DMG Blockchain Solutions Reports Second Quarter 2026 Financial Results

written by Raj Shah | May 26, 2026

May 26, 2026 (Source) – DMG Blockchain Solutions Inc. (TSX-V: DMGI) (OTCQB US: DMGGF) (FRANKFURT: 6AX) ("DMG"), a vertically integrated digital asset and data center technology company, today announces its fiscal second quarter 2026 unaudited financial results. All financial references are in Canadian Dollars unless specified otherwise. Readers are encouraged to review the Company's March 31, 2026 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.

Q2 2026 Financial Results Highlights

- **Revenue:** $7.3 million, down 35% from $11.2 million in Q1 2026 and down 42% from $12.6 million in Q2 2025
- **Bitcoin Mined:** 69 bitcoin, flat versus Q1 2026 and down 25% from 91 bitcoin in Q2 2025
- **Hashrate:** 1.70 EH/s, down 4% from Q1 2026 with fleet efficiency of 21.4 J/TH, a 3% improvement
- **Cash, Short-term Investments and Digital Assets:** $47.4 million at the end of Q2 2026, down 19% from $58.6 million at the end of Q1 2026
- **Total Assets:** $109.9 million at the end of Q2 2026, down 10% from $122.0 million at the end of Q1 2026
- **Net Income:** -$3.5 million or -$0.02 per share

DMG's CEO, Sheldon Bennett, commented, "In Q2 2026, we continued

to sharpen our focus on our two strategic pillars: our Core data center operations and our Core+ Digital Asset Financial Services. Much of our effort continues to be on how adeptly we can convert our Christina Lake, BC facility to an AI data center capable of providing at least 50 megawatts of critical IT load, and we are encouraged by what we see in the market. With respect to Systemic Trust, we continue to build out the platform to offer a broad range of services that we believe will provide the best chance of success. We remain committed to these strategic initiatives, which we anticipate will deliver the most value to our shareholders."

Second Quarter 2026 Financial Results Review

Revenue for Q2 2026 was $7.3 million, compared to $12.6 million in Q2 2025. The decrease in revenue is attributable to a decrease in digital currency mining revenue of $4.9 million, which is primarily the result of a decrease in both the amount of digital currency mined and the average price of digital currency.

Operating and maintenance expenses for Q2 2026 were $5.2 million, compared to $7.6 million for Q2 2025. This decrease is primarily due to a $2.2 million decrease in utilities expenses driven by favorable non-firm electricity rates realized during the recent period and the retirement of inefficient digital currency miners.

General and administrative costs for Q2 2026 were $1.3 million, compared to $1.9 million for Q2 2025. General and administrative costs consist mostly of wages, professional fees, consulting fees and financing costs. The overall decrease of $0.6 million is attributable mainly to a decrease in consulting expenses and professional fees over the prior period.

Depreciation for Q2 2026 was $2.8 million compared to $4.3

million for Q2 2025. The relatively low level of recent additions has limited the offsetting impact on depreciation expense, contributing to the lower depreciation expense for the current period.

Net loss for Q2 2026 was $3.5 million compared to a net loss of $3.3 million for Q2 2025.

Total assets as of March 31, 2026 were $109.9 million (September 30, 2025 – $132.0 million), a decrease of $22.1 million. The decrease is mostly attributable to a $16.7 million change in the fair value of digital currency balances between the periods, as well as a reduction in property and equipment of $6.2 million, which resulted from normal course depreciation and the disposition of decommissioned miners, which was not offset by property and equipment additions during the period.

Second Quarter 2026 Results Conference Call Details

The Company will host a conference call to review its results and provide a corporate update on May 27, 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 May 27, 2026.

About DMG Blockchain Solutions Inc.

DMG is a sustainable, vertically integrated digital asset and data center technology company that develops, manages, and operates comprehensive platform solutions to monetize the blockchain and artificial intelligence (AI) ecosystems. The Company’s operations are driven by two strategic pillars: Data

Center Infrastructure (Core) and Digital Asset Software and Services (Core+). DMG is expanding its platform to include AI and sovereign compute solutions, supporting government, enterprise and research organizations across Canada.

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)					
	Notes	**As at March 31, 2026 (unaudited)**		**As at September 30, 2025 (audited)**	
ASSETS		**$**		**$**	

Current Cash and cash equivalents		546,969		1,681,448	
Amounts receivable	6	4,476,153		4,045,161	
Digital currency	5	37,772,511		54,440,600	
Prepaid expense and other current assets		199,801		330,077	
Marketable securities	8	137,313		479,426	
Short-term investments	9	9,116,500		9,116,500	
Assets held for sale	10	30,408		30,408	
Total current assets		**52,279,655**		**70,123,620**	
Long-term deposits	11	257,411		138,415	
Property and equipment	13	47,299,821		53,450,285	
Intangible assets	12	2,602,490		1,181,414	
Long-term investments	14	45,000		45,000	
Amount recoverable	7	7,459,747		7,091,351	
Total assets		**109,944,124**		**132,030,085**	
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Trade and other payables	15	5,622,567		6,370,626	
Deferred revenue		31,272		—	
Current portion of lease liability	16	86,595		106,619	
Current portion of loans payable	17	18,922,091		10,885,374	
Total current liabilities		**24,662,525**		**17,362,619**	

Long-term lease liability	16	47,320	78,296
Total liabilities		**24,709,845**	**17,440,915**
Shareholders' Equity Share capital	18(a)	121,833,826	121,210,082
Reserves	18(b-d)	56,605,681	56,316,695
Accumulated other comprehensive income		7,496,171	32,056,444
Accumulated deficit		(100,701,399)	(94,994,051)
Total shareholders' equity		**85,234,279**	**114,589,170**
Total liabilities and shareholders' equity		**109,944,124**	**132,030,085**
Contingencies	24		
Subsequent event	26		

DMG Blockchain Solutions Inc.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars, except for number of shares)
(Unaudited)

	Notes	2026	2025	2026	2025
		$	$	$	$
Revenue	20	**7,311,150**	**12,644,574**	**18,485,299**	**24,277,399**
Expenses Operating and maintenance costs	21(a)	5,180,148	7,625,097	11,891,639	14,304,940
General and administrative	21(b)	1,339,354	1,936,402	3,265,591	3,773,081
Share-based compensation		517,841	737,114	1,103,999	1,415,642

Research and development			(581,352)			608,448			7,670			1,162,412	
Bad debt recovery	6		211			(1,976)			(1,760)			(6,719)	
Depreciation	13		2,854,362			4,314,108			6,330,721			8,663,578	
Total expenses			**9,310,564**			**15,219,193**			**22,597,860**			**29,312,934**	
Operating loss before other items			**(1,999,414)**			**(2,574,619)**			**(4,112,561)**			**(5,035,535)**	
Other income (expense) Interest and other income	6, 7		184,515			166,648			368,396			330,950	
Provision of sales tax receivable	6		(224,692)			(668,685)			(711,408)			(976,424)	
Foreign exchange loss			(307,004)			7,414			(56,563)			(901,975)	
Gain (loss) on disposition of assets			(1,060,592)			(1,618)			(1,060,592)			(1,619)	
Realized gain (loss) on sale of digital currency			(98,211)			(147,601)			(59,993)			220,110	
Loss on change in fair value of marketable securities	8		(11,539)			(127,890)			(74,627)			(84,859	
Net loss before income taxes			**(3,516,937)**			**(3,346,351)**			**(5,707,348)**			**(6,449,352)**	
Income tax expense (recovery)			—						—				
Net loss			**(3,516,937)**			**(3,346,351)**			**(5,707,348)**			**(6,449,352)**	

Other comprehensive income Items that may be reclassified subsequently to income or loss: Revaluation gain (loss) on digital currency	5		(10,292,952)			(6,830,755)			(24,559,786)			8,488,687	
Cumulative translation adjustment			(1,089)			(810)			(487)			(32,221)	
Comprehensive income			**(13,810,978)**			**(10,177,916)**			**(30,267,621)**			**2,007,114**	
Basic and diluted loss per share	18(f)		($0.02)			($0.02)			($0.03)			($0.03)	
Weighted average number of shares outstanding													
– basic and diluted			206,354,223			203,242,018			205,876,361			203,242,018	

DMG Blockchain Solutions Inc.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	For the six months ended March 31,		
	2026		**2025**

OPERATING ACTIVITIES	**$**		**$**	
Net loss for the period	**(5,707,348)**		**(6,449,352)**	
Non-cash items: Accretion	5,111		7,827	
Depreciation	6,330,721		8,663,579	
Share-based payments	1,103,999		1,415,642	
Unrealized gain on revaluation of digital currency	–		(28,083)	
Unrealized foreign exchange (gain) loss	(31,653)		911,046	
Loss on disposition of assets	1,060,592		1,618	
Loss (gain) on fair value change of marketable securities	74,627		84,860	
Gain on fair value of investment	–		(37,819)	
Provision for sales tax receivable	711,408		976,424	
Bad debt recovery	(1,760)		(6,719)	
Digital currency related revenue	(16,664,388)		(23,409,103)	
Digital currency sold	8,711,830		12,389,905	
Realized loss (gain) on sale of digital currency	59,993		(154,208)	
Non-cash interest income	(460,540)		(330,950)	
Accrued interest expense	662,624		748,459	

Changes in non-cash operating working capital:				
Prepaid expenses and other current assets	130,276		1,433,405	
Amounts receivable	(929,846)		144,544	
Deferred revenue	31,272		113	
Trade and other payables	(749,776)		(76,596	
Net cash (used in) provided by operating activities	**(5,662,858)**		**(3,715,408)**	
INVESTING ACTIVITIES Purchase of property and equipment	(1,171,904)		(4,772,107)	
Deposits on mining equipment	(187,941)		(7,324,024)	
Purchase of short-term investments	–		(7,116,500)	
Disposition of marketable securities	148,566		–	
Refund of security deposit	–		1,792,907	
Purchase of intangible assets	(1,421,076)		(276,040)	
Net cash used in investing activities	**(2,632,355)**		**(17,695,764)**	
FINANCING ACTIVITIES Proceeds from options exercises	65,395		60,913	
Principal lease payments	(56,111)		(37,596)	

Tax remittance on net settlement of equity awards	(256,664)		–	
Proceeds from secured loan	7,407,369		5,829,013	
Repayment of loan payable	–		(1,000,000)	
Proceeds from issuance of units	–		17,254,945	
Share issuance costs	–		(1,570,875)	
Net cash provided by financing activities	**7,159,989**		**20,536,400**	
Impact on currency translation on cash and cash equivalents	**745**		**483**	
Cash and cash equivalents, change	**(1,134,479)**		**(874,289)**	
Cash and cash equivalents, beginning	**1,681,448**		**1,679,060**	
Cash and cash equivalents, ending	**546,969**		**804,771**	
Supplemental cash flow information (Note 25)				

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 rate 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 forwarding-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; the demand and pricing of AI data centers and usage; 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 and services, 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 and/or infrastructure 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 and AI technology generally, failure to develop new and innovative products, litigation, lack of demand for the Company’s products and services, 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.