DMG Blockchain Solutions Reports Third Quarter 2025 Results

written by Raj Shah | August 25, 2025

August 25, 2025 (Source) – 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 third quarter 2025 financial results. All financial references are in Canadian Dollars unless specified otherwise. Readers are encouraged to review the Company's June 30, 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.

Q3 2025 Financial Results Highlights

- **Revenue:** $11.6 million in Q3 2025, down 8% from $12.6 million in Q2 2025 and up 40% from Q3 2024
- **Bitcoin Mined:** 84 bitcoin, down from 91 bitcoin in Q2 2025 and 87 bitcoin in Q3 2024
- **Hashrate:** 1.80 EH/s with fleet efficiency of 22.6 J/T, up 2% from Q2 2025 and up 89% from Q3 2024
- **Cash Flow from Operations:** $18.0 million in Q3 2025, as the Company sold $15.0 million more bitcoin than it mined
- **Cash, Short-term Investments and Digital Assets:** $61.8 million as of quarter-end Q3 2025, about flat from Q2 2025
- **Total Assets:** $133.6 million as of quarter-end Q3 2025, up 3% from Q2 2025 and up 20% from Q3 2024
- **Net Income:** -$0.4 million or $0.00 per share versus -$3.3 million or -$0.02 per share in Q2 2025

DMG’s CEO, Sheldon Bennett, commented: “In Q3, we significantly advanced our key initiatives, bringing into full service our 6 megawatts of hydro-enabled bitcoin mining. Additionally, we advanced our artificial intelligence (AI) infrastructure strategy with the purchase of 2 megawatts of prefabricated data center infrastructure. Finally, we oriented our Systemic Trust digital asset custody business for long-term growth with a focus on capitalizing on the proliferation of digital asset funds and treasuries. With a foundation of a strong balance sheet with $134 million in assets and increasing momentum among our key initiatives, we believe we can continue to generate cash while capitalizing on our initiatives for new revenue growth.”

Third Quarter 2025 Financial Results Review

Revenue decreased by $1,029,864 to $11,614,710 for the three months ended June 30, 2025 compared to the three months ended March 31, 2025. Bitcoin earned from mining for the three months ended June 30, 2025 of 84.27 resulted in a decrease of 6.52 as compared to 90.79 bitcoin earned in the prior period. Net loss decreased from the prior quarter by $2,965,197, mainly due to a reduction in operating and maintenance costs, realized gains on the sale of digital currency and foreign exchange gains.

Operating and maintenance expenses for the three months ended June 30, 2025 was $6,519,599, up from $4,675,279 in the prior year three-month period. This increase is primarily due to a $1,385,656 rise in utilities expenses, driven by expanded digital currency mining operations with additional operating miners and fluctuating energy prices. Furthermore, hosting fees paid to third parties totaling $457,745 also contributed to this increase.

Research costs for the three months ended June 30, 2025 decreased by $116,610 compared to the prior year three-month

period. Research in fiscal 2025 continues to focus on software and relates to work on Systemic Trust, Helm, Reactor and Blockseer Explorer. General and administrative costs for the three months ended June 30, 2025 was $1,930,372 in comparison to $1,476,973 in the prior year three-month period. General and administrative costs consist mostly of wages, professional fees, consulting fees, and financing costs. The overall increase of $453,399 is attributable mainly to a $203,937 rise in professional fees and a $225,097 rise in wages. Depreciation for the three months ended June 30, 2025 was $4,483,564 compared to $5,037,240 in the prior year three-month period.

Total assets as of June 30, 2025 was $133,554,883, an increase of $29,685,902 from the end of the prior year. The increase is mostly attributable to the Company's purchase of $9,116,500 short-term investments and a net increase in digital currency of $16,354,981 due to the revaluation of digital currency balances resulting from an increase in the price of bitcoin, which was $148,296 as of June 30, 2025 as compared to $88,673 at the end of the prior year.

Third Quarter 2025 Results Conference Call Details

The Company will host a conference call to review its results and provide a corporate update on August 25, 2025 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 August 25, 2025.

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.

For further information, please contact:

On behalf of the Board of Directors,

Sheldon Bennett, CEO & Director
Tel: +1 (778) 300-5406
Email: investors@dmgblockchain.com
Web: www.dmgblockchain.com

For Investor Relations:
investors@dmgblockchain.com

For Media Inquiries:
Chantelle Borrelli
Head of Communications
chantelle@dmgblockchain.com

DMG Blockchain Solutions Inc.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	As at June 30, 2025 (unaudited)		As at September 30, 2024 (audited)	
ASSETS		**$**		**$**	
Current					
Cash and cash equivalents		2,021,891		1,679,060	
Amounts receivable	6	3,961,284		4,910,251	
Digital currency	5	50,682,684		34,327,703	
Prepaid expense and other current assets		502,492		337,042	
Marketable securities	8	394,718		316,803	
Short-term investment	9	9,116,500		–	
Assets held for sale		30,408		–	
Total current assets		**66,709,977**		**41,570,859**	
Long-term deposits	10	8,374,808		2,047,682	
Property and equipment	11	51,236,941		53,798,978	
Intangible asset		276,040		–	
Long-term investments	12	45,000		45,000	
Amount recoverable	7	6,912,117		6,406,462	
Total assets		**133,554,883**		**103,868,981**	
LIABILITIES AND SHAREHOLDERS’ EQUITY					
Current					

Trade and other payables	13	6,310,864		5,183,107	
Deferred revenue	17	43,795		–	
Current portion of lease liability		102,596		43,483	
Current portion of loans payable	14	12,703,155		13,928,462	
Total current liabilities		**19,160,410**		**19,155,052**	
Long-term lease liability		107,367		51,842	
Total liabilities		**19,267,777**		**19,206,894**	
Shareholders' Equity					
Share capital	15(a)	120,326,738		113,086,455	
Reserves	15(b)(c)	56,508,983		45,853,100	
Accumulated other comprehensive income		29,007,973		10,448,614	
Accumulated deficit		(91,556,588)		(84,726,082)	
Total shareholders' equity		**114,287,106**		**84,662,087**	
Total liabilities and shareholders' equity		**133,554,883**		**103,868,981**	

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

	Notes	For the Three Months Ended		For the Nine Months Ended	
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
		$	$	$	$
Revenue	17	**11,614,710**	**8,294,866**	**35,892,109**	**28,001,289**
Expenses					
Operating and maintenance costs	18(a)	6,519,599	4,675,279	20,824,539	15,093,781
General and administrative	18(b)	1,930,372	1,476,973	5,703,453	4,209,432
Stock-based compensation		735,540	480,945	2,151,182	1,247,447
Research and development		487,309	603,919	1,649,721	1,528,314
Provision (recovery) for doubtful accounts		(231)	2,628	(6,950)	6,434
Depreciation	11	4,483,564	5,037,240	13,147,142	13,185,010
Total expenses		**14,156,153**	**12,276,984**	**43,469,087**	**35,270,418**
Loss before other items		**(2,541,443)**	**(3,982,118)**	**(7,576,978)**	**(7,269,129)**
Other income (expense)					
Interest and other income	7	174,705	174,417	505,655	510,242
Provision of sales tax receivable		(171,905)	(10,584)	(1,148,329)	(646,174)

Gain (loss) on disposition of assets		(375,907)		—		(377,525)		4,809	
Foreign exchange gain (loss)		849,711		(103,008)		(52,264)		(225,934)	
Unrealized gain (loss) on revaluation of digital currency	5	—		(4,200)		28,083		9,178,116	
Realized gain (loss) on sale of digital currency		1,520,910		177,005		1,675,118		2,172,364	
Gain (loss) on change in fair value of marketable securities		162,775		(89,449)		77,915		21,594	
Gain (loss) on fair value of investments		—		—		37,819		(609,120)	
Net income (loss)		**(381,154)**		**(3,837,937)**		**(6,830,506)**		**3,136,768**	
Other comprehensive income									
Items that may be reclassified subsequently to income or loss:									

Unrealized revaluation gain (loss) on digital currency	5	10,109,144		(4,819,676)		18,597,831		10,652,539	
Cumulative translation adjustment		(6,251)		6,686		(38,472)		5,490	
Comprehensive income (loss)		**9,721,739**		**(8,650,927)**		**11,728,853**		**13,794,797**	
Basic and diluted income (loss) per share	15(d)	0.00		(0.02)		(0.03)		0.02	
Weighted average number of shares outstanding	15(d)								
– basic		203,242,018		168,975,567		197,363,999		168,937,426	
– diluted		203,242,018		168,975,567		197,363,999		172,496,489	

DMG Blockchain Solutions Inc.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	For the Nine Months Ended		
	June 30, 2025		**June 30, 2024**
	$		**$**
OPERATING ACTIVITIES			
Net income (loss) for the period	**(6,830,506)**		**3,136,768**

Non-cash items:				
Accretion	11,764		28,876	
Depreciation	13,147,142		13,185,010	
Share-based payments	2,151,182		1,247,447	
Unrealized foreign exchange loss	648		144,288	
Loss (gain) on disposition of assets	377,525		(4,809)	
Gain on change in fair value of marketable securities	(77,915)		(21,594)	
Loss (gain) on fair value of investment	(37,819)		609,120	
Provision for sales tax receivable	1,148,329		646,174	
Bad debt (recovery) expense	(6,950)		6,434	
Digital currency related revenue	(34,848,860)		(26,137,726)	
Unrealized gain on digital currency	(28,083)		(9,178,117)	
Digital currency sold	38,794,110		26,598,464	
Realized gain on sale of digital currency	(1,675,118)		(2,172,364)	
Non-cash interest income	(505,655)		(504,311)	
Accrued interest	1,062,627		229,208	
Changes in non-cash operating working capital:				
Prepaid expenses and other current assets	617,227		(184,748)	

Amounts receivable	(102,595)		(1,345,463)	
Deferred revenue	43,795		(28,254)	
Trade and other payables	1,053,742		611,762	
Net cash provided by operating activities	**14,294,590**		**6,866,165**	
INVESTING ACTIVITIES				
Purchase of property and equipment	(10,824,859)		(1,710,629)	
Purchase of intangible assets	(276,040)		—	
Deposits on mining equipment	(8,908,076)		(18,088,936)	
Purchase of short-term investment	(9,116,500)		(609,120)	
Refund of security deposits	1,792,907		—	
Net cash used by investing activities	**(27,332,568)**		**(20,408,685)**	
FINANCING ACTIVITIES				
Proceeds from issuance of units	17,254,945		—	
Share issuance costs	(1,570,875)		—	
Proceeds from option exercises	60,913		555,173	
Principal lease payments	(65,320)		(85,793)	
Proceeds from secured loan	5,829,013		12,161,909	
Repayment of loans payable	(8,128,048)		(1,668)	
Net cash provided by financing activities	**13,380,628**		**12,629,621**	

Impact of currency translation on cash	**181**		**108**	
Change in cash	**342,831**		**(912,791)**	
Cash, beginning	**1,679,060**		**1,789,913**	
Cash, end	**2,021,891**		**877,122**	

Supplemental cash flow information (Note 22)

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 the filing of the third quarter 2025 results and hosting a conference call, 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 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; 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.