



DMG Blockchain Solutions Reports First Quarter 2026 Financial Results

VANCOUVER, British Columbia, Feb. 25, 2026 -- DMG Blockchain Solutions Inc. (TSX-V: DMGI) (OTCQB US: DMGGF) (FRANKFURT: 6AX) ("DMG"), a vertically integrated blockchain and data center technology company, today announces its fiscal first quarter 2026 unaudited financial results. All financial references are in Canadian Dollars unless specified otherwise. Readers are encouraged to review the Company's December 31, 2025 quarterly unaudited financial statements and management's discussion and analysis thereof for an assessment of the Company's performance and applicable risk factors, available at www.sedarplus.ca.

Q1 2026 Financial Results Highlights

- **Revenue:** \$11.2 million in Q1 2026, down 2% from \$11.4 million in Q4 2025 and down 4% from \$11.6 million in Q1 2025
- **Bitcoin Mined:** 69 bitcoin, down from 72 bitcoin in Q4 2025 and 97 bitcoin in Q1 2025
- **Hashrate:** 1.76 EH/s, up 10% from Q4 2025, with fleet efficiency of 22.0 J/T
- **Cash, Short-term Investments and Digital Assets:** \$58.6 million at the end of Q1 2026, down 10% from \$65.2 million at year-end 2025
- **Total Assets:** \$122.0 million at the end of Q1 2026, down 8% from \$132.0 million at year-end 2025
- **Net Income:** -\$2.2 million or -\$0.01 per share

DMG's CEO, Sheldon Bennett, commented, "In Q1 2026, we continued to execute on our two strategic pillars: our Core data center operations and our Core+ Digital Asset Financial Services. We are highly focused on converting our Christina Lake facility into an AI data center capable of providing at least 50 megawatts of critical IT load to fill an industry gap in available capacity. Simultaneously, we are building out our Digital Asset Financial Services, with Systemic Trust serving as the cornerstone for future revenue growth. We are actively pursuing AI off-takers and potential government partnerships, as we believe these strategic initiatives will deliver lasting value to our shareholders."

First Quarter 2026 Financial Results Review

Revenue decreased from \$11.6 million for the three months ended December 31, 2024 ("Q1 fiscal 2025") to \$11.2 million for the three months ended December 31, 2025 ("Q1 fiscal 2026"). The decrease in revenue is attributable to a \$1.8 million decrease in digital currency mining revenues, partially offset by other revenue of \$1.5 million related to an energy efficiency incentive. The decrease in mining revenue is the result of lower average Bitcoin economics in Q1 fiscal 2026 compared to Q1 fiscal 2025.

Operating and maintenance expenses for Q1 fiscal 2026 were \$6.7 million, consistent with Q1 fiscal 2025. General and administrative costs for Q1 fiscal 2026 were \$1.9 million, consistent with Q1 fiscal 2025 general and administrative costs of \$1.8 million. The main driver of the increase was higher consulting fees during Q1 fiscal 2026 as the Company makes investments in its AI strategy. Research costs for Q1 fiscal 2026 were \$0.6 million which remained relatively stable compared to \$0.6 million for Q1 fiscal 2025.

Depreciation for Q1 fiscal 2026 was \$3.5 million compared to \$4.3 million in Q1 fiscal 2025. The \$0.8 million decrease is primarily driven by the declining balance depreciation method, which results in higher depreciation charges immediately following asset activation. There were significant additions in fiscal 2023 and early in fiscal 2024 which resulted in higher depreciation expense for Q1 fiscal 2025 as compared to Q1 fiscal 2026.

Net loss decreased by \$0.9 million from a net loss of \$3.1 million for Q1 fiscal 2025 to a net loss of \$2.2 million for Q1 fiscal 2026. The reduced loss is primarily a result of a reduced operating loss resulting from the energy incentive payment and foreign exchange.

Net income/loss and comprehensive income/loss decreased by \$28.7 million from income of \$12.2 million in Q1 fiscal 2025 to a loss of \$16.5 million in Q1 fiscal 2026. This is primarily the result of a \$15.3 million unrealized revaluation gain in Q1 fiscal 2025 compared to a \$14.3 million unrealized valuation loss in Q1 fiscal 2026, partially offset by the \$0.9 million reduction in net loss.

Total assets as of December 31, 2025 were \$122.0 million (September 30, 2025 - \$132.0 million), a decrease of \$10.0 million. The decrease is attributable to the \$6.0 million decrease in valuation of its digital assets and \$3.1 million decrease in its fixed assets as a result of depreciation.

First Quarter 2026 Results Conference Call Details

The Company will host a conference call to review its results and provide a corporate update on February 26, 2026 at 4:30 PM ET. Participants should register for the call via the [link](#).

In addition to a live Q&A session via chat, management will also address pre-submitted questions. Those wishing to submit a

question may do so via email at investors@dmgblockchain.com, using the subject line 'Conference Call Question Submission,' through 2:00 PM ET on February 26, 2026.

About DMG Blockchain Solutions Inc.

DMG is a publicly traded and vertically integrated blockchain and data center technology company that manages, operates and develops end-to-end digital solutions to monetize the digital asset and artificial intelligence compute ecosystems. Systemic Trust Company, a wholly owned subsidiary of DMG, is an integral component of DMG's carbon-neutral Bitcoin ecosystem, which enables financial institutions to move bitcoin in a sustainable and regulatory-compliant manner. DMG's Blockseer Explorer is a feature-rich, freely available Bitcoin blockchain explorer, available at blockseer.com.

For more information on DMG Blockchain Solutions visit: www.dmgblockchain.com

Follow @dmgblockchain on X and subscribe to DMG's YouTube channel.

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DMG Blockchain Solutions Inc.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)

As at	Notes	December 31, 2025 (unaudited) \$	September 30, 2025 (audited) \$
ASSETS			
Current			
Cash and cash equivalents		1,014,749	1,681,448
Amounts receivable	6	3,871,117	4,045,161
Digital currency	5	48,442,743	54,440,600
Prepaid expense and other current assets		338,817	330,077
Marketable securities	8	148,853	479,426
Short-term investments	9	9,116,500	9,116,500
Assets held for sale	10	30,408	30,408
Total current assets		62,963,187	70,123,620
Long-term deposits	12	232,265	138,415
Property and equipment	11	50,315,686	53,450,285
Intangible Assets	13	1,181,414	1,181,414
Long-term investments		45,000	45,000
Amount recoverable	7	7,275,233	7,091,351
Total assets		122,012,785	132,030,085
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Trade and other payables	14	7,098,894	6,370,626
Deferred revenue		34,253	-
Current portion of lease liability	15	96,572	106,619
Current portion of loans payable	16	16,192,423	10,885,374
Total current liabilities		23,422,142	17,362,619
Long-term lease liability	15	63,227	78,296
Total liabilities		23,485,369	17,440,915
Shareholders' Equity			
Share capital	17(a)	121,833,826	121,210,082
Reserves	17(b-d)	56,087,841	56,316,695
Accumulated other comprehensive income (loss)		17,790,211	32,056,444
Accumulated deficit		(97,184,462)	(94,994,051)
Total shareholders' equity		98,527,416	114,589,170
Total liabilities and shareholders' equity		122,012,785	132,030,085

Commitments and contingencies

DMG Blockchain Solutions Inc.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars) (Unaudited)

	Notes	Three months ended	
		December 31,	
		2025	2024
		\$	\$
Revenue	19	11,174,149	11,632,825
Expenses			
Operating and maintenance costs	20(a)	6,711,491	6,679,843
General and administrative	20(b)	1,926,237	1,836,679
Stock-based compensation		586,158	678,528
Research		589,022	553,964
Bad debt recovery	6	(1,971)	(4,743)
Depreciation	11	3,476,359	4,349,470
Total expenses		13,287,296	14,093,741
Operating loss before other items		(2,113,147)	(2,460,916)
Other income (expense)			
Interest and other income	7	183,881	164,302
Provision of sales tax receivable		(486,716)	(307,739)
Foreign exchange gain (loss)		250,441	(909,389)
Unrealized gain on revaluation of digital currency		-	28,083
Realized gain on sale of digital currency	5	38,218	301,809
Gain (loss) on change in fair value of marketable securities	8	(63,088)	43,030
Net loss		(2,190,411)	(3,103,001)
Other comprehensive income (loss)			
Items that may be reclassified subsequently to income or loss:			
Unrealized revaluation gain (loss) on digital currency	5	(14,266,834)	15,319,443
Cumulative translation adjustment		602	(31,412)
Net loss and comprehensive income (loss)		(16,456,643)	12,185,030
Basic and diluted loss per share		(0.01)	(0.02)
Weighted average number of shares outstanding - basic and diluted		205,325,900	185,799,634

DMG Blockchain Solutions Inc.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars) (Unaudited)

	For the three months ended	
	December 31, 2025	December 31, 2024
OPERATING ACTIVITIES		
Net loss for the year	(2,190,411)	(3,103,001)
Non-cash items:		
Accretion	2,613	1,867
Depreciation	3,476,359	4,349,472
Share-based payments	586,158	678,528
Unrealized gain on revaluation of digital currency	-	(28,083)
Unrealized foreign exchange loss (gain)	(307,390)	926,984
Gain on disposal of assets	-	-
Unrealized loss (gain) on marketable securities	63,088	(43,030)
Impairment of non-current assets	-	(37,819)
Provision of sales tax receivable	486,716	307,739
Bad debt recovery	(1,971)	(4,743)
Digital currency related revenue	(9,508,663)	(11,266,187)
Digital currency sold	1,276,204	7,305,976
Realized gain on sale of digital currency	(38,218)	(301,809)
Non-cash interest income	(183,881)	(164,302)
Accrued interest	277,865	329,604
Changes in non-cash operating working capital:		
Prepaid expenses and other current assets	(8,740)	(65,745)
Amounts receivable	(310,701)	(101,051)
Deferred revenue	34,253	7,355
Trade and other payables	728,268	(1,523,145)
Net cash used in operating activities	(5,618,451)	(2,731,390)
INVESTING ACTIVITIES		
Purchase of property and equipment	(341,904)	(343,976)
Purchase of intangible assets	-	(276,040)
Proceeds on sale of marketable securities	267,485	-
Deposits on mining equipment	(93,850)	(9,554,087)
Net cash used in investing activities	(168,269)	(15,233,278)
FINANCING ACTIVITIES		
Proceeds from issuance of share capital	-	17,254,945
Share issuance costs	-	(1,570,875)
Proceeds from option exercises	65,395	60,913
Tax remittances on shares issued from vested RSU's	(256,664)	-
Principal lease payments	(27,730)	(15,356)
Repayment of loans payable	-	(1,000,000)
Proceeds from secured loan	5,339,020	5,829,013
Net cash provided by financing activities	5,120,021	20,558,640
Impact of currency translation on cash	-	501
Change in cash	(666,699)	2,593,972
Cash, beginning of year	1,681,448	1,679,060
Cash, end of period	1,014,749	4,273,533

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Cautionary Note Regarding Forward-Looking Information

This news release contains forward-looking information or statements based on current expectations. Forward-looking statements contained in this news release include hosting a conference call, potential AI opportunities, the Company's plan to convert its Christina Lake data center into an AI data center, the potential growth in revenue from Systemic Trust, the expected strong balance sheet to weather a crypto downturn, the Company's strategy for growth, the planned monetization of certain product and service offerings, developing and executing on the Company's products, services and business plans, the launch of products and services, events, courses of action, and the potential of the Company's technology and operations, among others, are all forward-looking information.

Future changes in the Bitcoin network-wide mining difficulty or Bitcoin hashrate may materially affect the future performance of DMG's production of bitcoin, and future operating results could also be materially affected by the price of bitcoin and an increase in hashrate and mining difficulty.

Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations, or intentions regarding the future. Such information can generally be identified by the use of forward-looking wording such as "may", "expect", "estimate", "anticipate", "intend", "believe" and "continue" or the negative thereof or similar variations. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, including but not limited to, market and other conditions, volatility in the trading price of the common shares of the Company, business, economic and capital market conditions; the ability to manage operating expenses, which may adversely affect the Company's financial condition; the ability to remain competitive as other better financed competitors develop and release competitive products; regulatory uncertainties; access to equipment; market conditions and the demand and pricing for products; the demand and pricing of bitcoin; security threats, including a loss/theft of DMG's bitcoin; DMG's relationships with its customers, distributors and business partners; the inability to add more power to DMG's facilities; DMG's ability to successfully define, design and release new products in a timely manner that meet customers' needs; the ability to attract, retain and motivate qualified personnel; competition in the industry; the impact of technology changes on the products and

industry; failure to develop new and innovative products; the ability to successfully maintain and enforce our intellectual property rights and defend third-party claims of infringement of their intellectual property rights; the impact of intellectual property litigation that could materially and adversely affect the business; the ability to manage working capital; and the dependence on key personnel. DMG may not actually achieve its plans, projections, or expectations. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future, including the demand for its products, the ability to successfully develop software, that there will be no regulation or law that will prevent the Company from operating its business, anticipated costs, the ability to secure sufficient capital to complete its business plans, the ability to achieve goals and the price of bitcoin. Given these risks, uncertainties, and assumptions, you should not place undue reliance on these forward-looking statements. The securities of DMG are considered highly speculative due to the nature of DMG's business. For further information concerning these and other risks and uncertainties, refer to the Company's filings on www.sedarplus.ca. In addition, DMG's past financial performance may not be a reliable indicator of future performance.

Factors that could cause actual results to differ materially from those in forward-looking statements include failure to obtain regulatory approval, the continued availability of capital and financing, equipment failures, lack of supply of equipment, power and infrastructure, failure to obtain any permits required to operate the business, the impact of technology changes on the industry, the impact of viruses and diseases on the Company's ability to operate, secure equipment, and hire personnel, competition, security threats including stolen bitcoin from DMG or its customers, consumer sentiment towards DMG's products, services and blockchain technology generally, failure to develop new and innovative products, litigation, adverse weather or climate events, increase in operating costs, increase in equipment and labor costs, equipment failures, decrease in the price of Bitcoin, failure of counterparties to perform their contractual obligations, government regulations, loss of key employees and consultants, and general economic, market or business conditions. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The reader is cautioned not to place undue reliance on any forward-looking information. The forward-looking statements contained in this news release are made as of the date of this news release. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Additionally, the Company undertakes no obligation to comment on the expectations of or statements made by third parties in respect of the matters discussed above.

Photos accompanying this announcement are available at

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