60.3
Digital mining revenues	$ 1,705,572	$ 2,010,404	$ 5,691,972	$ 6,090,708
Average revenue of each Bitcoin mined (1)	71,363	114,228	73,068	101,007
Digital mining cost of revenues and curtailment and energy sales	840,102	1,025,297	3,767,053	3,489,036
Miner related depreciation (2)	709,205	1,886,301	2,242,010	5,847,903
Direct costs to mine including non-cash depreciation	$ 1,549,307	$ 2,911,598	$ 6,009,063	$ 9,336,939
Direct costs to mine one Bitcoin - Energy/hosting fees only (3)	$ 35,151	$ 58,256	$ 48,358	$ 57,861
Direct costs to mine one Bitcoin - including miner related depreciation expense	$ 64,825	$ 165,432	$ 77,138	$ 154,841
Cost of mining one Bitcoin as % of average Bitcoin mining revenue - energy/hosting fees only	49%	51%	66%	57%
Cost of mining one Bitcoin as % of average Bitcoin mining revenue - including miner related depreciation expense	91%	145%	106%	153%

(1) Average revenue of each Bitcoin mined is calculated by dividing the sum of Bitcoin mining revenue by the total number of Bitcoin mined during the respective periods. See the table "Range of intraday Bitcoin prices" for information on the range of intraday Bitcoin prices for quarterly periods.
(2) Miner-related depreciation includes depreciation and amortization related to intangible assets, buildings, equipment and mining machines used in the mining process.
(3) Average cost of mining one Bitcoin as a percentage of average Bitcoin mining revenue is calculated by dividing the sum of total hosting fee expense including curtailment and energy sales by the total Bitcoin mined during the respective periods.

The Company's Bitcoin unit activity during the nine months ended September 30, 2026 and 2025 was as follows:

	September 30, 2026	September 30, 2025
Beginning of Year	211.4	150.2
Production of Bitcoin	77.9	60.3
Purchase of Bitcoin	-	164.0
Sale of Bitcoin	(102.8)	(69.6)
Bitcoin transferred for loan collateral	(162.0)	-
Sale of bitcoin for loan collateral	(267.4)	-
Bitcoin transferred back from loan collateral	307.0	-
Fees	(0.3)	(0.4)
End of Period	63.8	304.5

Power prices are the most significant cost driver for our wholly owned locations. Energy prices can be highly volatile and global events (including the war in Ukraine and the resulting natural gas shortage) can cause power prices to increase. Our wholly owned and operated sites in Oklahoma and Mississippi are currently subject to variable prices and market rate fluctuations with respect to wholesale power costs. Such prices are governed by power purchase agreements 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.

Our 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. Our management team manages this decision on an hour-by-hour basis for our owned site.

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 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 hosted facilities by the number of Bitcoin mined in the hosted facilities. On a "per Bitcoin" ratio, direct costs to mine including miner depreciation expense was approximately $65 thousand and $77 thousand for the three and nine months ended September 30, 2026, respectively, and approximately $165 thousand and $155 thousand for the three and nine months ended September 30, 2025, respectively.

The Company utilizes a third-party broker to facilitate our participation in demand response programs at our Oklahoma site. The sale of power under these programs was approximately $0.3 million and $0.8 million for the three and nine months ended September 30, 2026, respectively and approximately $0.2 million and $0.5 million for the three and nine months ended September 30, 2025, respectively.

Mining Sites

As of September 30, 2026, we own approximately 8,300 machines with total hashing capacity of approximately 0.88 EH/s as compared to approximately 7,200 machines as of December 31, 2025 with total hashing capacity of approximately 0.75 EH/s.

The mining machines are installed at the following locations:

• 15 MW hosting site located in Calumet, Oklahoma (the "Oklahoma site") with approximately 4,847 installed Antminer machines which have a total projected active hashrate of 516 PH.

• 11 MW hosting site located in Columbus, Mississippi (the "Columbus site") with approximately 2,170 installed Antminer machines which have a total projected active hashrate of 202 PH.

We are in the process of placing more efficient machines into both locations and expect total projected active hashrate to increase by November 30, 2026.

Reverse Stock Split

On June 24, 2026, the Board approved a one-for-twenty-five (1:25) reverse split of the Company's issued and outstanding common stock, par value $0.001 per share, pursuant to which every twenty-five outstanding shares of common stock were converted into one share of common stock (the "Reverse Stock Split"). The Reverse Stock Split was effected by the filing of an amendment to our Certificate of Incorporation on July 9, 2026 which provided that the Reverse Stock Split became effective at 12:01 a.m. Eastern Time on July 13, 2026. No fractional shares were issued as a result of the Reverse Stock Split and, in lieu thereof, any person who would otherwise be entitled to a fractional share of common stock as a result of the Reverse Stock Split received one share of common stock. The Company's common stock began trading on The Nasdaq Capital Market on a split-adjusted basis on July 13, 2026. The Company has retroactively adjusted all share amounts and per-share data herein to give effect to the Reverse Stock Split.

Corporate Name and Ticker Symbol Change

On July 20, 2026, the Company filed a Certificate of Amendment to its Certificate of Incorporation to change its corporate name from LM Funding America, Inc. to "PowerCompute, Inc." The name change became effective at 12:01 a.m., Eastern Time, on July 22, 2026. In connection with the name change, the Company's common stock began trading on the Nasdaq Capital Market under the new ticker symbol "PWCM" on July 22, 2026.

Results of Operations

Summarized Consolidated Statements of Operations

	Three Months ended September 30,		Nine Months ended September 30,	
	2026	2025	2026	2025
Revenue	$ 1,888,772	$ 2,178,303	$ 6,114,323	$ 6,477,964
Operating costs and expenses	2,799,653	5,695,301	17,312,572	14,671,287
Operating loss	(910,881)	(3,516,998)	(11,198,249)	(8,193,323)
Other income (loss)	1,298,610	(207,544)	(3,095,127)	(877,718)
Income (loss) before income taxes	387,729	(3,724,542)	(14,293,376)	(9,071,041)
Income tax expense	-	-	-	-
Net income (loss)	387,729	(3,724,542)	(14,293,376)	(9,071,041)
Less: loss (gain) attributable to non-controlling interest	(805)	(4,903)	(3,224)	43,476
Net income (loss) attributable to PowerCompute, Inc.	$ 386,924	$ (3,729,445)	$ (14,296,600)	$ (9,027,565)

The Three Months Ended September 30, 2026 compared with the Three Months Ended September 30, 2025

Revenues

During the three months ended September 30, 2026, total revenues decreased by approximately $0.3 million, to approximately $1.9 million from approximately $2.2 million for the three months ended September 30, 2025.

Digital mining revenue decreased in the three months ended September 30, 2026 by approximately $0.3 million to approximately $1.7 million from approximately $2.0 million for the three months ended September 30, 2025.

Bitcoin mining revenues are determined by two main drivers: quantity of Bitcoin mined and the price of Bitcoin on the date the Bitcoin is mined. During the three months ended September 30, 2026, we mined 23.9 Bitcoins with an average Bitcoin price of approximately $71.4 thousand as compared to 17.6 Bitcoins with an average Bitcoin price of approximately $114.2 thousand during the three months ended September 30, 2025. The decrease in Bitcoin mining revenue for the three months ended September 30, 2026 was partially attributable to a 37.5% decrease in Bitcoin price offset in part by a 35.8% increase in the number of Bitcoins mined.

Operating Expenses

During the three months ended September 30, 2026, operating expenses decreased by approximately $2.9 million to approximately $2.8 million from approximately $5.7 million for the three months ended September 30, 2025. The decrease in operating expenses is primarily due to the following factors:

Fair Market Adjustment on mined digital assets

The fair market adjustment on mined digital assets resulted in a gain of approximately $1.0 million for the three months ended September 30, 2026 compared to a gain of $1.0 million for the three months ended September 30, 2025.

Curtailment and energy sales

Compensation from curtailment and energy sales was approximately $0.3 million for the three months ended September 30, 2026 compared to approximately $0.2 million for the three months ended September 30, 2025.

Digital mining cost of revenues

Bitcoin mining costs decreased by approximately $33 thousand to approximately $1.1 million for the three months ended September 30, 2026 from approximately $1.2 million for the three months ended September 30, 2025 primarily due to a decrease in energy costs and the idling of some mining machines during the current quarter. Mining costs (including curtailment and energy sales) as a percentage of digital mining revenue decreased to approximately 49.3% from approximately 51.0% due to lower energy costs and higher energy sales, offset in part by a lower Bitcoin price.

Staff costs and payroll

Compensation costs for the three months ended September 30, 2026 decreased by approximately $1.5 million to approximately $1.0 million from approximately $2.5 million for the three months ended September 30, 2025 primarily due to a decrease in incentive compensation offset in part by increased staff costs associated with the Oklahoma and Mississippi sites.

Depreciation and amortization

Depreciation and amortization for the three months ended September 30, 2026 decreased to approximately $0.8 million compared to approximately $2.0 million for the three months ended September 30, 2025 primarily due to the impairment of mining machines in the fourth quarter of 2025.

Other Income (Expense)

Gain on fair value of digital assets receivable

The Company recognized gains of approximately $6.7 million and nil on the fair value of the digital assets receivable for Bitcoin held in custody for the Company's Arch and Galaxy loan facilities for the three months ended September 30, 2026 and 2025, respectively.

Loss on loan derivative

The Company recognized losses of $4.4 million and nil on the fair value of the derivative instruments associated with the Arch and Galaxy loans for the three months ended September 30, 2026 and 2025, respectively.

Interest expense

The Company recognized approximately $1.0 million of interest expense for the three months ended September 30, 2026 as compared to approximately $0.2 million for the three months ended September 30, 2025 due to an increase in secured borrowings and interest resulting from the Arch and Galaxy loan derivative instruments.

Income Tax Expense

During the three months ended September 30, 2026, the Company generated approximately $0.4 million of net income before income taxes and the Company decreased its income tax valuation allowance by approximately $0.2 million, which offset the Company's incurred net income tax provision of approximately $0.2 million, which resulted in no income tax expense being recognized for the three months ended September 30, 2026. During the three months ended September 30, 2025, the Company generated an approximately $3.7 million of net loss before income taxes and the Company increased its income tax valuation allowance by approximately $0.8 million, which offset the Company's incurred net income tax benefit of approximately $0.8 million, which resulted in no income tax expense being recognized for the three months ended September 30, 2025.

Net Income (Loss)

During the three months ended September 30, 2026, net income was approximately $0.4 million as compared to net loss of approximately $3.7 million for the three months ended September 30, 2025.

Net Income Attributable to Non-Controlling Interest

The Company owns 69.5% of the equity interests of LMFAO Sponsor LLC. As such, there was net income of an approximately $1 thousand for the three months ended September 30, 2026 attributable to the Non-Controlling Interest as compared to net income of an approximately $5 thousand for the three months ended September 30, 2025.

Net Income (Loss) Attributable to PowerCompute, Inc.

During the three months ended September 30, 2026, net income attributable to PowerCompute, Inc. was approximately $0.4 million as compared to net loss of approximately $3.7 million for the three months ended September 30, 2025.

Net Income (Loss) Attributable to Common Shareholders

During the three months ended September 30, 2026 and 2025, net income (loss) attributable to common shareholders was approximately $13 thousand and $348 thousand lower, respectively, than net income (loss) attributable to PowerCompute, Inc. due to deemed dividends related to warrant repricing. During the three months ended September 30, 2026, net income attributable to common shareholders was approximately $0.4 million as compared with net loss of approximately $4.1 million for the three months ended September 30, 2025.

The Nine Months Ended September 30, 2026 compared with the Nine Months Ended September 30, 2025

Revenues

During the nine months ended September 30, 2026, total revenues decreased by approximately $0.4 million, to approximately $6.1 million from approximately $6.5 million for the nine months ended September 30, 2025.

Digital mining revenue decreased in the nine months ended September 30, 2026 by approximately $0.4 million to approximately $5.7 million from approximately $6.1 million for the nine months ended September 30, 2025.

Bitcoin mining revenues are determined by two main drivers: quantity of Bitcoin mined and the price of Bitcoin on the date the Bitcoin is mined. During the nine months ended September 30, 2026, we mined approximately 77.9 Bitcoin with an average Bitcoin price of approximately $73 thousand as compared to approximately 60.3 Bitcoins with an average Bitcoin price of approximately $101 thousand during the nine months ended September 30, 2025. The decrease in Bitcoin mining revenue for the nine months ended September 30, 2026 was attributable to a 27.7% decrease in Bitcoin price, offset in part by a 29.2% increase in Bitcoin mined.

Operating Expenses

During the nine months ended September 30, 2026, operating expenses increased by approximately $2.6 million to approximately $17.3 million from approximately $14.7 million for the nine months ended September 30, 2025. The increase in operating expenses is primarily due to the following factors:

Fair Market Adjustment on mined digital assets

The fair market adjustment on mined digital assets resulted in a loss of approximately $4.1 million for the nine months ended September 30, 2026 compared to a gain of approximately $3.0 million for the nine months ended September 30, 2025.

Curtailment and energy sales

Compensation from curtailment and energy sales was approximately $0.8 million for the nine months ended September 30, 2026 compared to approximately $0.5 million for the nine months ended September 30, 2025.

Digital mining cost of revenues

Bitcoin mining costs increased by approximately $0.6 million to approximately $4.6 million for the nine months ended September 30, 2026 from approximately $4.0 million for the nine months ended September 30, 2025 primarily due to an increase in the number of miners active at the Oklahoma and Mississippi sites as compared to third party hosting sites. Mining costs (including curtailment and energy sales) as a percentage of digital mining revenue increased to approximately 66.2% from approximately 57.3% due to the overall lower average Bitcoin price offset in part by lower energy prices and increased energy sales.

Staff costs and payroll

Compensation costs for the nine months ended September 30, 2026 decreased by approximately $1.2 million to approximately $3.5 million from approximately $4.7 million for the nine months ended September 30, 2025 primarily due to reduced incentive costs offset in part by increased staff costs associated with the Oklahoma and Mississippi sites.

Depreciation and amortization

Depreciation and amortization for the nine months ended September 30, 2026 decreased to approximately $2.4 million compared to approximately $6.0 million for the nine months ended September 30, 2025 primarily due to the impairment of mining machines in the fourth quarter of 2025.

Loss (gain) on disposal of mining equipment

Loss (gain) on disposal of mining equipment was approximately ($3) thousand and approximately $286 thousand for the nine months ended September 30, 2026 and 2025, respectively.

Other Income (Expense)

Gain on fair value of digital assets receivable

The Company recognized gains of approximately $1.8 million and nil on the fair value of the digital assets receivable for Bitcoin held in custody for the Company's Arch and Galaxy loan facilities for the nine months ended September 30, 2026 and 2025, respectively.

Loss on loan derivative

The Company recognized loss of approximately $2.7 million and nil on the fair value of the derivative instruments associated with the Arch and Galaxy loan facilities for the nine months ended September 30, 2026 and 2025, respectively.

Interest expense

The Company recognized approximately $2.2 million of interest expense for the nine months ended September 30, 2026 as compared to approximately $0.7 million for the nine months ended September 30, 2025 due to an increase in secured borrowings and interest resulting from the Arch and Galaxy loan derivatives instruments.

Income Tax Expense

During the nine months ended September 30, 2026, the Company generated an approximately $14.3 million net loss before income taxes and the Company increased its income tax valuation allowance by approximately $3.4 million, which offset the Company's incurred net income tax benefit of approximately $3.4 million which resulted in no income tax expense being recognized for the nine months ended September 30, 2026. During the nine months ended September 30, 2025, the Company generated an approximately $9.1 million net loss before income taxes and the Company increased its income tax valuation allowance by approximately $2.3 million, which offset the Company's incurred net income tax benefit of approximately $2.3 million, resulting in no income tax expense being recognized during the period.

Net Loss

During the nine months ended September 30, 2026, net loss was approximately $14.3 million as compared to net loss of approximately $9.1 million for the nine months ended September 30, 2025.

Net Loss (Income) Attributable to Non-Controlling Interest

The Company owns 69.5% of the equity interests of LMFAO Sponsor LLC. As such, there was net income of approximately ($3) thousand for the nine months ended September 30, 2026 attributable to the Non-Controlling Interest as compared to a net loss of approximately $43 thousand for the nine months ended September 30, 2025.

Net Loss Attributable to PowerCompute, Inc.

During the nine months ended September 30, 2026, net loss attributable to PowerCompute, Inc. was approximately $14.3 million as compared to net loss of approximately $9.0 million for the nine months ended September 30, 2025.

Net Loss Attributable to Common Shareholders

During the nine months ended September 30, 2026 and 2025, net loss attributable to common shareholders was approximately $53 thousand and $348 thousand higher, respectively, than net loss attributable to PowerCompute, Inc. due to deemed dividends related to warrant repricing. During the nine months ended September 30, 2026, net loss attributable to common shareholders was approximately $14.3 million as compared with a net loss of approximately $9.4 million for the nine months ended September 30, 2025.

Liquidity and Capital Resources

General

Our primary sources of liquidity are our cash and cash equivalents, Bitcoin generated from our digital mining operations and proceeds from borrowings. As of September 30, 2026, we had approximately $0.7 million of cash and cash equivalents and approximately $5.3 million of digital assets compared with approximately $1.4 million of cash and cash equivalents and approximately $18.5 million of digital assets (approximately 211.4 Bitcoin with average fair value of approximately $88 thousand), of which $7.7 million was pledged as collateral against outstanding borrowings, at December 31, 2025. This does not include 145 Bitcoins valued at approximately $12.7 million, as of December 31, 2025 classified as Digital assets receivable, net.

Our working capital needs may increase in the future as we continue to expand and enhance our operations. Our ability to raise additional funds for working capital through equity or debt financings or other sources may depend on the financial success of our then current business and successful implementation of our key strategic initiatives, financial, economic and market conditions and other factors, some of which are beyond our control.

No assurance can be given that we will be successful in raising the required capital at a reasonable cost and at the required times, or at all. Further equity financings may have a dilutive effect on shareholders and any debt financing, if available, may require restrictions to be placed on our future financing and operating activities. If we require additional capital and are unsuccessful in raising that capital, we may not be able to continue our business operations in the Bitcoin mining industry which could adversely impact our business, financial condition and results of operations. Please reference Note 1 about going concern information.

Equity Financing Transactions

At the Market Program

On March 27, 2026, the Company entered into an at-the-market offering agreement (the "Sales Agreement") with Maxim Group LLC (the "Agent"), pursuant to which the Company may, from time to time, at the Company's discretion, offer and sell shares of the Company's common stock, having an aggregate offering price of up to $75,000,000 (the "Shares"), through the Agent, acting as sales agent. The ATM program will remain in effect until the Sales Agreement is terminated by either the Company or the Agent, with the Company having the right to terminate the agreement at any time upon 10 days' notice and the Agent having the right to terminate at any time. The Company sold approximately 1,498,000 shares and generated approximately $2.8 million in net proceeds for the three months and 1,677,000 shares and generated approximately $3.6 million in net proceeds for the nine months ended September 30, 2026.

As of September 30, 2026, an aggregate gross sales limit of approximately $71.4 million remains available for issuance under the ATM program.

As of September 30, 2026 and December 31, 2025, our liquidity was comprised of:

	September 30, 2026	December 31, 2025
Cash and cash equivalents	$ 652,628	$ 1,424,426
Bitcoin - current portion	5,349,553	2,563,474
Bitcoin collateral - current portion	-	5,500,000
Bitcoin - long-term	-	8,233,035
Bitcoin collateral - long-term	-	2,200,000
Bitcoin receivable	-	12,678,014
Marketable securities	51,130	37,380
End of Period	$ 6,053,311	$ 32,636,329

The Company's cash flow summary for the nine months ended September 30, 2026 and 2025 is as follows:

	Nine Months ended September 30,	
	2026	2025
Cash flows used in operating activities	$ (9,912,978)	$ (8,768,788)
Cash flows provided by (used in) investing activities	6,667,727	(16,414,532)
Cash flows provided by financing activities	2,473,453	22,096,739
Net decrease in cash	(771,798)	(3,086,581)
Cash - beginning of year	1,424,426	3,378,152
Cash - end of period	**$ 652,628**	**$ 291,571**

Cash from Operations

Net cash used in operations was approximately $9.9 million during the nine months ended September 30, 2026 compared with net cash used in operations of approximately $8.8 million during the nine months ended September 30, 2025. The mining of Bitcoin is considered a noncash item for operating purposes which totaled approximately $5.7 million and $6.1 million for the nine months ended September 30, 2026 and 2025, respectively.

Cash from Investing Activities

For the nine months ended September 30, 2026 net cash provided by investing activities was approximately $6.7 million as compared to net cash used in investing activities of approximately $16.4 million for the nine months ended September 30, 2025. The proceeds from the sale of Bitcoins are considered an investing activity which totaled approximately $7.3 million and $7.0 million for the nine months ended September 30, 2026 and 2025, respectively. For the nine months ended September 30, 2025, the Company received net payments of approximately $0.2 million from the collection of Symbiont sale receivable while investing approximately $1.0 million on deposits for Bitcoin mining equipment.

Cash from Financing Activities

Net cash provided by financing activities was approximately $2.5 million compared to net cash provided by financing activities of approximately $22.1 million for the nine months ended September 30, 2026 and 2025, respectively. During 2026, the Company repaid approximately $0.9 million in debt and raised $3.4 million from the issuance of common stock. During 2025, the Company repaid approximately $0.6 million in debt, borrowed $1.2 million of debt and raised $21.3 million from the issuance of common stock.

Debt

Galaxy Loan Facility

On October 29, 2025, the Company entered into a Master Digital Currency Loan Agreement (the "Galaxy Loan Facility") with Galaxy Digital LLC ("Galaxy"), which establishes the terms and conditions pursuant to which the Company may borrow U.S. Dollars and/or specified digital currencies under the Galaxy Loan Facility. On October 30, 2025, the Company made a draw under the Galaxy Loan Facility and borrowed a principal sum of $11 million (the "October 2025 Loan"). In connection with the October 2025 Loan, the Company granted to Galaxy a security interest in 145 Bitcoin owned by the Company as collateral. This security interest was subsequently increased to 174 Bitcoin in the nine months ended September 30, 2026.

The settlement amount of the loans borrowed under the Loan Agreement are adjusted based on the Bitcoin price relative to a contractual floor and ceiling market price of Bitcoin ("Collar Feature"), and is cash settled.

During the first half of 2026, the Company amended the Galaxy Loan Facility on January 28, February 27, and April 6 to extend the loan and modify the collar's pricing terms, resulting in realized derivative settlement losses of approximately $48 thousand and gains of approximately $67 thousand and $214 thousand, respectively. On May 26, 2026, the Company extended the Galaxy Loan Facility from June 26, 2026 through August 28, 2026 with no other terms modified. On July 27, 2026, the Galaxy Loan Facility was repaid in full with proceeds from the Bridge Notes.

The Collar Feature is an embedded derivative requiring bifurcation under ASC 815-15. The fair value of the Collar Feature is calculated using a Black-Scholes calculation using Level 3 inputs. Significant inputs for the fair value of the Collar Feature for the January, February, and April modifications include the volatility of Bitcoin observed for a similar term as the remaining term of the loan of 32.4% - 59.25%, and short-term treasury interest rates of 3.5%. The Collar Features are embedded derivatives bifurcated from the host loans under ASC 815-15 and are carried at fair value, with changes in fair value recognized in "Loss on loan derivative" on the consolidated statements of operations. The initial fair value of each Collar Feature at bifurcation was recorded as a discount to the host loan and is amortized to interest expense using the effective interest method. The Galaxy Loan Facility had the following number of Bitcoin along with the floor and ceiling prices for each collar outstanding:

Collar Date	Number of Bitcoin	Floor	Ceiling
January 28, 2026	164	$67,073	$101,000
February 27, 2026	174	$63,218	$70,300
April 6, 2026	174	$63,218	$70,000
May 26, 2026	174	$63,218	$70,000

The fair value of the Galaxy derivative was nil at September 30, 2026.

On July 27, 2026, the Company, through its wholly owned subsidiary US Digital, entered into a bridge loan transaction (the "Bridge Loan") under which it borrowed an aggregate of approximately $18.1 million from ChainFi Inc. d/b/a Arch Lending ("Arch") under two separate Promissory Notes (the "Bridge Notes"). The purpose of the Bridge Notes was to fund the repayment in its entirety of the Company's $18 million in aggregate indebtedness to Galaxy and SE & AJ Liebel Limited Partnership in advance of the completion of a secured term loan facility with Arch to be secured by the Bitcoin in the Company's treasury. The Bridge Notes were paid off in full in connection with the Company's loan facility with Arch.

Arch Loan Facility

On August 3, 2026, the Company, through US Digital, entered into a new loan facility (the "First Arch Loan Facility") with Arch pursuant to which Arch made available to US Digital a non-recourse, collared, 30-day rolling loan secured by US Digital's Bitcoin (the "Collar Loan"). On August 3, 2026, US Digital borrowed an aggregate of approximately $18.1 million in an initial 30-day loan under the First Arch Loan Facility (the "August 3 Loan") secured by 307 Bitcoin (with mutually agreed upon floor and ceiling prices) and bearing interest at 2.0% per annum, which loan was used to pay off the Bridge Notes. Under the First Arch Loan Facility, the Collar Loan automatically rolled over for successive 30-day periods unless either party provided notice of non-renewal, and at each rollover date, the interest rate, floor price, and ceiling price were reset based on then-prevailing market conditions. At each maturity, if the Bitcoin reference price was below the agreed-upon floor price, US Digital could elect to walk away, repay the loan and recover the collateral, or roll the loan by curing the shortfall. The terms and conditions of the First Arch Loan Facility were set forth in a Loan and Security Agreement entered into by US Digital and Arch on August 3, 2026.

On August 25, 2026, the Company, through its wholly owned subsidiary US Digital, entered into a new loan facility (the "Second Arch Loan Facility") with Arch pursuant to which Arch made available to US Digital a new non-recourse, collared, 30-day loan secured by US Digital's Bitcoin (the "Second Collar Loan").

On August 25, 2026, US Digital borrowed an aggregate of approximately $21.89 million under the Second Arch Loan Facility secured by 307 Bitcoin (with mutually agreed upon floor, ceiling, and barrier prices) and bearing interest at 6.5% per annum (the "New Loan"). Approximately $18.1 million of the loan proceeds from the Second Collar Loan were used to pay off the August 3 Loan, and

the remaining $3.765 million of proceeds from the Second Collar Loan were used to fund the collar feature of the August 3 Loan Facility, which had a Bitcoin collar ceiling of $66,370.

Under the Second Arch Loan Facility, the Second Collar Loan was to roll over automatically for successive 30-day periods unless either party provided notice of non-renewal, and at each rollover date, the interest rate, floor price, ceiling price, and barrier price were to be reset based on then-prevailing market conditions. At each maturity, if the Bitcoin reference price (*i.e.*, the Bitcoin market price at that time) was below the agreed-upon floor price, US Digital could elect to walk away, repay the loan and recover the collateral, or roll the loan by curing the shortfall, and if the Bitcoin reference price was higher than the ceiling price of the loan, then the excess was for the benefit of Arch so long as the reference price equaled or exceeded the agreed-upon barrier price. Under the Second Collar Loan, the floor price was $71,112 per Bitcoin for the initial 30-day period, the ceiling price was $75,000, and the barrier price was $93,500.

On September 24, 2026, the Company fully repaid and terminated the Second Arch Loan Facility. Arch sold approximately 267.4 of the 307 pledged Bitcoin to satisfy approximately $21.89 million of principal, $118.6 thousand of accrued interest and a $440.1 thousand loss on disposal of digital assets for the repayment of the New Collar Loan, and returned the remaining approximately 39.6 Bitcoin to the Company.

While a loan was outstanding with Arch or Galaxy, the lender had the right and the ability to use the pledged digital assets at its discretion, including the ability to sell or pledge such digital assets to third parties. At the conclusion of each loan, the lender was obligated to return the same type and quantity of digital assets as those pledged by the Company. Because the collateral pledged under the respective loan facility could be rehypothecated, the pledged Bitcoin was derecognized from the Company's ending Bitcoin balance and recorded in "Digital assets receivable, net" on the Company's consolidated balance sheets.

The digital assets receivable balance is initially measured upon transfer at fair value and subsequently remeasured at fair value as of the balance sheet date. For the three and nine months ended September 30, 2026 and 2025, the Company recognized an increase in fair value of approximately $6.7 million and $1.8 million for 2026, respectively, and nil and nil for 2025, respectively, within "Gain on fair value of digital assets receivable" on the consolidated statements of operations. The valuation measurements are based on the actual sale price of the Bitcoin or the value of Bitcoin as of the last day of the quarter.

The Collar Feature is an embedded derivative requiring bifurcation under ASC 815-15. The fair value of the Collar Feature is calculated using a Black-Scholes calculation using Level 3 inputs. Significant inputs for the fair value of the Collar Feature for the July and August modifications include the volatility of Bitcoin observed for a similar term as the remaining term of the loan of 32.6% and 40.8% and short-term treasury interest rates of 2.0%.

The derivative asset of approximately nil and $48 thousand was classified as "Galaxy loan derivative asset" on the consolidated balance sheets as of September 30, 2026 and December 31, 2025, respectively. The Company recognized a loss on loan derivative for the three and nine months of 2026 and 2025 of approximately $4.4 million and $2.7 million respectively for 2026 and approximately nil and nil respectively for 2025. The loss for the three months ended September 30, 2026 reflects the $3.8 million paid to settle the First Arch Collar Feature, less the $0.4 million fair value of the Arch Collar Features at inception, and a $1.0 million loss on the Galaxy Collar Feature through repayment of the Galaxy Loan Facility on July 27, 2026.

The Arch Loans had the following number of Bitcoin along with the floor and ceiling prices for each collar outstanding:

Collar Date	Number of Bitcoin	Floor	Ceiling	Barrier
August 3, 2026	307	$58,860	$66,370	-
August 25, 2026	307	$71,112	$75,000	$93,500

The following table presents a rollforward of the Galaxy and Arch Collar Features, which are measured at fair value on a recurring basis using Level 3 inputs, for the nine months ended September 30, 2026:

	Galaxy	Arch	Total
Balance, December 31, 2025	$ 47,673	$ -	$ 47,673
Loan derivatives recognized upon issuance and refinancing of debt	(760,106)	(423,362)	(1,183,468)
Loss on loan derivative	651,433	(3,341,638)	(2,690,205)
Settlements of loan	61,000	3,765,000	3,826,000
Balance, September 30, 2026	$ -	$ -	$ -

Extension of Loan with Brown Family Enterprises

On July 28, 2026, we entered into a Third Amendment to Secured Promissory Note with Brown Family Enterprises, LLC under which the Company and Brown Family Enterprises agreed to extend the maturity date of the $1.5 million loan from Brown Family Enterprises to December 31, 2026. On November 2, 2026 this loan repayment terms was extended again December 31, 2027.

Debt of the Company consisted of the following as of September 30, 2026 and December 31, 2025:

	September 30, 2026	December 31, 2025
Financing agreement with Imperial PFS that is unsecured. Down payment of $9,218 was required upfront. Eleven installment payments of $16,743 are to be made over the loan term. The note matured on June 1, 2026. Annualized interest was 9.45%.	-	100,461
Financing agreement with Imperial PFS that is unsecured. Down payment of $6,900 was required upfront. Six installment payments of $12,604 are to be made over the loan term. The note matured on June 1, 2026. Annualized interest was 9.45%.	-	75,627
Financing agreement with Imperial PFS that is unsecured. Down payment of $50,635 was required upfront. Ten installment payments of $47,553 are to be made over the loan term. The note matured on August 1, 2026 and was repaid in full. Annualized interest is 8.6%.	-	380,423
Financing agreement with Imperial PFS that is unsecured. Down payment of $22,978 was required upfront. Eleven installment payments of $23,559 are to be made over the loan term. The note matures on July 1, 2027. Annualized interest is 8.7%.	212,027	-
Secured loan with Brown Family Enterprises LLC. The note was to mature on December 31, 2026 and was extended to December 31, 2027 under the Fourth Amendment effective October 31, 2026. Interest is 11% per annum.	1,250,000	1,500,000
Loan with SE & AJ Liebel Limited Partnership. Nil and $2.2 million of Bitcoin had been pledged as collateral as of September 30, 2026 and December 31, 2025, respectively. The note had a maturity date of September 15, 2027. The note was repaid in full on July 27, 2026. Interest was 12% per annum.	-	2,000,000
Loan with SE & AJ Liebel Limited Partnership. Nil and $5.5 million of Bitcoin had been pledged as collateral as of September 30, 2026 and December 31, 2025, respectively. The note had a maturity date of August 6, 2026. The note was repaid in full on July 27, 2026. Interest was 12% per annum.	-	5,000,000
Loan with Galaxy Digital LLC. Nil and approximately $12.7 million of Bitcoin had been pledged as collateral as of September 30, 2026 and December 31, 2025, respectively. The note was repaid in full on July 27, 2026. Interest was 0% per annum.	-	11,000,000
Debt discount	-	(196,259)
	$ 1,462,027	$ 19,860,252

The following table presents maturities of debt on an undiscounted basis as of September 30, 2026:

Maturity	Amount
2026	117,793
2027	1,344,234
	$ 1,462,027

Non-GAAP Financial Measures

Our reported results are presented in accordance with U.S. generally accepted accounting principles ("GAAP"). We also disclose Earnings before Interest, Tax, Depreciation and Amortization ("EBITDA") and Core Earnings before Interest, Tax, Depreciation and Amortization ("Core EBITDA"), both of which are non-GAAP financial measures. Core EBITDA adjusts for unrealized loss (gain) on investment and equity securities, loss (gain) on disposal of mining equipment, loss on impairment of prepaid mining machine deposits, and stock compensation expense and option expense. We believe these non-GAAP financial measures are useful to investors because they are widely accepted industry measures used by analysts and investors to compare the operating performance of Bitcoin miners.

The following tables reconcile net income (loss), which we believe is the most comparable GAAP measure, to EBITDA and Core EBITDA:

	Three Months ended September 30,		Nine Months ended September 30,	
	2026	2025	2026	2025
Net income (loss)	$ 387,729	$ (3,724,542)	$ (14,293,376)	$ (9,071,041)
Income tax expense	-	-	-	-
Interest expense	1,011,929	235,282	2,244,187	683,734
Depreciation and amortization	777,661	1,972,133	2,447,631	6,049,054
Income (loss) before interest, taxes & depreciation	$ 2,177,319	$ (1,517,127)	$ (9,601,558)	$ (2,338,253)
Unrealized loss (gain) on investment and equity securities	(2,794)	(16,422)	(15,707)	140,452
Impairment loss on prepaid mining machine deposits	-	-	17,193	-
Loss (gain) on disposal of mining equipment	-	-	(2,739)	286,359
Stock compensation and option expense	165,005	123,958	695,453	259,384
Core income (loss) before interest, taxes & depreciation	$ 2,339,530	$ (1,409,591)	$ (8,907,358)	$ (1,652,058)

Critical Accounting Estimates

Our financial statements are prepared in accordance with generally accepted accounting principles in the United States, or GAAP. The preparation of the consolidated financial statements in conformity with GAAP requires our management to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities, the disclosure or inclusion of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the period. There are no critical accounting estimates for the nine months ended September 30, 2026.

There have been no material changes to our critical accounting policies and estimates as compared to those disclosed in our Annual Report on Form 10-K. For a description of our critical accounting policies and estimates, see Part I, Item 1, Note 1, "Summary of Significant Accounting Policies" in our notes to the unaudited consolidated financial statements in this Quarterly Report on Form 10-Q.

Recent Accounting Pronouncements

Please refer to Note 1 in our unaudited consolidated financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q for recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted as of September 30, 2026.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, we are not required to make disclosures under this item.

Item 4. Controls and Procedures

(a) 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 pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this Quarterly Report on Form 10-Q. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Management, with the participation of our Chief Executive Officer and Chief Financial Officer, performed an evaluation of the effectiveness of our disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective as of September 30, 2026.

(b) Changes in internal control over financial reporting.

There were no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently a party to material litigation proceedings, and we are not subject to any known material threatened legal proceedings other than as described under Note 5 of our Consolidated Financial Statements included herein under the caption "Legal Proceedings." In addition to the foregoing, we periodically become a party to litigation in the ordinary course of business, including either the prosecution or defense of claims arising from contracts by and between us and client Associations. Regardless of the outcome, litigation can have an adverse impact on us because of prosecution, defense, and settlement costs, diversion of management resources and other factors.

Item 1A. Risk Factors

Other than the updated risk factors set forth below, there have been no material changes from the risk factors previously disclosed in the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025.

Risks Related to our High-Performance Computing and Artificial Intelligence Services Business

Our transition to HPC and AI infrastructure services may not be successful and involves significant execution risk.

Our strategy to expand into HPC and AI infrastructure services is subject to significant execution risk. The successful conversion of our existing mining infrastructure to HPC and AI applications requires substantial capital investment, technical expertise in data center design and operations for GPU-intensive workloads, and the ability to attract and retain qualified engineering and sales personnel. There can be no assurance that we will be able to successfully convert our existing facilities, that converted facilities will meet the technical requirements of potential customers, or that the economic returns from HPC and AI operations will exceed those available from our existing Bitcoin mining operations. The transition may require the displacement of Bitcoin mining hardware and significant retrofit or replacement of data center infrastructure, which could result in impairment expenses, accelerated depreciation, and additional capital expenditures during the transition period.

We have limited operating history in HPC and AI infrastructure services.

We have a limited operating history providing GPU-as-a-service to customers for HPC and AI applications. Our limited experience in this market, including with respect to sales, marketing, customer onboarding, service level management, and infrastructure optimization for GPU-intensive workloads, may limit our ability to compete effectively against established data center operators and cloud service providers with significantly greater experience, resources, and customer relationships. Our limited track record may also make it difficult to attract new customers or negotiate favorable contract terms.

Tariffs and trade restrictions may increase our equipment costs and delay deployment timelines.

Our HPC/AI infrastructure operations require specialized hardware, including GPU servers, networking equipment, cooling systems, and power distribution components, a significant portion of which is manufactured outside the United States. Tariffs, trade restrictions, or export controls could materially increase our capital expenditure requirements, delay equipment procurement timelines, reduce the economic viability of planned conversions, or limit our ability to procure next-generation hardware. There can be no assurance that we will be able to pass increased costs on to customers or that alternative domestic supply sources will be available at competitive prices.

Our diversification into HPC and AI services may divert management attention and resources from our existing operations.

Our efforts to diversify revenue streams through HPC and AI infrastructure services require significant management time and attention, including with respect to customer negotiations, facility design and construction oversight, personnel recruitment, technology evaluation, and strategic planning. These activities may divert management focus from optimizing our existing Bitcoin mining operations, potentially resulting in decreased mining efficiency, missed opportunities in digital asset markets, or failure to adequately manage operational risks in our core business. The allocation of capital to HPC and AI development may also reduce resources available for Bitcoin mining fleet upgrades or capacity expansion, which could affect our competitive position in digital asset mining.

The demand for HPC and AI infrastructure services is uncertain and depends on factors outside our control.

Our increased focus on high-density data center infrastructure for AI and HPC applications may not be successful and depends on the continuing development of, and demand for, large-scale computing infrastructure for AI model training, inference, and related applications. Demand for our services could be adversely affected by a slowdown in AI investment by enterprise customers, consolidation among hyperscale cloud providers, technological advances that reduce computing requirements for AI workloads, regulatory restrictions on AI development or deployment, economic recession, or other factors outside our control. There can be no assurance that the current growth in demand for AI computing infrastructure will continue at historical rates or at all.

Risks Related to our Securities

If we are unable to continue to comply with the continued listing requirements of The Nasdaq Capital Market, including the stayed rule that would require a $5 million Market Value of Listed Securities if it retakes effect, we could be delisted from Nasdaq, which would seriously harm the liquidity of our stock and our ability to raise capital.

Our common stock is currently listed on The Nasdaq Capital Market. In order to maintain that listing, we must maintain compliance with the continued listing requirements and standards of The Nasdaq Capital Market. There can be no assurances that we will be able to comply with the applicable listing requirements and standards of The Nasdaq Capital Market.

On January 13, 2026, Nasdaq filed a proposed rule change with the Securities and Exchange Commission, or SEC, to adopt a new continued listing requirement requiring the maintenance of a minimum Market Value of Listed Securities, or MVLS, of at least $5 million. Under the proposal, a company that fails to maintain an MVLS of at least $5 million for 30 consecutive business days would be subject to suspension and delisting proceedings with no cure right and limited appeal rights. The rule change applies to companies listed on The Nasdaq Capital Market, including the Company. The proposed rule was approved by the SEC on July 22, 2026, and was subsequently stayed on July 29, 2026, pending review by the SEC. It is not certain whether or when the MVLS rule will retake effect. We do not currently maintain an MVLS of at least $5.0 million and, to the extent our MVLS does not exceed $5.0 million within 30 consecutive business days of the MVLS rule retaking effect, we expect to be in violation of the new rule, which could trigger an immediate suspension and delisting from Nasdaq. We can provide no assurance that we will be able to regain compliance with this new MVLS requirement if and when it retakes effect.

There is no guarantee that we will be able to remain in compliance with Nasdaq's listing requirements in the future. Any failure to maintain compliance with continued listing requirements of the Nasdaq Capital Market could result in delisting of our common stock from the Nasdaq Capital Market and negatively impact our company and holders of our common stock, including by reducing the willingness of investors to hold our common stock because of the resulting decreased price, liquidity and trading of our common stock, limited availability of price quotations and reduced news and analyst coverage. Delisting may adversely impact the perception of our financial condition, cause reputational harm with investors, our employees and parties conducting business with us and limit our access to debt and equity financing.

Risks Related to our Financial Condition

Our operating losses and indebtedness may currently and in the future raise substantial doubt as to our ability to continue as a going concern.

In connection with the filing of this Quarterly Report on Form 10-Q, we evaluated our ability to continue as a going concern for the twelve months following the issuance of the financial statements contained herein. The Company has experienced significant operating losses from January 1, 2024 through September 30, 2026 with cumulative losses of approximately $48.9 million. As of September 30, 2026, the Company had $653 thousand available cash on-hand and Bitcoin with a fair market value of $5.3 million. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

Management's plans to address these conditions include a plan to refinance certain indebtedness and the continued use of its ATM program. The ATM program is currently effective and has been utilized to raise capital; however, future proceeds under the ATM program depend, among other things, on the Company's ability to maintain compliance with Nasdaq's continued listing requirements, including applicable market value requirements, market conditions, trading volume, the Company's stock price, and other factors that are not within the Company's control.

As of the date these financial statements are issued, management has not concluded that its plans are probable of mitigating the conditions and events that raise substantial doubt within one year after the date these financial statements are issued. Accordingly, substantial doubt about the Company's ability to continue as a going concern has not been alleviated. The financial statements included in this report do not reflect any adjustments that may be required if the Company is unable to continue as a going concern.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) ***Sales of Unregistered Securities.***

None.

(b) ***Use of Proceeds.***

None.

(c) ***Repurchase of Securities.***

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

a) None.

b) None.

c) During the nine months ended September 30, 2026, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, modified, or terminated any contract, instruction, or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any non-Rule 10b5-1 trading arrangement (as defined in the Securities and Exchange Commission's rules).

Item 6. Exhibits

The following documents are filed as a part of this report or are incorporated herein by reference.

EXHIBIT NUMBER	DESCRIPTION
3.1*	Certificate of Incorporation of PowerCompute Inc., as amended
3.2	Amended and Restated By-Laws of PowerCompute Inc. (incorporated by reference to Exhibit 3.2 to the Form 8-K filed on July 20, 2026)
10.1	Promissory Note, dated July 27, 2026, in principal amount of $11,005,502.75 by US Digital Mining & Hosting Co, LLC and ChainFi Inc. d/b/a Arch Lending (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on July 31, 2026)
10.2	Promissory Note, dated July 27, 2026, in principal amount of $7,063,342.53 by US Digital Mining & Hosting Co, LLC and ChainFi Inc. d/b/a Arch Lending (incorporated by reference to Exhibit 10.2 to the Form 8-K filed on July 31, 2026)
10.3	Loan and Security Agreement, dated August 3, 2026, between US Digital Mining & Hosting Co, LLC and ChainFi Inc. d/b/a Arch Lending (incorporated by reference to Exhibit 10.1 to the Form 8-K filed August 5, 2026)
10.4	Collar Loan Annex, dated August 3, 2026, between US Digital Mining & Hosting Co, LLC and ChainFi Inc. d/b/a Arch Lending (incorporated by reference to Exhibit 10.2 to the Form 8-K filed August 5, 2026)
10.5	Third Amendment to Secured Promissory Note, dated July 28, 2026, by PowerCompute, Inc. payable to Brown Family Enterprises, LLC (incorporated by reference to Exhibit 10.3 to the Form 8-K filed on July 31, 2026)
10.6	Fourth Amendment to Secured Promissory Note, dated November 2, 2026, by PowerCompute, Inc. payable to Brown Family Enterprises, LLC (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on November 6, 2026)
10.7	Collar Loan Annex, dated August 25, 2026, between US Digital Mining & Hosting Co, LLC and ChainFi Inc. d/b/a Arch Lending (incorporated by reference to Exhibit 10.1 to the Form 8-K filed August 28, 2026)
10.8	Promissory Note, dated August 25, 2026, in principal amount of $21,892,131.88 by US Digital Mining & Hosting Co, LLC and ChainFi Inc. d/b/a Arch Lending (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on August 28, 2026)
10.9	Promissory Note, dated August 3, 2026, in principal amount of $18,127,131.88 by US Digital Mining & Hosting Co, LLC and ChainFi Inc. d/b/a Arch Lending (incorporated by reference to Exhibit 10.1 to the Form 8-KA filed on August 10, 2026)
10.10*	Industrial Power Contract No. 217260-136802-2, entered into September 30, 2026 but effective as of September 16, 2026, between US Digital Mining Mississippi LLC and Columbus Light and Water
31.1*	Rule 13a – 14(a) Certification of the Principal Executive Officer
31.2*	Rule 13a – 14(a) Certification of the Principal Financial Officer
32.1*	Written Statement of the Principal Executive Officer, Pursuant to 18 U.S.C. § 1350
32.2*	Written Statement of the Principal Financial Officer, Pursuant to 18 U.S.C. § 1350
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

SIGNATURES

Pursuant to the requirements 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:

POWERCOMPUTE, INC.

Date: November 16, 2026

By: /s/ Bruce M. Rodgers
Bruce M. Rodgers
Chief Executive Officer and Chairman of the Board
(Principal Executive Officer)

Date: November 16, 2026

By: /s/ Richard Russell
Richard Russell
Principal Financial and Accounting Officer

CERTIFICATE OF INCORPORATION
OF
LM FUNDING AMERICA, INC.
A Stock Corporation

LM Funding America, Inc. files this Certificate of Incorporation (the "Certificate of Incorporation") pursuant to the General Corporation Law of the State of Delaware (the "DGCL"). The Corporation's corporate existence shall commence upon the filing of this Certificate of Incorporation with the office of the Secretary of State of the State of Delaware in accordance with the DGCL (the "Effective Time") and the Certificate of Incorporation of LM Funding America, Inc. shall be as follows.

ARTICLE I
NAME

The name of the Corporation is LM Funding America, Inc. (the "Corporation").

ARTICLE II
REGISTERED OFFICE AND AGENT

The address of the Corporation's registered office in the State of Delaware is The Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle, Zip Code 19801. The name of its registered agent at such address is The Corporation Trust Company. The registered office and/or registered agent of the Corporation may be changed from time to time by action of the Board of Directors.

ARTICLE III
PURPOSE

The purpose of the Corporation shall be to engage in any lawful act or activity for which corporations may be organized under the DGCL.

ARTICLE IV
CAPITAL STOCK

SECTION 1. The aggregate number of shares of all classes of capital stock which the Corporation shall have the authority to issue is One Hundred Million (100,000,000) shares, consisting of Twenty Million (20,000,000) shares of preferred stock, par value $0.001 per share (the "Preferred Stock"), and Eighty Million (80,000,000) shares of common stock, par value $0.001 per share (the "Common Stock").

SECTION 2. The preferences, limitations, designations and relative rights of the shares of each class and the qualifications, limitations or restrictions thereof shall be as follows:

A. Preferred Stock.

1. Authorization; Series; Provisions. The Board of Directors of the Corporation is hereby expressly authorized, subject to limitations prescribed by law and the provisions of this Article IV, to provide for the issuance of shares of the Preferred Stock in series, and by filing a certificate pursuant to the DGCL, to establish from time to time the number of shares to be included in each such series and to fix the designations, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof. The Preferred Stock may be issued from time to time in one or more series, the shares of each series to have such powers, designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions

thereof, as are stated and expressed herein or in a resolution or resolutions providing for the issuance of such series, adopted by the Board of Directors.

2. Reacquired Shares. Shares of Preferred Stock which shall be issued and thereafter acquired by the Corporation through purchase, redemption, exchange, conversion or otherwise shall return to the status of authorized but unissued Preferred Stock, undesignated as to series, unless otherwise provided in the resolution or resolutions of the Board of Directors.

B. Common Stock.

Except as shall otherwise be stated herein or as otherwise required by applicable law, all shares of Common Stock shall be identical in all respects and shall entitle the holders thereof to the same rights and privileges, subject to the same qualifications, limitations and restrictions. The Common Stock shall be subject to all of the rights, privileges, preferences and priorities of the Preferred Stock as set forth in the resolution or resolutions providing for the respective series of Preferred Stock.

1. Voting. The holders of the Common Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders (and written actions in lieu of meetings). There shall be no cumulative voting. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of the Certificate of Incorporation) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the DGCL.

2. Dividends. Subject to the rights of each series of the Preferred Stock, dividends, or other distributions in cash, securities or other property of the Corporation may be declared and paid or set apart for payment upon the Common Stock by the Board of Directors from time to time out of any assets or funds of the Corporation legally available for the payment of dividends, and all holders of Common Stock shall be entitled to participate in such dividends ratably on a per share basis.

3. Liquidation. Upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, and after the holders of the Preferred Stock of each series shall have been paid in full the amounts to which they respectively shall be entitled in preference to the Common Stock in accordance with the terms of any outstanding Preferred Stock and applicable law, the remaining net assets and funds of the Corporation shall be distributed pro rata to the holders of the Common Stock and the holders of any Preferred Stock, but only to the extent that the holders of any Preferred Stock shall be entitled to participate in such distributions in accordance with the terms of any outstanding Preferred Stock or applicable law. A consolidation or merger of the Corporation with or into another corporation or corporations or a sale, whether for cash, shares of stock, securities or properties, or any combination thereof, of all or substantially all of the assets of the Corporation shall not be deemed or construed to be a liquidation, dissolution or winding up of the Corporation within the meaning of this paragraph.

4. No Preemptive Rights. No holder of Common Stock of the Corporation shall be entitled, as such, as a matter of right, to subscribe for or purchase any part of any new or additional issue of stock of any class or series whatsoever or of securities convertible into stock of any class whatsoever, whether now or hereafter authorized and whether issued for cash or other consideration, or by way of dividend.

5. Ownership. The Corporation shall be entitled to treat the person in whose name any share of its stock is registered as the owner thereof for all purposes and shall not be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether or not the Corporation shall have notice thereof, except as expressly provided by applicable law.

ARTICLE V
EXISTENCE

The Corporation is to have perpetual existence.

ARTICLE VI
BOARD OF DIRECTORS

The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, and the directors need not be elected by written ballot unless required by the By-laws of the Corporation. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors of the Corporation is expressly authorized to make, alter, amend, change, add to or repeal the By-laws of the Corporation.

ARTICLE VII
NUMBER, ELECTION AND TERMS OF DIRECTORS

SECTION 1. Number of Directors. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the number of directors of the Corporation shall be fixed in such manner as prescribed in the By-laws of the Corporation, or from time to time by action of a majority of the members of the Board of Directors then in office, but in no event shall such number of directors be less than one nor more than fifteen. Elections of members of the Board of Directors, other than those who may be elected by the holders of any series of Preferred Stock under specified circumstances, shall be held at the annual meeting of stockholders, and each member of the Board of Directors shall hold office until such director's successor is elected and qualified, subject to such director's earlier death, resignation, disqualification or removal.

SECTION 2. Director Class and Term Expiration. The Board of Directors shall be divided into three classes, as nearly equal in numbers as possible, designated Class I, Class II and Class III. The initial Class I Directors shall serve for a term expiring at the first annual meeting of stockholders of the Corporation following the effective time of this Certificate of Incorporation; the initial Class II Directors shall serve for a term expiring at the second annual meeting of stockholders following the effective time of this Certificate of Incorporation; and the initial Class III Directors shall serve for a term expiring at the third annual meeting of stockholders following the effective time of this Certificate of Incorporation. At each annual meeting of stockholders, the successors of the class of Directors whose term expires at that meeting shall be elected to hold office for a term expiring at the third annual meeting of stockholders to be held following their election, with each Director in each such class to hold office until his or her successor is duly elected and qualified. The provisions of this Section 2 of Article VII are subject to the rights of the holders of any class or series of Preferred Stock to elect directors. The provisions of this Section 2 of Article VII shall not become effective until the Company's Common Stock becomes registered under Section 12 of the Exchange Act.

SECTION 3. Stockholder Nominations and Introduction of Business. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the By-laws of the Corporation.

SECTION 4. Newly Created Directorships and Vacancies. Subject to the rights of the holders of any series of Preferred Stock, and unless the Board of Directors otherwise determines, newly created directorships resulting from any increase in the authorized number of directors or any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal from office or other cause may be filled only by a majority vote of the directors then in office, though less than a quorum, and any director so chosen shall hold office for a term expiring at the succeeding annual meeting of stockholders and until such director's successor shall have been duly elected and qualified. No decrease in the number of authorized directors constituting the entire Board of Directors shall shorten the term of any incumbent director.

SECTION 5. Removal. Subject to the rights of the holders of any series of Preferred Stock, any director, or the entire Board of Directors, may be removed, with or without cause, by the affirmative vote of the holders of a majority of the shares then entitled to vote at an election of directors; provided, however, that this Section 5 of Article VII shall apply, in respect of the removal without cause of a director or directors elected by the holders of a class or series of stock pursuant to this Certificate of Incorporation, to the vote of the holders of the outstanding shares of that class or series and not to the vote of the outstanding shares as a whole.

SECTION 6. Rights and Powers. Except to the extent prohibited by law, the Board of Directors shall have the right (which, to the extent exercised, shall be exclusive) to establish the rights, powers, duties, rules and procedures that from time to time shall govern the Board of Directors and each of its members, including, without limitation, the vote required for any action by the Board of Directors, and that from time to time shall affect the directors' power to manage the business and affairs of the Corporation; and no by-law shall be adopted by stockholders which shall impair or impede the implementation of the foregoing.

SECTION 7. By-laws. The Corporation may in its By-laws confer powers upon the Board of Directors in addition to the foregoing and in addition to the powers and authorities expressly conferred upon the Board of Directors by applicable law.

ARTICLE VIII
BOOKS AND RECORDS

The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-laws of the Corporation. The Board of Directors shall from time to time decide whether and to what extent and at what times and under what conditions and requirements the accounts and books of the Corporation, or any of them, except the stock book, shall be open to the inspection of the stockholders, and no stockholder shall have any right to inspect any books or documents of the Corporation, except as conferred by the laws of the State of Delaware or as authorized by the Board of Directors.

ARTICLE IX
STOCKHOLDER ACTION

Meetings of stockholders may be held within or without the State of Delaware as the By-laws of the Corporation may provide. Subject to the rights of the holders of any series of Preferred Stock, for so long as either the Corporation's Common Stock is registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or the Corporation is required to file periodic reports with the Securities and Exchange Commission pursuant to Section 15(d) of the Exchange Act with respect to the Corporation's Common Stock, (A) any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of stockholders of the Corporation and may not be effected in lieu thereof by any consent in writing by such stockholders unless the action to be effected by written consent of the stockholders and the taking of such action by written consent have been approved in advance by a resolution adopted by the Board of Directors, and (B) special meetings of stockholders of the Corporation may be called only by the Chairman of the Board of Directors, the Chief Executive Officer or the Secretary pursuant to a resolution adopted by a majority of the directors then in office, or by stockholders holding at least a majority of the issued and outstanding voting stock of the Corporation.

ARTICLE X
STOCKHOLDER VOTE REQUIRED

Sections 2, 3, 4 and 5 of Article III, as well as Article V and Article VIII, of the By-laws of the Corporation shall not be altered, amended or repealed by, and no provision inconsistent therewith shall be adopted by, the stockholders without the affirmative vote of the holders of at least a majority of the issued and outstanding voting stock of the Corporation entitled to vote generally for the election of directors at a meeting of stockholders at which a quorum is present (as provided in the By-laws of the Corporation).

ARTICLE XI
INDEMNIFICATION

SECTION 1. Each person who is or was a director or officer of the Corporation shall be indemnified by the Corporation to the fullest extent permitted from time to time by the DGCL as the same exists or may hereafter be amended (but, if permitted by applicable law, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) or any other applicable laws as presently or hereafter in effect. The indemnification rights and protections existing hereunder shall be a contract right and shall be provided to each person who is or was a director or officer of the Corporation at any time this Article XI is or was in effect, regardless of whether or not such person continues to serve in his or her capacity as a director or officer of the Corporation at the time such indemnification rights and protections are sought. The Corporation may, by action of the Board of Directors, provide indemnification to employees and agents (other than a director or officer) of the Corporation, to directors, officers, employees or agents of a subsidiary of the Corporation, and to each person serving as a director, officer, partner, member, employee or agent of another corporation, partnership, limited

liability company, joint venture, trust or other enterprise, at the request of the Corporation, with the same scope and effect as the foregoing indemnification of directors and officers of the Corporation. The Corporation shall be required to indemnify any person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors or is a proceeding to enforce such person's claim to indemnification pursuant to the rights granted by this Certificate of Incorporation or otherwise by the Corporation. Without limiting the generality or the effect of the foregoing, the Corporation may enter into one or more agreements with any person which provide for indemnification greater or different than that provided in this Article XI. Any amendment or repeal of this Article XI shall not adversely affect any right or protection existing hereunder in respect of any act, omission, fact or circumstance occurring prior to such amendment or repeal.

SECTION 2. By action of its Board of Directors, notwithstanding any interest of the directors in the action, the Corporation may purchase and maintain insurance, in such amounts as the Board of Directors deems appropriate, to protect any director, officer, employee and agent of the Corporation, any director, officer, employee or agent of a subsidiary of the Corporation, and any person serving as a director, officer, partner, member, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise (including, without limitation, any employee benefit plan) against any liability asserted against such person or incurred by such person in any such capacity or arising out of the person's status as such (including, without limitation, expenses, judgments, fines and amounts paid in settlement) to the fullest extent permitted by the DGCL as it exists on the date hereof or as it may hereafter be amended, and whether or not the Corporation would have the power or would be required to indemnify any such person under the terms of any agreement or by-law or the DGCL. For purposes of this Article XI, "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan.

SECTION 3. If this Article XI or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each person entitled to indemnification under the first paragraph of this Article XI as to all expense, liability and loss (including attorneys' fees and related disbursements, judgments, fines, ERISA excise taxes and penalties, penalties and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by such person and for which indemnification is available to such person pursuant to this Article XI to the fullest extent permitted by any applicable portion of this Article XI that shall not have been invalidated and to the fullest extent permitted by applicable law.

SECTION 4. Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a director, officer or employee of the Corporation existing at the time of such repeal or modification.

ARTICLE XII
DIRECTOR LIABILITY

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (1) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) under Section 174 of the DGCL or (4) for any transaction from which the director derived an improper personal benefit. Any amendment or repeal of this Article XII shall not adversely affect any right or protection of a director of the Corporation existing hereunder in respect of any act, omission, fact or circumstance occurring prior to such amendment or repeal.

If the DGCL shall be amended to authorize corporate action further eliminating or limiting the liability of directors, then a director of the Corporation, in addition to the circumstances in which he is not liable immediately prior to such amendment, shall be free of liability to the fullest extent permitted by the DGCL, as so amended.

ARTICLE XIII
BUSINESS COMBINATIONS

The Corporation expressly elects not to be governed by Section 203 of the DGCL.

ARTICLE XIV
AMENDMENTS

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation in effect from time to time in the manner now or hereafter prescribed herein and by the laws of the State of Delaware, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE XV
INCORPORATOR

The name and mailing address of the incorporator are as follows:

Bruce M. Rodgers, Esq.
301 W. Platt St., #375
Tampa, Florida 33606

I, The Undersigned, for the purpose of forming a corporation under the laws of the State of Delaware, do make, file and record this Certificate of Incorporation, and do certify that the facts herein stated are true, and I have accordingly hereunto set my hand this 20th day of April , A.D. 2015.

By: /s/ *Bruce M. Rodgers*
(Incorporator)

Name: BRUCE M. RODGERS
(type or print)

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
LM FUNDING AMERICA, INC.

It is hereby certified that:

1. The name of the corporation (hereinafter called the "Corporation") is LM Funding America, Inc..

2. The certificate of incorporation of the Corporation is hereby amended by striking out SECTION 1 of ARTICLE IV thereof and by substituting in lieu of said Section the following new SECTION 1 of ARTICLE IV:

> SECTION 1. The aggregate number of shares of all classes of capital stock which the Corporation shale have the authority to issue is Fifteen Million (15,000,000) shares, consisting of Five Million (5,000,000) shares of preferred stock, par value $0.001 per share (the "Preferred Stock") and Ten Million (10,000,000) shares of common stock, par value $0.001 per share (the "Common Stock").

3. The amendment of the Certificate of Incorporation herein certified has been duly adopted and authorized by resolution of the board of directors of the Corporation and by the written consent without a meeting of the stockholders of the Corporation in accordance with the provision of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the undersigned authorized officer of the Corporation, has executed this Certificate of Amendment this 7th day of August, 2015.

LM FUNDING AMERICA, INC.

/s/ *Bruce M. Rodgers*

Bruce M. Rodgers, Chief Executive Officer

CERTIFICATE OF AMENDMENT TO THE
CERTIFICATE OF INCORPORATION OF
LM FUNDING AMERICA, INC.

LM Funding America, Inc., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies that:

1. The name of the Corporation is LM Funding America, Inc. The date of filing of the Corporation's original Certificate of Incorporation with the Secretary of State of the State of Delaware was April 20, 2015, as amended on August 7, 2015.

2. This Certificate of Amendment to the Certificate of Incorporation was duly authorized and adopted by the Corporation's Board of Directors and stockholders in accordance with Section 242 of the General Corporation Law of the State of Delaware and amends the provisions of the Company's Certificate of Incorporation, as amended.

3. The amendment to the existing Certificate of Incorporation being effected hereby is as follows:

a. Delete Section 1 of Article IV in its entirety and to substitute in its place the following:

"SECTION 1. The aggregate number of shares of all classes of capital stock which the Corporation shale have the authority to issue is Thirty-Five Million (35,000,000) shares, consisting of Five Million (5,000,000) shares of preferred stock, par value $0.001 per share (the "Preferred Stock") and Thirty Million (30,000,000) shares of common stock, par value $0.001 per share (the "Common Stock")."

3. The amendment of the Certificate of Incorporation herein certified has been duly adopted and authorized by resolution of the board of directors of the Corporation and by the written consent without a meeting of the stockholders of the Corporation in accordance with the provision of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the undersigned authorized officer of the Corporation, has executed this Certificate of Amendment this 4th day of September, 2018.

LM FUNDING AMERICA, INC.

/s/ *Bruce M. Rodgers*
Bruce M. Rodgers, Chief Executive Officer

STATE OF DELAWARE
CERTIFICATE OF CORRECTION

LM Funding America, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware.

DOES HEREBY CERTIFY:

1. The name of the corporation is LM Funding America, Inc. (the "Corporation").

2. That a Certificate of Amendment to the Certificate of Incorporation was filed by the Secretary of State of Delaware on September 5, 2018, and that said Certificate of Amendment requires correction as permitted by Section 103 of the General Corporation Law of the State of Delaware.

3. The inaccuracy or defect of said Certificate of Amendment is:

Due to clerical error, the word "shall" was inadvertently misspelled as "shale" in the amendment set forth in paragraph 3 of such Certificate Amendment.

4. The Certificate of Amendment is corrected to read as follows:

a. Delete Section 1 of Article IV in its entirety and to substitute in its place the following:
"SECTION 1. The aggregate number of shares of all classes of capital stock which the Corporation shall have the authority to issue is Thirty-Five Million (35,000,000) shares, consisting of Five Million (5,000,000) shares of preferred stock, par value $0.001 per share (the "Preferred Stock") and Thirty Million (30,000,000) shares of common stock, par value $0.001 per share (the "Common Stock")."

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Correction to be executed this 7th day of September, 2018.

By: */s/ Bruce M. Rodgers*
Bruce M. Rodgers, Chief Executive Officer

CERTIFICATE OF AMENDMENT
TO THE
CERTIFICATE OF INCORPORATION
OF
LM FUNDING AMERICA, INC.

LM Funding America, Inc. (the "Corporation"), a corporation organized and existing under the laws of the State of Delaware, hereby certifies that:

1.

The name of the Corporation is LM Funding America, Inc. The date of filing of the Corporation's original Certificate of Incorporation with the Secretary of State of the State of Delaware was April 20, 2015, as amended on August 7, 2015 (the "Original Certificate").

2. This Certificate of Amendment to the Certificate of Incorporation of the Corporation (this "Amendment") was duly authorized and adopted by the Corporation's Board of Directors and stockholders in accordance with Sections 228 and 242 of the General Corporation Law of the State of Delaware ("DGCL").

3. The amendment to the existing Certificate of Incorporation being effected hereby is as follows: Article "FOURTH" of the Original Certificate shall be and is hereby amended by adding the following paragraphs to the end thereof as a new Article IV, Section 3:

> "*Reverse Stock Split.* Without regard to any other provision of this Certificate of Incorporation, effective at 12:01 a.m., eastern time, on Tuesday, October 16, 2018 (the "Effective Time"), the shares of Common Stock issued and outstanding immediately prior to the Effective Time and the shares of Common Stock issued and held in the treasury of the Corporation immediately prior to the Effective Time are reclassified into a smaller number of shares such that each ten (10) shares of issued Common Stock immediately prior to the Effective Time is reclassified into one (1) share of Common Stock. Notwithstanding the immediately preceding sentence, no fractional shares shall be issued and, in lieu thereof, upon surrender after the Effective Time of a certificate which formerly represented shares of Common Stock that were issued and outstanding immediately prior to the Effective Time, any person who would otherwise be entitled to a fractional share of Common Stock as a result of the reclassification, following the Effective Time, shall be entitled to receive a cash payment equal to the product of the closing sales price of the Common Stock on the Nasdaq Capital Market on October 15, 2018 and the amount of the fractional share. Each certificate that immediately prior to the Effective Time represented shares of Common Stock ("Old Certificates"), shall thereafter represent that number of shares of Common Stock into which the shares of Common Stock represented by the Old Certificate shall have been combined, subject to the treatment of fractional shares as described above."

4. Except as specifically set forth herein, the remainder of the Original Certificate will not be amended, modified or otherwise altered.

5. The effective time and date of the amendment herein certified shall be 12:01 a.m., October 16, 2018.

[signature page follows]

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to the Certificate of Incorporation to be executed by the undersigned duly authorized officer of the Corporation this 12th day of October, 2018.

LM FUNDING AMERICA, INC.

By: /s/ *Bruce Rodgers*

Name: Bruce Rodgers

Title: Chief Executive Officer

CERTIFICATE OF AMENDMENT
TO THE
CERTIFICATE OF INCORPORATION
OF
LM FUNDING AMERICA, INC.

LM Funding America, Inc. (the "Corporation"), a corporation organized and existing under the laws of the State of Delaware, hereby certifies that:

2.
The name of the Corporation is LM Funding America, Inc. The date of filing of the Corporation's original Certificate of Incorporation with the Secretary of State of the State of Delaware was April 20, 2015, as amended on August 7, 2015, September 5, 2018, and October 15, 2018.

3.
This Certificate of Amendment to the Certificate of Incorporation was duly authorized and adopted by the Corporation's Board of Directors and stockholders in accordance with Sections 228 and 242 of the General Corporation Law of the State of Delaware and amends the provisions of the Company's Certificate of Incorporation, as amended.

4.
The amendment to the existing Certificate of Incorporation being effected hereby is as follows: Article IV of the Certificate of Incorporation, as amended, shall be and is hereby amended by adding the following paragraph to the end thereof as a new Article IV, Section 4:

"SECTION 4. *Reverse Stock Split.* Without regard to any other provision of this Certificate of Incorporation, effective at 12:01 a.m., eastern time, on May 7, 2021 (the "Effective Time"), the shares of Common Stock issued and outstanding immediately prior to the Effective Time and the shares of Common Stock issued and held in the treasury of the Corporation immediately prior to the Effective Time are reclassified into a smaller number of shares such that each five (5) shares of issued Common Stock immediately prior to the Effective Time is reclassified into one (1) share of Common Stock. Notwithstanding the immediately preceding sentence, no fractional shares shall be issued and, in lieu thereof, upon surrender after the Effective Time of a certificate which formerly represented shares of Common Stock that were issued and outstanding immediately prior to the Effective Time, any person who would otherwise be entitled to a fractional share of Common Stock as a result of the reclassification, following the Effective Time, shall be entitled to receive a cash payment equal to the product of the closing sales price of the Common Stock on the Nasdaq Capital Market on May 6, 2021 and the amount of the fractional share. Each certificate that immediately prior to the Effective Time represented shares of Common Stock ("Old Certificates"), shall thereafter represent that number of shares of Common Stock into which the shares of Common Stock represented by the Old Certificate shall have been combined, subject to the treatment of fractional shares as described above."

5.
Except as specifically set forth herein, the remainder of the Certificate of Incorporation will not be amended, modified or otherwise altered.

[signature page follows]

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to the Certificate of Incorporation to be executed by the undersigned duly authorized officer of the Corporation this 5th day of May, 2021.

LM FUNDING AMERICA, INC.

By: /s/ *Bruce Rodgers*

Name: Bruce Rodgers

Title: Chief Executive Officer

CERTIFICATE OF AMENDMENT TO THE
CERTIFICATE OF INCORPORATION OF
LM FUNDING AMERICA, INC.

LM Funding America, Inc., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies that:

1. The name of the Corporation is LM Funding America, Inc. The date of filing of the Corporation's original Certificate of Incorporation with the Secretary of State of the State of Delaware was April 20, 2015, as amended on August 7, 2015, September 5, 2018, October 15, 2018, and May 5, 2021.

2. This Certificate of Amendment to the Certificate of Incorporation was duly authorized and adopted by the Corporation's Board of Directors and stockholders in accordance with Sections 228 and 242 of the General Corporation Law of the State of Delaware and amends the provisions of the Company's Certificate of Incorporation, as amended.

3. The amendment to the existing Certificate of Incorporation, as amended, being effected hereby is as follows: Delete Section 1 of Article IV in its entirety and substitute in its place the following:

"SECTION 1. The aggregate number of shares of all classes of capital stock which the Corporate shall have the authority to issue is five hundred million (500,000,000) shares, consisting of one hundred fifty million (150,000,000) shares of preferred stock, par value $0.001 per share ("Preferred Stock") and three hundred fifty million (350,000,000) shares of common stock, par value $0.001 per share ("Common Stock")."

4. The amendment of the Certificate of Incorporation herein certified has been duly adopted and authorized by the Corporation's Board of Directors and stockholders in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

5. Except as specifically set forth herein, the remainder of the Certificate of Incorporation will not be amended, modified or otherwise altered.

Executed effective as of this 27th day of December, 2021

LM FUNDING AMERICA, INC.

By: /s/ *Bruce M. Rodgers*

Bruce M. Rodgers

Chief Executive Officer and Chairman of the Board

CERTIFICATE OF AMENDMENT TO THE
CERTIFICATE OF INCORPORATION
OF
LM FUNDING AMERICA, INC.

Adopted in accordance with the provisions
of Section 242 of the General Corporation
Law of the State of Delaware

LM Funding America, Inc., (the "Corporation"), a corporation organized and existing under the laws of the State of Delaware, by its duly authorized officer, does hereby certify:

FIRST: This Certificate of Amendment (the "Certificate of Amendment") amends the provisions of the Corporation's original Certificate of Incorporation filed with the Secretary of State of the State of Delaware on April 20, 2015, as amended on August 7, 2015, September 5, 2018, October 15, 2018, May 5, 2021, and December 27, 2021 (the "Certificate of Incorporation").

SECOND: The Certificate of Incorporation is hereby amended by adding the following paragraph to the end of Article IV thereof as a new Article IV, Section 5:

"SECTION 5. *Reverse Stock Split*. Without regard to any other provision of this Certificate of Incorporation, effective at 12:01, eastern time, on March 12, 2024 (the "Effective Time"), the shares of Common Stock issued and outstanding immediately prior to the Effective Time and the shares of Common Stock issued and held in treasury of the Corporation immediately prior to the Effective Time are reclassified into a smaller number of shares such that each six (6) shares of issued Common Stock immediately prior to the Effective Time is reclassified into one (1) share of Common Stock. Notwithstanding the immediately preceding sentence, no fractional shares shall be issued and, in lieu thereof, upon surrender after the Effective Time of a certificate which formerly represented shares of Common Stock that were issued and outstanding immediately prior to the Effective Time, any person who would otherwise be entitled to a fractional share of Common Stock as a result of the reclassification, following the Effective Time, shall be entitled to receive one (1) share of Common Stock. Each certificate that immediately prior to the Effective Time represented shares of Common Stock ("Old Certificates") shall thereafter represent that number of shares of Common Stock into which the shares of Common Stock represented by the Old Certificate shall have been combined, subject to the treatment of fractional shares as described above."

THIRD: This Certificate of Amendment to the Certificate of Incorporation was duly authorized and adopted by the Corporation's Board of Directors and stockholders in accordance with Section 242 of the General Corporation Law of the State of Delaware.

FOURTH: Except as specifically set forth herein, the remainder of the Certificate of Incorporation will not be amended, modified or otherwise altered.

* * *

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to the Certificate of Incorporation to be executed by Bruce M. Rodgers, its Chief Executive Officer, this 7th day of March, 2024.

LM FUNDING AMERICA, INC.

By: /s/ Bruce Rodgers

Bruce M. Rodgers

Chief Executive Officer

CERTIFICATE OF AMENDMENT TO THE
CERTIFICATE OF INCORPORATION
OF
LM FUNDING AMERICA, INC.

Adopted in accordance with the provisions
of Section 242 of the General Corporation
Law of the State of Delaware

LM Funding America, Inc., (the "Corporation"), a corporation organized and existing under the laws of the State of Delaware, by its duly authorized officer, does hereby certify:

FIRST: This Certificate of Amendment (the "Certificate of Amendment") amends the provisions of the Corporation's original Certificate of Incorporation filed with the Secretary of State of the State of Delaware on April 20, 2015, as amended on August 7, 2015, September 5, 2018, October 15, 2018, May 5, 2021, December 27, 2021, and March 7, 2024 (the "Certificate of Incorporation").

SECOND: The Certificate of Incorporation is hereby amended by adding the following paragraph to the end of Article IV thereof as a new Article IV, Section 6:

"SECTION 6. *Reverse Stock Split*. Without regard to any other provision of this Certificate of Incorporation, effective at 12:01 am, eastern time, on July 13, 2026 (the "Effective Time"), the shares of Common Stock issued and outstanding immediately prior to the Effective Time and the shares of Common Stock issued and held in treasury of the Corporation immediately prior to the Effective Time are reclassified into a smaller number of shares such that each twenty five (25) shares of issued Common Stock immediately prior to the Effective Time is reclassified into one (1) share of Common Stock. Notwithstanding the immediately preceding sentence, no fractional shares shall be issued and, in lieu thereof, upon surrender after the Effective Time of a certificate which formerly represented shares of Common Stock that were issued and outstanding immediately prior to the Effective Time, any person who would otherwise be entitled to a fractional share of Common Stock as a result of the reclassification, following the Effective Time, shall be entitled to receive one (1) share of Common Stock. Each certificate that immediately prior to the Effective Time represented shares of Common Stock ("Old Certificates") shall thereafter represent that number of shares of Common Stock into which the shares of Common Stock represented by the Old Certificate shall have been combined, subject to the treatment of fractional shares as described above."

THIRD: This Certificate of Amendment to the Certificate of Incorporation was duly authorized and adopted by the Corporation's Board of Directors and stockholders in accordance with Section 242 of the General Corporation Law of the State of Delaware.

FOURTH: Except as specifically set forth herein, the remainder of the Certificate of Incorporation will not be amended, modified or otherwise altered.

* * *

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to the Certificate of Incorporation to be executed by Bruce M. Rodgers, its Chief Executive Officer, this 8th day of July, 2026.

LM FUNDING AMERICA, INC.

By: /s/ Bruce M. Rodgers
Name: Bruce M. Rodgers
Title: Chief Executive Officer

CERTIFICATE OF AMENDMENT TO THE
CERTIFICATE OF INCORPORATION
OF
LM FUNDING AMERICA, INC.

Adopted in accordance with the provisions
of Section 242 of the General Corporation
Law of the State of Delaware

LM Funding America, Inc., (the "Corporation"), a corporation organized and existing under the laws of the State of Delaware, by its duly authorized officer, does hereby certify:

FIRST: This Certificate of Amendment (the "Certificate of Amendment") amends the provisions of the Corporation's original Certificate of Incorporation filed with the Secretary of State of the State of Delaware on April 20, 2015, as amended on August 7, 2015, September 5, 2018, October 15, 2018, May 5, 2021, December 27, 2021, March 7, 2024 and July 9, 2026 (the "Certificate of Incorporation").

SECOND: The Certificate of Incorporation is hereby amended as follows:

"The name of the Corporation is PowerCompute, Inc. (the "Corporation")."

THIRD: This Certificate of Amendment to the Certificate of Incorporation was duly authorized and adopted by the Corporation's Board of Directors in accordance with Section 242 of the General Corporation Law of the State of Delaware.

FOURTH: This Certificate of Amendment shall be effective at 12:01 a.m. Eastern Time on July 22, 2026.

FIFTH: Except as specifically set forth herein, the remainder of the Certificate of Incorporation will not be amended, modified or otherwise altered.

* * *

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to the Certificate of Incorporation to be executed by Bruce M. Rodgers, its Chief Executive Officer, this 20th day of July, 2026.

LM FUNDING AMERICA, INC.

By: /S/ Bruce M. Rodgers

Name: Bruce M. Rodgers

Title: Chief Executive Officer

INDUSTRIAL POWER CONTRACT
Between
U S Digital Mining Mississippi LLC
And
Columbus Light and Water

Date: September 16, 2026 Contract No.:217260-136802-2 THIS CONTRACT, made and entered into by and between US Digital Mining Mississippi LLC ("Company"), a corporation created and existing under and by virtue of the laws of the State of Mississippi, and Columbus Light and Water ("Distributor"), a municipality created and existing under and by virtue of the laws of the State of Mississippi;

W I T N E S S E T H:

WHEREAS, Company is constructing facilities at: 249 Datco Industrial Drive, Columbus, Mississippi; and has requested that Distributor supply the firm power and energy requirements for said facilities; and

WHEREAS, Company and Distributor wish to agree upon the terms and conditions under which a specified amount of firm power will be made available by Distributor to Company for the operation of Company's facilities;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, the parties agree as follows:

ARTICLE 1
SCOPE

Distributor will supply electric power and energy to Company, and Company will purchase, receive and pay Distributor for such electric power and energy in accordance with this Contract.

ARTICLE 2
EFFECTIVE DATE, TERM AND TERMINATION

2.1 Effective Date

This Contract shall become effective as of 0000 hours Central Prevailing Time on October 1, 2026; provided, however, that the provisions of this Contract for the delivery of power and energy shall be effective on the date the Distributor Facilities (as defined in Section 5.1) and the facilities to be constructed by the Company necessary to take delivery of power and energy are completed and placed into service ("In-Service Date").

2.2 Term and Termination of Contract

This Contract shall continue in effect for an initial term of five years from the In-Service Date and may be terminated by either party following one (1) year written notice to the other party. Such one (1) year notice to terminate can be given at any time following year five (5) of the initial term. A renewal of five (5) years as agreed upon by both parties.

Further, it is also expressly recognized that this Contract may be terminated by Distributor, or power supply from Distributor under this Contract may be suspended, in accordance with the Distributor Policies and Procedures attached hereto in Exhibit D.

If Company should give notice of termination hereunder, Distributor shall be under no obligation from the date of receipt of such notice to make or complete any additions to or changes in any transformation or distribution facilities for service to Company unless Company agrees to reimburse Distributor for its non-recoverable costs in connection with the making or completion of such additions or changes.

2.3 Early Termination Applicability

If either party terminates this Contract prior to the expiration of the initial term in a manner not consistent with Section 2.2 (Term and Termination of Contract) including termination by the Company before completion of the fourth (4th) year of the initial term, or without providing at least one (1) year prior written notice—an Early Termination Penalty shall apply.

2.4. Calculation of Penalty

The Early Termination Penalty shall be equal to (i) all fixed and demand-related charges that would have been payable for the remaining portion of the initial term, based on the Customer's average monthly billing during the preceding twelve (12) months; and (ii) any direct costs incurred by the Distributor as a result of early termination, including but not limited to purchased power obligations, transmission or capacity commitments, and other non-recoverable expenses reasonably attributable to the Contract.

2.5 Payment of Penalty

The Early Termination Penalty shall be invoiced by the Distributor and shall be due and payable within thirty (30) days following the effective date of termination. Any unpaid amounts are subject to the provisions as specified in Exhibit A (Large Data Service Rate- Schedule DCB) of this Contract.

2.6 Limitation

No Early Termination Penalty shall apply if termination occurs after completion of the fourth (4th) year of the initial term and in accordance with the one (1) year notice provisions of Section 2.2 (Term and Termination of Contract).

ARTICLE 3
POWER SUPPLY

3.1 On-peak Contract Demand

Distributor will make available to Company **300 kW** of firm power during the hours designated as on-peak hours in the Rate Schedule, which amount shall be the "onpeak contract demand."

3.2 Off-peak Contract Demand

Distributor will make available to Company **11,000 kW** of firm power during the hours designated as off-peak hours in the Rate Schedule, which amount shall be the "off-peak contract demand."

3.3 Maximum Contract Demand

This contract allows a maximum demand not exceeding **11,000 kW**. The Company shall not take electric power in excess of such maximum demand except by agreement of Distributor, but nothing herein contained shall be construed to relieve Company of the obligation to pay for such amounts of electric power as may actually be taken.

ARTICLE 4
RATES

4.1 Rate Schedule

Rate Schedule shall mean the Distributor's Large Data Service Rate, **Schedule DCB**, which is attached to and made a part of this Contract as Exhibit A, as it may be modified, changed, replaced, or adjusted from time to time as provided under contractual arrangements between Distributor and TVA, Distributor's supplier of power.

The power and energy made available for Company hereunder shall be purchased and paid for by Company in accordance with the provisions of said Rate Schedule.

4.2 Meter-Reading Time

Meter-Reading Time for any calendar month shall mean 0000 hours Central Prevailing Time ("CPT") on the first day of the following calendar month, except that Distributor may change the time and date of the meter reading upon notice to Company.

4.3 Monthly Payment of Charges

Company shall pay Distributor monthly for power and energy available under this Contract. Each and every charge and payment provided for under this Contract shall be separate and cumulative and except as otherwise provided shall be in accordance with the rates and provisions of the Rate Schedule.

4.4 Minimum Bill

The minimum bill for power and energy for any billing period shall be the minimum bill specified in the Rate Schedule.

4.5 Conflicts

In case of conflict between the Rate Schedule and the body of this Contract, the Contract shall control. In case of conflict between the Rate Schedule and the Rules and Regulations, the Rate Schedule shall control.

ARTICLE 5
FACILITIES ARRANGEMENTS AND RECOVERY OF CAPITAL COSTS

5.1 Facilities Arrangements

Exhibit B (Power Supply Single Line) is attached to and made a part of this Contract. Exhibit B is a configuration sketch which depicts, at a very high level, the major equipment and facilities to be installed by the Distributor. Distributor will install, own, operate, and maintain the substation, distribution facilities and related improvements necessary to transform the power and energy from 13,090 volts to the service voltages indicated in paragraph 6.1 below as shown on Exhibit B ("Distributor Facilities"). The Distributor Facilities include facilities to provide electric service to Company (which will be paid for by Company as provided below) and facilities to serve Distributor's electric system (which will not be paid for by Company). The In-Service Date shall be on or before September 16, 2025.

5.2 Capital Costs

5.2.1 Capital Costs. Capital Costs shall be defined as the actual cost of constructing the Distributor Facilities. Capital Costs shall be the total of the following: a) cost of equipment purchased by Distributor for the Distributor Facilities ("Distributor Purchased Equipment"); b) construction costs to erect and install equipment in the Distributor Facilities, including the cost of equipment and materials provided by the Contractor ("Construction Costs"); c) cost of surveying, engineering, and construction administration; and d) cost of final acceptance testing and commissioning.

5.2.2 Determination of Capital Costs. Distributor has allocated the estimated cost of the Distributor's Facilities between the Company and Distributor as shown in Exhibit C. The Company's share of such costs (the "Company's Capital Costs") is to be paid by the Company. The Company's Capital Costs are estimated to be $0.

5.3 Default

In the event Company fails to perform any of its obligations under the terms of this Contract, including but not limited to failing to make any payment due under the terms of this Contract, then Company shall be in default. Distributor may make written demand on Company to cure any such default and Company shall have a period of thirty days to cure any such default. If Company cures the default within thirty (30) days from receipt of the demand from Distributor, then this Contract shall remain full force and effect. In the event Company does not cure the default within thirty (30) days upon receipt of the demand, then this Contract shall terminate and Distributor may pursue collection of costs and expenses as provided for herein.

In the event of termination for default, Company shall also be liable for all damages incurred by Distributor caused by Company's default and costs and expenses of pursuing collection of any and all sums due Distributor including reasonable attorney's fees.

Demand for purposes of this Contract shall be deemed made when Distributor delivers or mails a written demand to cure default either by personal delivery, by United States Mail, or by other expedited delivery to the address provided by the Company for Notices to be sent as set out in this Contract. Notice shall also be deemed to have been given in the event such delivery or mail comes back "refused" or "non-deliverable" from such address.

ARTICLE 6
CONDITIONS OF DELIVERY

6.1 Delivery Point

The point of delivery for power and energy made available under this Contract shall be the point of interconnection between the Distributor's 13.09 kV load side primary bushings of each of Distributor's primary metering current transformers and the Company's 13.09 kV primary overhead conductors.

6.2 Delivery Voltage and Frequency

The power made available at the Delivery Point specified in this Contract shall be in the form of three-phase alternating current, 13.09kV nominal, and at a frequency of approximately 60 hertz. To avoid unusual fluctuations or disturbances on Distributor's system, Company shall meet the minimum requirements specified by Distributor for voltage flicker, harmonics (such as harmonic current distortion), and other electrical characteristics consistent with generally accepted electric utility industry practices (such as ANSI C84.1 – 2020, American National Standard for Electric Power Systems and Equipment – Voltage Ratings (60 Hertz) and IEEE 519-2022 Standard for Harmonic Control in Electric Power Systems). Company shall provide, at its expense, suitable apparatus that will reasonably meet such Distributor requirements.

Maintenance by Distributor at the Delivery Point of the above-stated frequency and voltage within the above-stated limits shall constitute availability of power for purposes of this Contract.

6.3 Phase Balancing

Company shall endeavor to take and use power and energy in such manner that the current will be reasonably balanced on all three phases. In the event that any check indicates that the current on the most heavily loaded phase exceeds the current on either of the other phases by more than twenty percent (20%), Company shall make at its expense, upon request by the Distributor, the changes necessary to correct the unbalanced condition. If an unbalanced condition is not corrected within 60 days, or such other period as may be agreed upon, Distributor may elect to meter the load on individual phases and compute the total demand as being equal to three (3) times the maximum kW load on any phase. For all purposes under this Contract, the load on any phase shall be the load measured by a wattmeter connected with its current coil in that phase wire and its potential coil connected between that phase wire and the neutral voltage point.

6.4 Protective Equipment

Distributor shall not be obligated to provide equipment for the protection of Company's lines, facilities, or equipment, but Distributor may provide such protective equipment as it deems necessary for the protection of its own property and operations. The electrical equipment installed by Company shall, in Distributor's sole judgment, be capable of satisfactory coordination with any protective equipment installed by Distributor. Company shall exercise all reasonable precautions and install all equipment necessary to limit its total demand to the amount to which it is entitled under this Contract.

6.5 Facilities

Company grants to Distributor for its use and without cost, such rights in, on, over, and across Company's property as may be necessary or desirable to permit the maintenance, operation, repair, and replacement of Distributor's electrical facilities required to serve Company. Such rights shall be subject to Company's safety and security rules and regulations, which are provided to Distributor. Notwithstanding anything in this Contract which might be construed to the contrary, any of the electric substation facilities used in supplying power to Company under this Contract may be used in serving other loads in any manner which Distributor may deem necessary or desirable; provided, however, that in exercising such right of ingress and egress the Distributor will use regularly

established roads or passageways and provide the Company the names of individuals entering the Company's property.

6.6 Metering

6.6.1 Determination of Power and Energy. Distributor shall be responsible for the installation and maintenance of the meters and associated equipment which in Distributor's judgment are needed to determine the amounts of power and energy used by Company.

6.6.2 Metering Outputs. Should Company desire access to wetted contact "kyz" pulse metering outputs from the Distributor's metering installation for such purposes as monitoring and load control; TVA and Distributor are willing to make such access available to Company. Accordingly, Distributor may, if requested by Company in writing, provide and install at Company's expense such additional facilities as are necessary for Company to access to "kyz" pulse metering outputs at the Distributor's metering installation.

6.6.2.1 Noninterference with Metering. In exercising access to metering outputs Company shall not interfere with any operation, use of, or access to the metering installation by Distributor or TVA. In this regard Company agrees to immediately modify its facilities and operations in any manner as may be requested by Distributor or TVA to avoid any such interference.

6.6.2.2 No Warranty of Outputs. Neither Distributor nor TVA makes any statement, representation, claim, guarantee, assurance, or warranty of any kind whatsoever, including, but not limited to, representations or warranties, express or implied, (a) as to the accuracy or completeness of the metering outputs or as to such outputs' merchantability or fitness for any purposes for which Company uses or will use them or (b) as to quantity, kind, character, quality, capacity, design, performance, compliance with specifications, condition, size, description of any property, merchantability, or fitness for any use or purpose of any facilities through which the metering outputs are supplied. Company hereby waives, and releases Distributor, the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, those for consequential damages, arising out of or in any way connected with Company's use of the metering outputs.

6.7 Conditions of Delivery

Company shall not use electric service furnished by Distributor in such a manner as to cause excessive voltage fluctuations or distortions on Distributor's electric system. Example sources of excessive voltage fluctuations and distortions shall include but are not limited to motor loads and processes which cause flicker, harmonic producing loads, and capacitor applications interacting with the Distributor's system. Company shall not install and operate equipment that creates harmonic current or transients that cause excessive distortion to Distributor's sinusoidal voltage waves. Determination of Company generated voltage fluctuations and waveform distortion will be made solely at Distributor's discretion, by Distributor, based on standards and policies adopted by Distributor. Distributor may, as a condition of providing service, or as a condition of continuance of service, require Company at Company's own expense to provide suitable apparatus that will limit such fluctuations and distortions to levels deemed appropriate by Distributor. In the event of Company's inability or refusal to remedy or rectify Distributor's concerns, Distributor may discontinue service.

It is also expressly recognized that the electric power and energy supplied under this Contract are supplied upon the condition that after they pass the Delivery Point, the power and energy become the responsibility of the Company. Accordingly,

6.7.1 Distributor shall not be liable for loss or damage to any person or property whatsoever, resulting directly from the use, misuse, or presence of said electric power and energy after its Delivery Point, except to the extent that in the absence of this item Distributor would otherwise be liable for such loss or damage if it is shown to have been occasioned by the negligence or legal fault of Distributor or its agents or employees; and

6.7.2 Company shall not be liable for loss or damage to any person or property whatsoever, resulting directly or indirectly from the use, misuse or presence of said electric power and energy prior to the Delivery Point, except to the extent that in the absence of this item Company would otherwise be liable for such loss or damage if it is shown to have been occasioned by the negligence or legal fault of Company or its agents or employees.

6.8 Interference With Availability of Power

The term "force majeure" shall be deemed to be a cause reasonably beyond the control of Distributor and TVA, such as, but without limitation to, injunction, administrative order, strike of employees, war, invasion, pandemic, fire, accident, floods, backwater caused by floods, acts of God, or inability to obtain or ship essential services, materials, or equipment because of the effect of similar causes on suppliers or carriers. Acts of God shall include without limitation the effects of drought if the drought is of such severity as to have a probability of occurrence not more often than an average of once in forty (40) years.

It is recognized by the parties that the availability of power to Company may be interrupted or curtailed from time to time during the term of this Contract because of force majeure or otherwise. Company shall be solely responsible for providing and maintaining such equipment in its plant and such emergency operating procedures as may be required to safeguard persons on its property, its property, and its operations from the effects of such interruptions or curtailments. Company assumes all risk of loss, injury, or damage to Company resulting from such interruptions or curtailments.

ARTICLE 7
POLICIES AND PROCEDURES

The electric power and energy made available to the Company by the Distributor under this Contract shall be delivered, taken, and paid for in accordance with the terms of this Contract and the Policies and Procedures (as amended, supplemented, or replaced), attached hereto in Exhibit D and hereby made a part hereof. In the event of any conflict between the provisions of the Distributor Policies and Procedures and the other provisions of this Contract, the latter shall control.

SECTION 8
INSURANCES

Both Company and Distributor shall maintain, in full force and effect for the entire term of this Agreement, Liability Insurance for Personal Injury and Property damage. A copy of Company’s and Distributor’s respective Certificates of Insurance are attached hereto in Exhibit E. Company has the right to request and the Distributor furnish the Company an up-to-date Certificate of Insurance upon request. Correspondingly, Distributor has the right to request and the Company furnish the Distributor an up-to-date Certificate of Insurance upon request.

SECTION 9
INCORPORATION OF APPENDICES

The attached Appendices are made a part of this Contract. In the event of any conflict between the body of this Contract and the Appendices, the Contract shall control.

ARTICLE 10
ASSIGNMENT OF CONTRACT

Company shall not assign this Contract without written notification to Distributor.

ARTICLE 11
WAIVERS

A waiver of one or more defaults shall not be considered a waiver of any other or subsequent default.

ARTICLE 12
DUPLICATE ORIGINALS

Any number of duplicate originals of this Contract may be executed, and all such duplicates shall constitute but one and the same instrument.

ARTICLE 13
NOTICES

13.1 Persons to Receive Notice

Any notice required by this Contract shall be deemed properly given if mailed, postage prepaid, or emailed and confirmed by telephone call, to:

Todd Liebel, Vice President
US Digital Mining Mississippi LLC
1200 W. Platt Street Suite 100
Tampa, FL 33606
TLiebel@Power-Compute.com
941-993-7577

on behalf of Company; or to

Angela Verdell, General Manager
PO Box 949
Columbus MS 39703
Averdell@columbus-lw.com
662-328-7192

on behalf of Distributor.

13.2 Changes in Persons to Receive Notice

The designation of the person to be so notified, or the address of such person, may be changed at any time and from time to time by either party by similar notice.

IN WITNESS WHEREOF, the parties to this Contract have caused it to be executed by their duly authorized representatives, as of the day and year first above written.

US Digital Mining

By *Todd*

Name: Todd Liebel
Title: Vice President

Date September 30, 2026

Columbus Light & Water

By Angela G. Verdell

Name: Angela Verdell
Title: General Manager

Date 9/30/2026

EXHIBIT A
LARGE DATA SERVICE RATE- SCHEDULE DC

COLUMBUS LIGHT & WATER
LARGE DATA SERVICE RATES-SCHEDULE DC
(October 2026)

Availability

These rates and requirements shall apply to the electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 5,000 kW, and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are (1) classified with 2022 North American Industry Classification System (NAICS) subsector codes 518 or 519 (but excluding 519210), (2) classified with 2022 NAICS codes 522320 or 541214, or (3) used, in TVA's sole judgment, for the operation of computational equipment; provided that the other conditions of this section are met.

Service under this rate schedule is subject to any certification requirements as TVA may require.

Any customer taking service under this rate schedule is subject to the Capacity Commitment Charge Rider ("CCC Rider") for any new or expanded load. Prior to the effective date of any contract for new or expanded load, any charge calculated under the CCC Rider must be paid by the customer to TVA in accordance with payment instructions and terms provided by TVA. Additionally, prior to entering into any contract for power for new or expanded load, Distributor must notify and consult with TVA. Distributor and customer will contract with TVA, as deemed necessary by TVA, to provide for any TVA-required conditions applicable to delivery of power and energy from TVA to Distributor and from Distributor to customer. Such conditions may include, but are not limited to, power interruption provisions and operating restrictions and guidelines, or installation of special power regulation equipment.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA-furnished or TVA-approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

The DCB rates below shall apply to customers with an onpeak or offpeak contract demand, whichever is higher, greater than 5,000 kW, but not more than 15,000 kW; DCC rates below shall apply to customers with an onpeak or offpeak contract demand, whichever is higher, greater than 15,000 kW, but not more than 25,000 kW; DCD rates below shall apply to customers with an onpeak or offpeak contract demand, whichever is higher, greater than 25,000 kW.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

The base charges for DCB, DCC, and DCD are set forth under the Base Charges Attachment to the rate schedule. Any references to the Base Charges section for this Schedule DC or the DCB, DCC, and DCD rates will be deemed to include the Base Charges Attachment.

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective onpeak or offpeak contract demand, whichever is higher, and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of $1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of $1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, Onpeak hours for each day shall for purposes of this rate schedule be from 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. For all other hours of each day and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and, in each case, shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour.

Except as provided below, (1) the onpeak billing demand shall be the highest onpeak metered demand in the month, (2) the offpeak billing demand shall be the highest offpeak metered demand in the month, and (3) the maximum billing demand shall be the higher of the onpeak billing demand or offpeak billing demand in the month.

The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months.

The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted, applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, applicable to maximum billing demand applied to the to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled “Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts.” Notwithstanding the foregoing, amounts calculated under any fuel cost adjustment

that is included in the Adjustment Addendum shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

Excess demand charges are excluded from this calculation.

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract for customers served under DCB and DCC rates shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The contract for customers served under DCD rates shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 5 years; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 16 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Prior to entering into any contract for power for new or expanded load, Distributor must notify and consult with TVA. Distributor and Company will contract with TVA, as deemed necessary by TVA, to provide for any TVA-required conditions applicable to delivery of power and energy from TVA to Distributor and from Distributor to the customer.

The contract demand amounts and applicable rates specified in the contract may be adjusted by TVA as provided under this paragraph. For customers served under DCB, DCC, or DCD rates, beginning October 1, 2027, and occurring each October 1 thereafter, TVA will calculate the customer's highest onpeak and offpeak billing demand, established in the preceding 36 months. In the event that the customer's onpeak and/or offpeak billing demand is below 75% of the onpeak or offpeak contract demand, which is higher, TVA will provide at least 60 days' written notice of an adjustment to the onpeak and/or offpeak contract demands. Said adjustment to the onpeak and/or offpeak contract demands would be established by dividing the customer's highest onpeak or offpeak billing demand from the preceding 36 months by 0.75. Distributor will promptly notify the customer, in writing, of the adjusted contract demand amounts and the TVA-specified effective date. In the event the adjustment of the contract demand warrants the customer being served under a different rate schedule, the applicable rate schedule will be attached to said notice. Within 30 days of the date of the notice from TVA, Distributor may submit to TVA a request for a one-year exemption due to force majeure or other events outside of the customer's control that are impacting the onpeak or offpeak billing demand. TVA will approve such request so long as (1) the customer has previously met or exceeded 75% of its onpeak or offpeak contract demand, whichever is higher, and (2) customer demonstrates, to TVA's satisfaction, customer's plan for meeting or exceeding 75% of its contract demand.

The requirement set forth in preceding paragraph shall not apply to customers that have been supplied with service through a single-point of delivery for less than ten years. The requirement set forth in the preceding paragraph also shall not apply to federal customers whose primary use of power supports activities essential to national defense. For purposes of this provision, a customer's use of power shall be considered in support of national defense when the predominant use of electricity directly

enables activities, operations, or facilities determined by TVA to be directly tied to national defense needs.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of the bill that is unpaid after the due date specified on bill may be subject to additional charges under Distributor's standard policy. Failure by the customer to pay to TVA any amount due under the CCC Rider will be deemed a failure by the customer to have paid its power bill and all remedies available for non-payment of the power bill will be applicable for any amount due.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

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Base Charges Attachment

Any customer taking service under this rate schedule is subject to the Capacity Commitment Charge Rider for any new or expanded load. Prior to the effective date of any contract for new or expanded load, any charge calculated under the Capacity Commitment Charge Rider must be paid by the customer to TVA in accordance with payment instructions provided by TVA.

As used in this Base Charges Attachment, amounts designated in the format “Rate-FY27”, “Rate-FY28”, and “Rate-FY29+” shall be applied in the following manner: Rate-FY27 will be applicable for the period of October 2026 through September 2027; Rate-FY28 will be applicable for the period of October 2027 through September 2028; and Rate-FY29+ will be applicable for the period of October 2028 onward. All rate amounts, regardless of whether they are in effect at the time, continue to be subject to the Adjustments section of this rate schedule.

	DCB	DCC	DCD	
Customer Charge	$1,500.00	$1,500.00	$1,500.00	per delivery point per month
Administrative Charge	$350.00	$350.00	$350.00	per delivery point per month

Demand Charges

		DCB-FY27 ($/kW)	DCB-FY28 ($/kW)	DCB-FY29+ ($/kW)	
Summer Period	Onpeak Demand	11.27	12.20	13.13	per month of onpeak billing demand
	Maximum Demand	1.81	1.96	2.09	per month of maximum billing demand
	Excess Demand	11.27	12.20	13.13	per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer’s offpeak billing demand exceeds its offpeak contract demand, whichever is higher.
Winter Period	Onpeak Demand	10.19	11.02	11.87	per month of onpeak billing demand
	Maximum Demand	1.81	1.96	2.09	per month of maximum billing demand
	Excess Demand	10.19	11.02	11.87	per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer’s offpeak billing demand exceeds its offpeak contract demand, whichever is higher.
Transition Period	Onpeak Demand	10.19	11.02	11.87	per month of onpeak billing demand
	Maximum Demand	1.81	1.96	2.09	per month of maximum billing demand
	Excess Demand	10.19	11.02	11.87	per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer’s offpeak billing demand exceeds its offpeak contract demand, whichever is higher.

		DCC-FY27 ($/kW)	DCC-FY28 ($/kW)	DCC-FY29+ ($/kW)	
Summer Period	Onpeak Demand	11.27	12.20	13.13	per month of onpeak billing demand
	Maximum Demand	1.30	1.45	1.58	per month of maximum billing demand
	Excess Demand	11.27	12.20	13.13	per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher.
Winter Period	Onpeak Demand	10.19	11.02	11.87	per month of onpeak billing demand
	Maximum Demand	1.30	1.45	1.58	per month of maximum billing demand
	Excess Demand	10.19	11.02	11.87	per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher.
Transition Period	Onpeak Demand	10.19	11.02	11.87	per month of onpeak billing demand
	Maximum Demand	1.30	1.45	1.58	per month of maximum billing demand
	Excess Demand	10.19	11.02	11.87	per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher.

		DCD-FY27 ($/kW)	DCD-FY28 ($/kW)	DCD-FY29+ ($/kW)	
Summer Period	Onpeak Demand	11.27	12.20	13.13	per month of onpeak billing demand
	Maximum Demand	1.19	1.34	1.47	per month of maximum billing demand
	Excess Demand	11.27	12.20	13.13	per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher.

		DCD-FY27 ($/kW)	DCD-FY28 ($/kW)	DCD-FY29 ($/kW)	
Winter Period	Onpeak Demand	10.19	11.02	11.87	per month of onpeak billing demand
	Maximum Demand	1.19	1.34	1.47	per month of maximum billing demand

		DCD-FY27 ($/kW)	DCD-FY28 ($/kW)	DCD-FY29 ($/kW)	
	Excess Demand	10.19	11.02	11.87	per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher.
Transition Period	Onpeak Demand	10.19	11.02	11.87	per month of onpeak billing demand
	Maximum Demand	1.19	1.34	1.47	per month of maximum billing demand
	Excess Demand	10.19	11.02	11.87	per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher.

Energy Charges

		DCB-FY27 (¢/kWh)	DCB-FY28 (¢/kWh)	DCB-FY29+ (¢/kWh)	
Summer Period	Onpeak Hours	6.084	6.595	7.106	per month for all metered onpeak kWh
	Offpeak Hours Block 1	3.484	3.781	4.077	per month for the first 200 hours use of metered onpeak demand multiplied by the ratio of offpeak energy to total energy
	Offpeak Hours Block 2	0.22	0.248	0.275	per month for the next 200 hours use of metered onpeak demand multiplied by the ratio of offpeak energy to total energy
	Offpeak Hours Block 3	0.011	0.022	0.031	per month for the hours use of metered onpeak demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
	Minimum Offpeak Energy	3.484	3.781	4.077	per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy

Winter Period	Onpeak Hours	4.873	5.284	5.695	per month for all metered onpeak kWh
	Offpeak Hours Block 1	3.73	4.047	4.364	per month for the first 200 hours use of metered onpeak demand multiplied by the ratio of offpeak energy to total energy
	Offpeak Hours Block 2	0.22	0.248	0.275	per month for the next 200 hours use of metered onpeak demand multiplied by the ratio of offpeak energy to total energy
	Offpeak Hours Block 3	0.011	0.022	0.031	per month for the hours use of metered onpeak demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
	Minimum Offpeak Energy	3.73	4.047	4.364	per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy
Transition Period	Onpeak Hours	3.825	4.15	4.474	per month for all metered onpeak kWh
	Offpeak Hours Block 1	3.825	4.15	4.474	per month for the first 200 hours use of metered onpeak demand multiplied by the ratio of offpeak energy to total energy
	Offpeak Hours Block 2	0.22	0.248	0.275	per month for the next 200 hours use of metered onpeak demand multiplied by the ratio of offpeak energy to total energy
	Offpeak Hours Block 3	0.011	0.022	0.031	per month for the hours use of metered onpeak demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
	Minimum Offpeak Energy	3.825	4.15	4.474	per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy

		DCC-FY27 (¢/kWh)	**DCC-FY28 (¢/kWh)**	**DCC-FY29+ (¢/kWh)**	
Summer Period	Onpeak Hours	6.111	6.625	7.138	per month for all metered onpeak kWh
	Offpeak Hours Block 1	3.36	3.646	3.933	per month for the first 200 hours use of metered onpeak demand multiplied by the ratio of offpeak energy to total energy
	Offpeak Hours Block 2	0.374	0.414	0.454	per month for the next 200 hours use of metered onpeak demand multiplied by the ratio of offpeak energy to total energy
	Offpeak Hours Block 3	0.374	0.414	0.454	per month for the hours use of metered onpeak demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
	Minimum Offpeak Energy	3.36	3.646	3.933	per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy

		DCC-FY27 (¢/kWh)	DCC-FY28 (¢/kWh)	DCC-FY29+ (¢/kWh)	
Winter Period	Onpeak Hours	4.856	5.266	5.676	per month for all metered onpeak kWh
	Offpeak Hours Block 1	3.605	3.912	4.218	per month for the first 200 hours use of metered onpeak demand multiplied by the ratio of offpeak energy to total energy
	Offpeak Hours Block 2	0.374	0.414	0.454	per month for the next 200 hours use of metered onpeak demand multiplied by the ratio of offpeak energy to total energy
	Offpeak Hours Block 3	0.374	0.414	0.454	per month for the hours use of metered onpeak demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
	Minimum Offpeak Energy	3.605	3.912	4.218	per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy
Transition Period	Onpeak Hours	3.701	4.016	4.33	per month for all metered onpeak kWh
	Offpeak Hours Block 1	3.701	4.016	4.33	per month for the first 200 hours use of metered onpeak demand multiplied by the ratio of offpeak energy to total energy
	Offpeak Hours Block 2	0.374	0.414	0.454	per month for the next 200 hours use of metered onpeak demand multiplied by the ratio of offpeak energy to total energy
	Offpeak Hours Block 3	0.374	0.414	0.454	per month for the hours use of metered onpeak demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
	Minimum Offpeak Energy	3.701	4.016	4.33	per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy

		DCD-FY27 (¢/kWh)	DCD-FY28 (¢/kWh)	DCD-FY29+ (¢/kWh)	
Summer Period	Onpeak Hours	5.861	6.354	6.846	per month for all metered onpeak kWh
	Offpeak Hours Block 1	3.111	3.377	3.643	per month for the first 200 hours use of metered onpeak demand multiplied by the ratio of offpeak energy to total energy
	Offpeak Hours Block 2	0.188	0.213	0.237	per month for the next 200 hours use of metered onpeak demand multiplied by the ratio of offpeak energy to total energy
	Offpeak Hours Block 3	0.123	0.142	0.162	per month for the hours use of metered onpeak demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
	Minimum Offpeak Energy	3.111	3.377	3.643	per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy

		DCD-FY27 (¢/kWh)	DCD-FY28 (¢/kWh)	DCD-FY29+ (¢/kWh)	
Winter Period	Onpeak Hours	4.605	4.994	5.383	per month for all metered onpeak kWh
	Offpeak Hours Block 1	3.354	3.64	3.926	per month for the first 200 hours use of metered onpeak demand multiplied by the ratio of offpeak energy to total energy
	Offpeak Hours Block 2	0.188	0.213	0.237	per month for the next 200 hours use of metered onpeak demand multiplied by the ratio of offpeak energy to total energy
	Offpeak Hours Block 3	0.123	0.142	0.162	per month for the hours use of metered onpeak demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
	Minimum Offpeak Energy	3.354	3.64	3.926	per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy
Transition Period	Onpeak Hours	3.45	3.744	4.038	per month for all metered onpeak kWh
	Offpeak Hours Block 1	3.45	3.744	4.038	per month for the first 200 hours use of metered onpeak demand multiplied by the ratio of offpeak energy to total energy
	Offpeak Hours Block 2	0.188	0.213	0.237	per month for the next 200 hours use of metered onpeak demand multiplied by the ratio of offpeak energy to total energy
	Offpeak Hours Block 3	0.123	0.142	0.162	per month for the hours use of metered onpeak demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
	Minimum Offpeak Energy	3.45	3.744	4.038	per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy

Capacity Commitment Charge Rider

This Capacity Commitment Charge Rider (“Rider”) will be in addition to all charges applicable under the “Large Data Service Rates -- Schedule DC” to which this Rider is attached. For applicability of this Rider, a customer (served by either the Tennessee Valley Authority (“TVA”) or a Distributor under Schedule DC) is required to pay the Capacity Commitment Charge for new or expanded load if the customer meets one or more of the following criteria:

- is a new customer that will be served by TVA or by a Distributor at a new end-use delivery point and the power consumed by the customer meets the eligibility requirements in the “Availability” section of Schedule DC;
- is a new customer that has acquired an existing end-use delivery point served by TVA or by a Distributor and the power consumed by the new customer meets the eligibility requirements in the “Availability” section of Schedule DC;
- is an existing customer that repurposes its existing end-use delivery point that was most recently utilized to consume power that met the eligibility requirements for a rate schedule other than Schedule DC and the power consumed by the customer at the repurposed delivery point meets the eligibility requirements in the “Availability” section of Schedule DC; or
- is an existing customer requesting an increase in the specified contract demand for its existing end-use delivery point and the power consumed by the customer meets the eligibility requirements in the “Availability” section of Schedule DC.

For new load requests, the Capacity Commitment Charge will only apply above the first 5 MW of contract demand. Existing loads (as defined below) may request a one-time, location-specific, 5 MW or less waiver, of the Capacity Commitment Charge for load expansions.

For customers that meet the eligibility requirements in the “Availability” section of Schedule DC, “Existing” load is not subject to the Capacity Commitment Charge. A customer’s load is considered “Existing” if:

- a customer has received TVA Board approval for power supply arrangements for a new load or expansion load prior to June 1, 2026; or
- a customer has an effective power contract for the new or expanded load with either TVA or a Distributor of TVA power prior to October 1, 2026, provided that any effective contract between a Distributor and end-use customer will only be considered “Existing” where proper coordination with TVA has occurred in accordance with the wholesale power contract.

In the event (1) Distributor and a customer enter into a new power contract, or amend an existing power contract to increase power availability, and (2) the power consumed or to be consumed by the customer meets the eligibility requirements in the “Availability” section of Schedule DC, and (3) Distributor and/or Company have not properly coordinated with TVA as required under the power contract between TVA and Distributor and other TVA-established coordination policies and procedures, then the customer’s load will be considered new or expanded load and the provisions of this Rider will apply.

The Capacity Commitment Charge is a TVA Board-approved charge calculated on a per MW basis and represents the cost of building the additional generation assets needed to serve the next MW of capacity (“Incremental Capacity Cost”) that would not be recovered through the rates provided in Large Data Service Rates -- Schedule DC. Capacity Commitment Charge payments are non-refundable.

At least once each fiscal year, the TVA Board will establish a specified MW amount of capacity available for that fiscal year (“Cohort Threshold”) and approve a Capacity Commitment Charge that will apply to the Cohort Threshold until either (a) the Cohort Threshold is met or (b) the fiscal year passes and a new Capacity Commitment Charge is established and approved by the TVA Board for the next Cohort. Available capacity (MW) in each Cohort Threshold will be applied to customers on a first-come, first-serve

basis. All customers who have secured capacity (MW) available under the Cohort Threshold will make up the “Cohort.” Each Cohort member will be subject to the same Capacity Commitment Charge and interruption requirements established by TVA (currently designated as power interruption provisions “PIP") until the date TVA no longer requires such interruption provisions (“Firm Generation Date”).

The customer will secure a spot in the then-current Cohort and the Capacity Commitment Charge for the Firm Generation Date will become fixed upon complete execution of the TVA-required contractual arrangements (under which there are Capacity Commitment Charge payment obligations) between TVA and the customer (and Distributor, if applicable). In the event customer fails to take power within five (5) years of the Firm Generation Date, the greater of 1) the Capacity Commitment Charge based on the Firm Generation Date, or 2) the then-current Capacity Commitment Charge, will apply.

For fiscal year 2027, the first Cohort Threshold is 2,000 MW (“Cohort 1”), and the Capacity Commitment Charge is $1.521 million/MW. Specific PIP requirements required by TVA will be set forth in any TVA-required contractual arrangement necessary for service to the customer. Future Cohort Thresholds and the applicable Capacity Commitment Charge will be determined by the TVA Board and applied as set out above. Future Cohort members will be subject to any interruption requirements established by TVA.

For initial implementation, the Capacity Commitment Charge will not apply to new or expanded load requests 100 MW or less that are deemed to be “inflight” in accordance with criteria established by TVA. Inflight load requests will be subject to the same PIP requirements established by TVA for Cohort 1.

EXHIBITB
POWER SUPPLY SINGLE LINE

Exhibit B

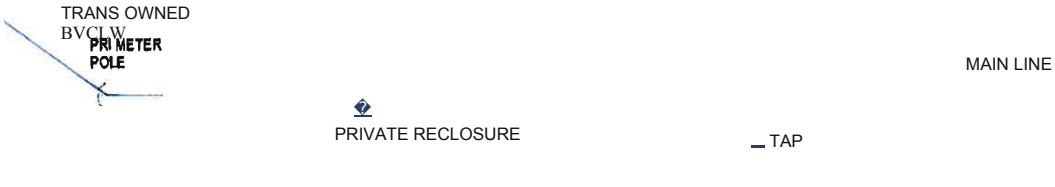

TRANS OWNED
BVCLW
PRIMETER
POLE
MAIN LINE
PRIVATE RECLOSURE
TAP
OVERHEAD LINE

Exhibit B

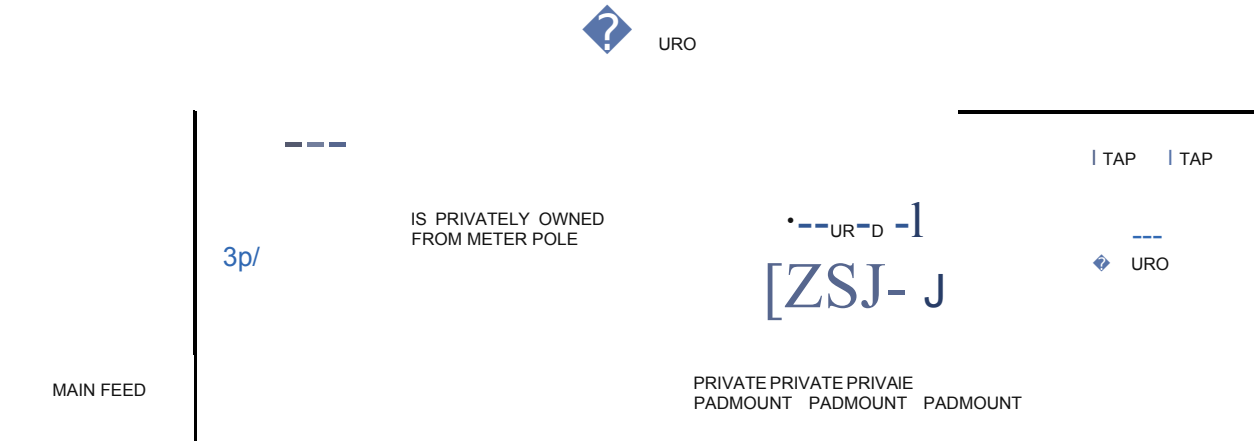


Exhibit B

SERVED FROM IN0214

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EXHIBIT C
POWER SUPPLY COST ESTIMATE
(Not Applicable)

EXHIBITD
DISTRIBUTOR POLICIES AND PROCEDURES

C.Olumbus =6
Light water

City of Columbus, MS, Light and Water Department Schedule of Rules and Regulations
Approved by Board on 4/21/16 EFFECTIVE 5/1/16

The Schedule of Rules and Regulation is part of all contracts for receiving utility service from Columbus Light and Water and applies to all services received from Columbus Light and Water, whether the service is based upon contract, agreement, signed application, or otherwise. **A** copy of this Schedule of Rules and Regulations together with a copy of Columbus Light and Water's Schedule of Standard Rates and Charges, which was approved in a public Columbus Light and Water's Utility Commissioners meeting, shall be kept open to inspection at the offices of Columbus Light and Water located at 420 4th Avenue South, Columbus, MS 39701 (or found on our website - www.columbus-lw.com. Our Customer Service Department can be reached at (662)328-7192.

1. Application for Service: Each prospective Customer desiring electric, water, or sanitary sewer service may be required to sign Distributor's standard form of application for service or contract before service is supplied by Columbus Light and Water.

2. Deposit: Suitable guarantees may include cash, certificates of deposit, letters of credit or utility bonds.
   a. Residential customer deposits shall not exceed twice the average of the highest monthly bill for all residential customers, which is calculated annually.
   b. For general power customers, a deposit shall not exceed twice the highest estimated or historical monthly bill.
   c. Customer deposits will earn interest at the same rate as Columbus Light and Water's primary bank account. Such interest will be credited to the customer's account once a year.
   d. Customer may inquire on balance of deposit and earned interest accumulated since the last credited date.
   e. Deposits for all residential customers will normally be due in full upon application for new service. If customer is not financially able to pay the deposit in full at time of application, one half will be due with the application and one half will be billed with the first month's usage billing and due according to Section 10 of these Rules and Regulations. If a financial hardship has resulted in a personal bankruptcy filing within the last 12 months, the balance of the required deposit after paying one half attime of application, can be paid in equal installments over the next 90 days.
   f. Deposit policies are to be applied without regard to race, color, creed, sex, age, national origin, or marital status.

3. Point of Delivery: The point of delivery is the point, as designated by Columbus Light and Water, on Customer's premises or right of way where service is to be delivered to building or premises. All wiring, piping and equipment beyond this point of delivery shall be provided and maintained by Customer at no expense to Columbus Light and Water.

4. Customer's Wiring-Standard: All wiring of Customer must conform to Columbus Light and Water's requirements and accepted modern standards, as exemplified by the requirements of the National Electrical Safety Code and the National Electric Code.

5. Customer's Plumbing Standard: All plumbing of Customer must conform to the City of Columbus Ordinances, Columbus Light and Water's requirements and accepted modern standards, as exemplified by the requirements of the International Plumbing Code and to follow the guidelines set forth by the State Department of Health regarding onsite wastewater disposal.

6. Inspections: Columbus Light and Water shall have the right, but shall not be obligated, to inspect any installation before electricity, water, and sewer is introduced or at any later time, and reserves the right to reject any wiring, appliances, plumbing, and fixtures not in accordance with Columbus Light and Water's standards; but such inspection or failure to inspect or reject shall not render Columbus Light and Water liable or responsible for any loss or damage resulting from defects in the installation, wiring, appliances, plumbing and fixtures, or from violation of Columbus Light and Water's rules, or from accidents which may occur upon Customer's premises.

7. Underground Electrical Service Lines: Customer desiring underground service lines from Columbus Light and Water's overhead system must bear the excess cost incident thereto. Specifications and terms for such construction will be furnished by CL&W on request.

8. Customer's Responsibility for Columbus Light and Water's Property: All meters, service connections, and other equipment furnished by Columbus Light and Water shall be, and remain, the property of Columbus Light and Water. Customer shall provide a space for and exercise proper care to protect the property of Columbus Light and Water on its premises, and, in the event of loss or damage to Columbus Light and Water's property arising from neglect of Customer to care for same, the cost of the necessary repairs or replacement shall be paid by Customer.

9. Right to Access: Columbus Light and Water's employees identified by badges and/or company uniforms shall have access to Customer's premises at all reasonable times for the purpose of reading meters, testing ,repairing, removing or exchanging any or all equipment belonging to Columbus Light and Water. If a dog or other pet is present and NOT secured away from a meter which Columbus Light and Water personnel is attempting to read, usage will be estimated for the electric/water until such time as the owner secures the animal at a safe distant from the meter. When it becomes safe to enter the yard or premise, an accurate reading will be obtained and billed accordingly.

10. Billing: Bills will be rendered monthly and shall be paid at the office of Columbus Light and Water or at other locations designated by Columbus Light and Water. Failure to receive bill will not release Customer from payment obligation. Should bills not be paid by due date specified on bill, Columbus Light and Water will send notification two (2) days after the due date to the customer of its intent to discontinue service. Ten (10) days from the date of the notification, Columbus Light and Water may discontinue service. Should the due date of bill fall on Sunday or holiday, the business day next following the due date will be held as a day of grace for delivery of payment. Columbus Light and Water will have a standard net payment period for residential customers of not less than fifteen (15) days, and for other classes of service of not less than ten (10) days, after the date of the bill. Columbus Light and Water may establish for any class of service a late payment charge of no more than five (5) percent for any portion of bill paid after the net payment period. Customers desiring to receive electronic bill presentation and electric termination notices must enroll in Columbus Light and Water's electronic notice program by completing the applicable form and consenting to its terms and conditions.

11. Discontinuance of Service by Columbus Light and Water: Columbus Light and Water may refuse to connect or may discontinue service for the violation of any of its Rules and Regulations, or for violations of any of the provisions of the Schedule of Rates and Charges or of the Customer application or contract. Columbus Light and Water may discontinue service to Customer for the theft of electrical current, water or for the appearance of current theft devices on the premises of Customer. The discontinuance of service by Columbus Light and Water for any causes as stated in this rule does not release Customer from his obligation to Columbus Light and Water for the payment of minimum bills as specified in application of Customer or contract with Customer.

    a. Extreme Weather Condition: Columbus Light and Water evaluates weather conditions daily at **www.weather.com** for Columbus, MS 39701. In the event heat advisories are issued for Columbus or the temperature is expected to be below 32 degrees Fahrenheit over a 24 hour period, Columbus Light and Water will postpone the disconnection of service of residential customers scheduled for such disconnection due to non-payment. Where disconnection is postponed due to an extreme weather condition, the postponement will not extend beyond the extreme weather condition.

    b. Medical Necessity: Upon Columbus Light and Water's medical necessity form, disconnection of service will be postponed for 30 days from the original scheduled disconnect date to allow customer time to make payment or alternative shelter arrangements. The medical necessity form must be completed by a medical doctor licensed to practice in the State of Mississippi certifying that the disconnection of electrical service would create a life threatening medical situation for the customer or other permanent resident of the customer's household. It is the responsibility of the customer to ensure that the form has been approved by Columbus Light and Water. A life threatening medical condition does not relieve a customer of the obligation to pay for services, including any late fee incurred or other applicable charges. Subsequent bills will be due as per the terms set forth in Section 10. Columbus Light and Water will only grant this postponement for termination one time per twelve month period. If full payment of the respective past due amount, including all late fees, is not received by the end of each 30-day postponement period, electrical service will be disconnected without further notice.

12. Connection, Reconnection, and Disconnection Charges: Columbus Light and Water may establish and collect standard charges to cover the reasonable average cost, including administration of connecting or reconnecting service, or disconnecting service as provided above. Higher charges may be established and collected when connections and reconnections are performed after normal office hours, or when special circumstances warrant.

13. Termination of Contract by Customer: Customers who have fulfilled their contract terms and wish to discontinue service must give at least three (3) days written notice to that effect, unless contract specifies otherwise. Notice to discontinue service prior to expiration of contract term will not relieve Customer from any minimum or guaranteed payment under contract or rate.

14. Service Charges for Temporary Service: Customers requiring electric, water, and sewer service on a temporary basis may be required by Columbus Light and Water to pay all costs for connection and disconnection incidental to the supplying and removing of service. This rule applies to circuses, carnivals, fairs, temporary construction, and the like.

15. Interruption of Service: Columbus Light and Water will use reasonable diligence in supplying electricity, water, or sewer collection, but shall not be liable for breach of contract in the event of, or for loss, injury, or damage to persons or property resulting from, interruptions in service, excessive or inadequate voltage, single-phasing, or otherwise unsatisfactory service, blockage or interruption of mains, whether or not caused by negligence.

16. Shortage of Electricity and Water: In the event of an emergency or other condition causing a shortage in the amount of electricity or water for Columbus Light and Water to meet the demand on its system, Columbus Light and Water may, by an allocation method deemed equitable by Columbus Light and Water fix the amount of electricity or water to be made available for use by Customer and/or may otherwise restrict the time during which customer may make use of electricity or water and the uses which Customer may make of service. If such actions become necessary, Customer may request a variance because of unusual circumstances including matters adversely affecting the public health, safety and welfare. If Customer fails to comply with such allocation or restriction, Columbus Light and Water may take such remedial actions as it deems appropriate under the circumstances including temporarily disconnecting service and charging additional amounts because of the excess use. The provisions of the Section entitled Interruption of Service of this Schedule of Rules and Regulations are applicable to any such allocation or restriction.

17. Fluctuations or Disturbances Caused by Customer: Electric, water, or sewer service must not be used in such a manner as to cause unusual fluctuations or disturbances to Columbus Light and Water's systems. Columbus Light and Water may require Customer, at his own expense, to install suitable apparatus which will reasonably limit such fluctuations or disturbances. Fluctuations and disturbances would include, but are not limited to, voltage fluctuations and abnormal withdrawing of water or discharging of sanitary sewer.

18. Additional Load: The service connection, transformers, water mains, sewer mains, pump stations, meters and equipment supplied by Columbus Light and Water for each Customer have definite capacity, and no addition to the equipment or load connected thereto will be allowed except by consent of Columbus Light and Water. Failure to give notice of additions or changes in load and to obtain Columbus Light and Water's consent for same shall render Customer liable for any damage to any of Columbus Light and Water's lines or equipment caused by the additional or changed installation.

19. Standby and Resale Service: All purchased electric, water, or sewer service (other than emergency or standby service) used on the premises of Customer shall be supplied exclusively by Columbus Light and Water, and Customer shall not, directly or indirectly, sell, sublet, assign, or otherwise dispose of the electric or water service or any part thereof.

20. Notice of Trouble: Customer shall notify Columbus Light and Water immediately should the service be unsatisfactory for any reason, or should there be any defects, trouble, or accidents affecting the supply of electricity, water, or sewer. Such notices, if verbal, should be confirmed in writing.

21. Non-Standard Service: Customer shall pay the cost of any special installation necessary to meet his peculiar requirements for service. This includes, but is not limited to any voltage other than standard

voltages, or for the supply of closer voltage regulation than required by standard practice and fire protection requirements.

22. Meter Tests: Columbus Light and Water will, at its own expense, make periodical test and inspections of its meters in order to maintain a high standard of accuracy. Columbus Light and Water will make additional tests or inspections of its meters at the request of Customer. If test made at Customer's request show that the meter is accurate within two (2%) percent, slow or fast, no adjustment will be made in Customer's bill, and Columbus Light and Water's standard testing charge will be paid by Customer. In case the test shows meter to be in excess of two percent (2%} fast or slow, an adjustment shall be made to Customer's bill over a period of not over thirty (30) days prior to date of such test, and cost of making test shall be borne by Columbus Light and Water. In the case of three phase metering, adjustment are subject to be made over a period not to exceed twelve (12) months.

23. Relocation of Columbus Light and Water equipment: Columbus Light and Water shall at the request of Customer, relocate or change existing Columbus Light and Water -owned equipment. Customer shall reimburse Columbus Light and Water for such changes at actual cost including appropriate overheads.

24. Billing Adjusted to Standard Periods: The demand charges and the blocks in the energy charges set forth in the rate schedules are based on billing periods of approximately one month. In the case of the first billing of new accounts (temporary service and other seasonal customers excepted) and final billings of all accounts (temporary service excepted) where the period covered by the billing involves fractions of a month, the demand charges will be adjusted to a basis proportionate with the period of time during which service is extended.

25. Information to Consumer: Columbus Light and Water will reasonably inform customers about rates and service practice policies by making such information available upon application for service and at any other time upon request. Columbus Light and Water, on request and subject to additional charges, will provide a statement of the monthly consumption for the prior months if it is reasonably ascertainable. Columbus Light and Water, as it determines appropriate, will utilize channels such as mail, newsletter, newspaper, radio, and television to inform customers about rates (both locally-initiated and initiated by IVA) and service policies. Furthermore, Columbus Light and Water will provide information regarding rates, service practice policies, dispute resolution processes, and guidelines to customers via the website and information including brochures and print media will also be available in our offices.

26. Termination of Service: Service may not be terminated for nonpayment of a bill except after affording the affected customer due process. Reasonable prior written notice (including notice of available rights and remedies) shall be given before termination of nonpayment. Customer can conta<;t a Customer Service Representative at (662)328-7192 to review the Due Process Procedures for Disputed Bills which are printed on the back of these Rules and Regulations. Included in the due process procedures are steps that will be followed after a Request to Dispute Accuracy of Bill form is properly submitted. (A copy of the Request to Dispute form can be obtained from a Customer Service Representative.) Potential remedies are prefaced with an initial investigation and, if adverse decisions are rendered, follow up escalation steps up to and including initiation of the IVA Complaint Resolution Process.

27. Scope: This Schedule of Rules and Regulations is a part of all contracts for receiving electric, water or sewer service from Columbus Light and Water, and applies to all service received from Columbus Light and Water, whether the service is based upon contract agreement application, or otherwise. A copy of this schedule, together with a copy of Columbus Light and Water's Schedule of Rates and Charges, shall be kept open to inspection at the offices of Columbus Light and Water.

28. Revisions: These Rules and Regulations may be revised, amended, supplemented, or otherwise changed from time to time, without notice. Such changes when effective shall have the same force as the present Rules and Regulations.

29. Conflict: In case of conflict between any provision of any rate schedule and the Schedule of Rules and Regulations, the rate schedule shall apply.

DUE PROCESS PROCEDURES FOR DISPUTED BILLS !4/111s1

I. Give customer written Request to Dispute Accuracy of Bill

A. Included in Request to Dispute Accuracy of Bill

1. Contact name and phone number at main office
2. Last day to pay to avoid termination
3. Specific details of dispute by service type

B. Upon receipt of completed Request form

1. Investigation by Columbus Light and Water personnel
2. Findings and initial decision rendered to customer in writing within 5 business days

a)If dispute is successful, amount of adjustment will be quantified and entered to account-net amount to be paid before termination date on Request form

b) If dispute is unsuccessful, pay bill before termination date on request form -See II.

II. Options if Unsuccessful Dispute from Investigation

A. Close request to dispute.

8. Escalate adverse decision rendered from initial investigation to General Manager (GM) for his review

C. Findings and follow up decision rendered to customer in writing

1. If dispute is successful, amount of adjustment will be quantified and entered to account for offset against next bill
2. If dispute is unsuccessful, see Ill.

III. Options if Unsuccessful Dispute from GM Review

A. Close request to dispute

B. Escalate adverse decision from second review to Board of Commissioners.

1. Request dispute to be placed on meeting agenda for the next regularly scheduled boa rd meeting
2. Board will review facts and render decision

C. Findings and follow up decision rendered to customer in writing

1. If dispute is successful, amount of adjustment will be quantified and entered to account for offset against next bill
2. If dispute is unsuccessful, initiate TVA Customer Resolution Process in 1 of 3 ways:

- Email: complaintresolution@tva.gov OR Call: 1-888-289-8409 OR www.tva.com/complaintresolution

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Bruce Rodgers, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PowerCompute, Inc.;

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.

November 16, 2026

/s/ Bruce Rodgers
Bruce Rodgers
Chief Executive Officer
(Principal Executive Officer)

A signed original of this document has been provided to PowerCompute, Inc. and will be retained by PowerCompute, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Richard Russell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PowerCompute, Inc.;

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.

November 16, 2026

/s/ Richard Russell
Richard Russell
Principal Financial and Accounting Officer

A signed original of this document has been provided to PowerCompute, Inc. and will be retained by PowerCompute, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.1

Written Statement of the Chief Executive Officer

Pursuant to 18 U.S.C. Section 1350

Solely for the purposes of complying with 18 U.S.C. ss.1350, I, the undersigned Chief Executive Officer of PowerCompute, Inc. (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2026 as filed with the Securities and Exchange Commission on November 16, 2026 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Bruce Rodgers

Bruce Rodgers
Chief Executive Officer
(Principal Executive Officer)
November 16, 2026

A signed original of this document has been provided to PowerCompute, Inc. and will be retained by PowerCompute, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Written Statement of the Chief Financial Officer

Pursuant to 18 U.S.C. Section 1350

Solely for the purposes of complying with 18 U.S.C. ss.1350, I, the undersigned Chief Financial Officer of PowerCompute, Inc. (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2026 as filed with the Securities and Exchange Commission on November 16, 2026 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Richard Russell

Richard Russell
Principal Financial and Accounting Officer
November 16, 2026

A signed original of this document has been provided to PowerCompute, Inc. and will be retained by PowerCompute, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.