

**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 **June 30, 2026**

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

For the transition period from _____ to _____

Commission File No. **001-42388**



DATACENTREX, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

85-3651036

(I.R.S. Employer
Identification No.)

**470 W 200 N STE 18
Salt Lake City, UT**

(Address of principal executive offices)

84103

(Zip Code)

(800) 403-6150

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, par value \$0.001 per share	DTCX	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 ☒

As of August 12, 2026, there were 40,143,626 shares of the registrant’s common stock outstanding.

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CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this “Quarterly Report”) contains forward-looking statements within the meaning of the federal securities laws. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. Forward-looking statements include statements preceded by, followed by or that include the words “may”, “could”, “would”, “should”, “believe”, “expect”, “anticipate”, “plan”, “estimate”, “target”, “project”, “intend”, “foresee” and similar expressions. These statements include, among others, statements regarding our expected business outlook, anticipated financial and operating results, our business strategy and means to implement the strategy, our objectives, the amount and timing of capital expenditures, the likelihood of our success in expanding our business, financing plans, budgets, working capital needs and sources of liquidity. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Forward-looking statements are only predictions and are not guarantees of performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Important assumptions relating to the forward-looking statements include, among others, assumptions regarding demand for our products, the expansion of product offerings geographically or through new marketing applications, the timing and cost of planned capital expenditures, competitive conditions and general economic conditions. These assumptions could prove inaccurate. Forward-looking statements also involve known and unknown risks and uncertainties, which could cause actual results to differ materially from those contained in any forward-looking statement. In addition, even if our actual results are consistent with the forward-looking statements contained in this Quarterly Report, those results may not be indicative of results or developments in subsequent periods. Many of these factors are beyond our ability to control or predict. Such factors include, but are not limited to, the following:

- our ability to successfully achieve our strategic initiatives, including our expectation that we will be able to secure additional miners;
- competition in our markets;
- our anticipated financial and operating results, including anticipated sources of revenues;
- regulatory investigations of, or actions commenced against, us or other companies in our industry;
- our investment strategy, including digital asset market volatility, cybersecurity and custody of assets, potential changes in laws or accounting standards relating to digital assets and regulatory developments affecting digital assets;
- volatility of our stock price;
- the effect of any cybersecurity incident; and
- general economic conditions.

Except as required by applicable law, including the securities laws of the United States and the rules and regulations of the Securities and Exchange Commission (“SEC”), we are under no obligation to publicly update or revise any forward-looking statements, whether as a result of any new information, future events or otherwise. Investors, potential investors and other readers are urged to consider the above-mentioned factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results or performance.

PART I- FINANCIAL INFORMATION

Item 1. Financial Statements.

DATACENTREX, INC. CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2026 (Unaudited)	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 51,884,089	\$ 38,919,486
Digital assets, at fair value	5,985,071	4,430,202
Other receivable	16,873	-
Prepaid expenses	577,510	468,817
Total current assets	<u>58,463,543</u>	<u>43,818,505</u>
Equipment, net	12,028,842	18,537,452
Capitalized software costs, net	138,127	264,193
Deposits for equipment	3,600,100	3,600,100
Other assets	621,660	621,660
Total assets	<u>\$ 74,852,272</u>	<u>\$ 66,841,910</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 318,463	\$ 594,658
Total current liabilities	<u>318,463</u>	<u>594,658</u>
Commitments and Contingencies (Note 7)		
Stockholders' equity:		
Preferred stock - Series A, \$0.001 par value, \$45.00 stated value, 1,000,000 shares authorized; 163,767 and 158,420 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	163	158
Preferred stock - Series D, \$0.001 par value, \$4.34 stated value, 1,000,000 shares authorized; 13,914 and 16,240 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	14	16
Common stock, \$0.001 par value, 250,000,000 shares authorized; 39,643,626 and 30,375,530 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	39,643	30,375
Treasury stock, at cost – 59,191 shares	(274,231)	(274,231)
Additional paid in capital	94,891,169	74,993,819
Accumulated deficit	(20,122,949)	(8,502,885)
Total stockholders' equity	<u>74,533,809</u>	<u>66,247,252</u>
Total liabilities and stockholders' equity	<u>\$ 74,852,272</u>	<u>\$ 66,841,910</u>

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

DATACENTREX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Revenues	\$ 1,913,779	\$ 1,928,587	\$ 4,092,987	\$ 2,088,212
Cost of revenue	<u>1,708,524</u>	<u>998,062</u>	<u>3,374,852</u>	<u>1,074,032</u>
Gross profit	205,255	930,525	718,135	1,014,180
Operating Expenses:				
General and administrative expenses	863,281	193,099	1,950,490	394,970
Depreciation and amortization	3,287,326	2,162,531	6,574,585	2,352,011
Stock based compensation	850,858	-	2,006,924	-
Total Operating Expenses	<u>5,001,465</u>	<u>2,355,630</u>	<u>10,531,999</u>	<u>2,746,981</u>
Loss From Operations	<u>(4,796,210)</u>	<u>(1,425,105)</u>	<u>(9,813,864)</u>	<u>(1,732,801)</u>
Other Income (Expense):				
Net realized and unrealized gains (losses), digital assets	(1,269,425)	72,381	(2,481,598)	71,482
Other income	-	-	6,467	-
Interest income (expense), net	597,278	(176,506)	668,931	(176,506)
Total Other Income (Expense)	<u>(672,147)</u>	<u>(104,125)</u>	<u>(1,806,200)</u>	<u>(105,024)</u>
Net Loss Before Income Taxes	(5,468,357)	(1,529,230)	(11,620,064)	(1,837,825)
Provision for Income Taxes (Benefit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Loss	<u>\$ (5,468,357)</u>	<u>\$ (1,529,230)</u>	<u>\$ (11,620,064)</u>	<u>\$ (1,837,825)</u>
Net Loss Per Common Share:				
Basic	\$ (0.14)	\$ -	\$ (0.32)	\$ -
Diluted	<u>\$ (0.14)</u>	<u>\$ -</u>	<u>\$ (0.32)</u>	<u>\$ -</u>
Weighted Average Common Shares Outstanding:				
Basic	39,201,327	-	36,232,290	-
Diluted	<u>39,201,327</u>	<u>-</u>	<u>36,232,290</u>	<u>-</u>

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

DATACENTREX INC
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THREE AND SIX MONTHS ENDED JUNE 30, 2026 and 2025
(UNAUDITED)

	Preferred stock				Class A-1		Class A-2		Common Stock		Treasury stock	Additional Paid-In Capital	Accumulated Deficit	Total Members' Equity
	Series A		Series D		Units		Units		Shares					
	Shares	Shares Value	Shares	Shares Value	Units	Value	Units	Value	Shares	Shares Value				
BALANCE — December 31, 2025	158,420	\$ 158	16,240	\$ 16	-	-	-	-	30,375,530	\$ 30,375	(274,231)	\$ 74,993,819	\$ (8,502,885)	\$ 66,247,252
Stock based compensation	-	-	-	-	-	-	-	-	-	-	-	1,156,066	-	1,156,066
Preferred Series A issued for dividends	6,218	6	-	-	-	-	-	-	-	-	-	(6)	-	-
Issuance of common stock issued for public offering, net of issuance cost	-	-	-	-	-	-	-	-	4,510,000	4,510	-	6,745,190	-	6,749,700
Issuance of prefunded warrants	-	-	-	-	-	-	-	-	-	-	-	11,150,000	-	11,150,000
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	(6,151,707)	(6,151,707)
BALANCE — March 31, 2026	164,638	164	16,240	16	-	-	-	-	34,885,530	\$ 34,885	\$ (274,231)	\$ 94,045,069	\$ (14,654,592)	\$ 79,151,311
Stock based compensation	-	-	-	-	-	-	-	-	-	-	-	850,858	-	850,858
Common stock issued for services	-	-	-	-	-	-	-	-	1,941,789	1,942	-	(1,942)	-	-
Exercise of prefunded warrants for common stock	-	-	-	-	-	-	-	-	500,000	500	-	(500)	-	-
Preferred Series A declared but not issued for dividend	-	-	-	-	-	-	-	-	-	-	-	(3)	-	(3)
Preferred Series A converted to common stock	(871)	(1)	-	-	-	-	-	-	20,042	20	-	(19)	-	-
Preferred Series D converted to common stock	-	-	(2,296)	(2)	-	-	-	-	2,296,265	2,296	-	-	-	-
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	(5,468,357)	(5,468,357)
BALANCE – June 30, 2026	163,767	163	13,914	14	-	-	-	-	39,643,626	\$ 39,643	\$ (274,231)	\$ 94,891,169	\$ (20,122,949)	\$ 74,533,809

	Preferred stock				Class A-1		Class A-2		Common Stock		Treasury stock	Additional Paid -In Capital	Accumulated Deficit	Total Members' Equity
	Series A		Series D		Units		Units		Shares					
	Shares	Value	Shares	Value	Units	Value	Units	Value	Shares	Value				
BALANCE — January 13, 2025	-	-	-	\$ -	-	-	-	-	-	\$ -	-	\$ -	\$ -	\$ -
Issuance of Class A-1 Units	-	-	-	-	11,215,625	17,945,000	-	-	-	-	-	-	-	17,945,000
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	(308,595)	(308,595)
BALANCE — March 31, 2025	-	-	-	-	11,215,625	17,945,000	-	-	-	-	\$ -	\$ -	\$ -	(308,595) \$ 17,636,405
Proceeds from issuance of Class A-2 Units, net of issuance costs and escrow fees	-	-	-	-	-	-	5,974,556	10,422,402	-	-	-	-	-	10,422,402
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	(1,529,230)	(1,529,230)
BALANCE - June 30, 2025	-	-	-	-	11,215,625	17,945,000	5,974,556	10,422,402	-	-	-	-	\$ (1,837,825)	\$ 26,529,557

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

DATACENTREX, INC
CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS
(UNAUDITED)

	Six Months Ended	
	June 30, 2026	June 30, 2025
Cash flows from operating activities:		
Net loss	\$ (11,620,064)	\$ (1,837,825)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	6,574,585	2,352,011
Stock based compensation	2,006,924	-
Digital asset mining revenue	(4,092,987)	(2,088,212)
Net unrealized and realized (gain) loss on digital assets	2,481,598	(71,482)
Impairment of capitalized software	60,092	-
Changes in operating assets and liabilities:		
Prepaid expense	(108,694)	(60,691)
Other assets	-	(686,893)
Other receivables	(16,873)	-
Accounts payable and accrued expenses	(276,198)	55,820
Net cash used in operating activities	(4,991,617)	(2,337,272)
Cash flows from investing activities:		
Purchase of equipment	-	(17,423,650)
Payments for deposits on equipment	-	(7,029,862)
Proceeds from sale of digital assets	56,520	465,444
Net cash provided by (used in) investing activities	56,520	(23,988,068)
Cash flows from financing activities:		
Proceeds from public offering, net of issuance cost	17,899,700	-
Proceeds long term debt, net of discount	-	5,250,000
Prepayments of long term debt	-	(3,500,000)
Proceeds from issuance of Class A-1 Units	-	17,945,000
Proceeds from issuance of Class A-2 Units	-	10,422,402
Net cash provided by financing activities	17,899,700	30,117,402
Net increase in cash	12,964,603	3,792,062
Cash, beginning of period	38,919,486	-
Cash, end of period	\$ 51,884,089	\$ 3,792,062
Supplemental disclosures of cash flow information:		
Cash paid during period for interest	\$ -	\$ 176,512
Cash paid for taxes	\$ -	\$ -
Supplemental disclosures of non-cash financing activities:		
Preferred Series A shares issued for dividends	\$ 6	\$ -
Preferred Series A shares converted for common stock	\$ 1	\$ -
Preferred Series D shares converted for common stock	\$ 2	\$ -
Common stock issued for services	\$ 1,942	\$ -
Exercise of prefunded warrants for common stock	\$ 500	\$ -

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

Datacentrex, Inc.
Notes to the Unaudited Condensed Consolidated Financial Statements
June 30, 2026

Note 1 – Business Organization and Nature of Operations

Datacentrex (“DTCX” or the “Company”), was incorporated on October 27, 2020, under the laws of the State of Nevada, and its headquarters is located Salt Lake City, Utah. The Company is a digital asset mining company focused on mining Dogecoin (“DOGE”) and Litecoin (“LTC”).

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

These interim Condensed Consolidated Financial Statements (“interim financial statements”) of Datacentrex, Inc. and its subsidiaries (collectively, the “Company”) are unaudited and have been prepared in accordance with the rules of the Securities and Exchange Commission for interim statements. Certain information and footnote disclosures required by United States Generally Accepted Accounting Principles (“U.S. GAAP”) have been condensed or omitted as permitted by such rules, although the Company believes that the disclosures included are adequate to make the information presented not misleading. The interim financial statements included herein are expressed in United States dollars and in the opinion of management, include all adjustments (all of which are of a normal recurring nature) and disclosures necessary for a fair presentation. The results reported in these interim financial statements are not necessarily indicative of the results that may be reported for the entire year. These interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2025, included in the Company’s annual report Form 10-K. The year-end balance sheet data were derived from the audited financial statements. Unless otherwise noted, there have been no material changes to the footnotes from the audited consolidated financial statements contained in the Company’s annual report on Form 10-K. The Company’s financial statements have been prepared on a consolidated basis and as of June 30, 2026, and December 31, 2025, and for the three and six months ended June 30, 2026 and 2025 include the consolidated accounts of the Company. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The Company prepares its financial statements in accordance with U.S. GAAP, which requires management to use its judgment to make estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosures at the date of the financial statements and the reported amounts of expenses during the reported period. These assumptions and estimates could have a material effect on the financial statements. Actual results may differ materially from those estimates. The Company’s management periodically reviews estimates on an ongoing basis based on information currently available, and changes in facts and circumstances may cause the Company to revise these estimates. Significant estimates include estimates used in the accounting for digital assets, revenue recognition, useful lives of equipment and the evaluation allowance related to deferred tax assets. Actual results may differ from these estimates.

Fair Value Measurement

As defined in GAAP, fair value represents the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As a result, fair value is a market-based approach that should be determined based on assumptions that market participants would use in pricing an asset or a liability. As a basis for considering these assumptions, GAAP defines a three-tier value hierarchy that prioritizes the inputs used in the valuation methodologies in measuring fair value.

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Cash and Cash Equivalents

Cash and cash equivalents include all cash on hand, demand deposits and short-term investments with original maturities of three months or less when purchased.

As of June 30, 2026, and December 31, 2025, the Company's cash and cash equivalents consisted of \$51,884,089 and \$38,919,486, respectively. The Company maintains its cash in banks insured by the Federal Deposit Insurance Corporation ("FDIC") in accounts that at times may be in excess of the federally insured limit of \$250,000 per bank. The Company minimizes this risk by placing its cash deposits with major financial institutions. At June 30, 2026, and December 31, 2025, the uninsured balances amounted to \$51,634,089 and \$37,914,117, respectively. There is a risk the Company may lose uninsured balances over the FDIC insurance limit. The Company has not experienced any such losses.

Digital Assets

The Company holds digital assets classified as indefinite-lived intangible assets in accordance with Accounting Standard Update ("ASU") 2023-08, "Accounting for and Disclosure of Crypto Assets." These crypto assets are measured at fair value on a recurring basis. As part of its scope assessment, the Company evaluated all digital assets held during the six months ended June 30, 2026, and the year ended December 31, 2025, respectively, to determine whether they meet the criteria for recognition under ASU 2023-08. Based on this assessment, the Company concluded that its holdings of Bitcoin, Dogecoin and other Litecoins are in-scope digital assets. These assets are actively traded, held in custodial arrangements with enforceable rights, and used in operations or treasury activities. Further, the Company noted there are no digital assets that are not actively used, lack enforceable ownership rights, or are immaterial in value as of June 30, 2026 and December 31, 2025, respectively.

The Company determines the fair value of its in-scope digital assets using the market approach, primarily based on observable market prices in active exchanges. The valuation process considers relevant inputs such as exchange prices of similar digital assets, liquidity, and market depth. The fair value measurements are classified within Level 1 of the fair value hierarchy, as the inputs are quoted prices in active markets for identical assets. As of June 30, 2026 and December 31, 2025, the Company's digital assets are recorded at a fair value of \$5,985,071 and \$4,430,202. During the three and six months ended June 30, 2026, the Company recognized a net unrealized and realized loss of \$1,269,425 and \$2,481,598, respectively and during the three and six months ended June 30, 2025 the Company recognized a net unrealized and realized gain of \$72,381 and \$71,482, respectively, in the condensed consolidated statements of operations and related to changes in fair value of digital assets. The Company continuously evaluates the fair value of its digital assets, considering market conditions and other factors that may impact valuation. There were no significant changes in the valuation techniques or inputs used during the reporting period.

Impairment of long-lived assets

Management reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted future cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. During the three and six months ended June 30, 2026 the Company recognized \$0 and \$60,092, respectively, of impairment associated with its capitalized software and is included in general and administrative expense in the condensed consolidated statement of operations.

Prepaid Expenses and Other Assets

As of June 30, 2026 and December 31, 2025, the Company had \$577,510 and \$468,817, respectively, of prepaid expenses which primarily consisted of premiums on insurance policies and prepaid power charges associated with its locations. As of June 30, 2026 and December 31, 2025, the Company had \$621,660 of other assets which primarily consisted of hosting deposits for its colocation locations. See Note 7 for further details on the Company's colocation arrangements.

Equipment

Equipment, which consists of mining and computer equipment, is recorded at cost and depreciated using the straight-line method over the estimated useful lives. Ordinary repair and maintenance costs are included in general and administrative expenses on our statement of operations. However, expenditures for additions or improvements that significantly extend the useful life of the asset are capitalized in the period incurred. At the time assets are sold or disposed of, the cost and accumulated depreciation are removed from their respective accounts and the related gains or losses are reflected in the condensed consolidated statements of operations in gains from sales of property and equipment, net. The estimated useful life for mining equipment and computer equipment is two and three years, respectively. The Company evaluates the appropriateness of remaining depreciable lives assigned to computer equipment at the end of each fiscal year.

Capitalized Software Costs

The Company capitalizes certain costs related to the development and enhancement of the Thumzup platform. In accordance with authoritative guidance, including ASC 350-40, we began to capitalize these costs when the technological feasibility was established and preliminary development efforts were successfully completed, management has authorized and committed project funding, and it was probable that the project would be completed and the software would be used as intended. Such costs are amortized when placed in service, on a straight-line basis over the estimated useful life of the related asset, generally estimated to be three years. Costs incurred prior to meeting these criteria together with costs incurred for training and maintenance are expensed as incurred and recorded in product development expenses on our condensed consolidated statements of operations. Costs incurred for enhancements that were expected to result in additional features or functionality that would generate additional revenue are capitalized and expensed over the estimated useful life of the enhancements, generally three years. The Company does not capitalize any testing or maintenance costs. The accounting for these capitalized software costs requires the Company to make significant judgments, assumptions and estimates related to the timing and amount of recognized capitalized software development costs. As of June 30, 2026, the Company determined impairment totaling \$60,092 of its capitalized software costs was warranted.

Revenue Recognition

The Company engages in digital asset mining utilizing the Scrypt hashing algorithm which falls outside of ASC 606, Revenue from Contracts with Customers.

The Company engages in the mining of digital assets, primarily utilizing the Scrypt hashing algorithm, such as Litecoin (LTC) and Dogecoin (DOGE). Scrypt is a cryptographic proof-of-work algorithm designed to be computationally and memory intensive, offering an alternative to the SHA-256 algorithm used in traditional Bitcoin mining.

Scrypt mining involves solving complex mathematical problems that require both processing power and memory bandwidth. This algorithm supports the security and integrity of blockchain networks by making it economically impractical to manipulate transaction data. The Company utilizes specialized mining equipment optimized for the Scrypt algorithm to maximize efficiency and output. The Company participates in merged mining of Litecoin and Dogecoin, leveraging the Scrypt algorithm to simultaneously validate blocks on both blockchain networks.

Under Scrypt mining, there is no contract with a customer as the mining rewards are granted by the decentralized blockchain protocol and not a party entering into a contractual agreement. Therefore, Revenue is recognized when control of the mined digital assets is obtained and transferred to a digital wallet, measured at the fair market value of the assets at the time of receipt. Fair value is based on a principal or most advantageous market, using observable market prices from reputable exchanges.

Cost of Revenue

The Company's cost of revenue consists primarily of direct production costs related to mining operations, including electricity costs, and other relevant costs paid to our hosting facilities in accordance with the colocation agreement.

Sales and Marketing

Sales and marketing expenses primarily include costs related to advertising and marketing programs. Sales and marketing costs are expensed as incurred and totaled \$1,072 and \$3,229 for three and six months ended June 30, 2026, respectively, and totaled \$1,380 and \$2,804 for three and six months ended June 30, 2025 and are included in general and administrative expenses on the condensed consolidated statement of operations.

Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires that deferred income taxes be provided for temporary differences between the tax basis of the Company's assets and liabilities and their financial statement carrying amount. In addition, deferred tax assets are recorded for the future benefit of utilizing net operating losses and research and development tax credit carry forwards. A valuation allowance is provided against deferred tax assets unless it is more likely than not that they will be realized. Significant judgment is required in determining any valuation allowance recorded against deferred tax assets. In assessing the need for a valuation allowance, the Company considers all available evidence, including past operating results, estimates of future taxable income and the feasibility of tax planning strategies.

In the event that the Company changes its determination as to the amount of deferred tax assets that is more likely than not to be realized, the Company will adjust its valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made. The Company follows the authoritative guidance regarding uncertain tax positions. This guidance requires that realization of an uncertain income tax position must be more likely than not (i.e., greater than 50% likelihood of receiving a benefit) before it can be recognized in the financial statements. The guidance further prescribes the benefit to be realized assumes a review by tax authorities having all relevant information and applying current conventions.

Segment Reporting

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker (the "CODM") in deciding how to allocate resources to an individual segment and in assessing performance. The Company's Chief Executive Officer is the Company's CODM. The CODM reviews financial information for purposes of making operating decisions, allocating resources, and evaluating financial performance. While the Company does have revenue from multiple products, no measures of profitability by product are available, so discrete financial information is not available for each such component. As such, the Company has determined that it operates as one operating segment and one reportable segment.

Share-based Compensation

The Company maintains its 2024 Equity Incentive Plan 2025 Equity Incentive Plan and 2025 Omnibus Equity Incentive plan (collectively, the "Equity Plans"), under which, the Company's employees, officers, directors, and other eligible participants may be and have been awarded various types of share-based compensation, including options to purchase shares of the Company's common stock, restricted stock units ("RSUs"), and other stock-based awards. Additionally, under the Equity Plans, awards may be and have been granted that are subject to the achievement of one or more performance measures established by the Company's board of directors or a duly authorized committee thereof.

For options and other stock-based awards, the share-based compensation expense is based on the fair value of the awards on the date of grant, as estimated using the Black-Scholes valuation model. For restricted stock units, the share-based compensation expense is based on the fair value of the Company's common stock on the date of grant. The fair value of liability-classified awards (e.g., the other stock-based awards and cash-settled restricted stock units) is remeasured at each reporting date.

The Company recognizes share-based compensation expense for service-conditioned awards granted under the Equity Plans on a straight-line basis over the requisite service period (generally, the vesting period for service-conditioned awards under the Equity Plans).

See Note 8, Stock Options, to the financial statements for further information regarding the Equity Plans, related share-based compensation expense, and assumptions used in determining fair value.

Treasury Stock

On February 26, 2025, the Thumzup board of directors approved a share repurchase program authorizing the Company to purchase up to an aggregate of \$1 million of common stock. Subject to applicable rules and regulations, the shares may be purchased from time to time in the open market or in privately negotiated transactions. Such purchases will be at times and in amounts as deemed appropriate, based on factors such as market conditions, legal requirements and other business considerations.

On September 23, 2025, the Thumzup board of directors approved a share repurchase program authorizing the Company to purchase up to an aggregate of \$10 million of common stock. Subject to applicable rules and regulations, the shares may be purchased from time to time in the open market. Such purchases will be at times and in amounts as deemed appropriate, based on factors such as market conditions, cash reserves, cash flows and other business considerations.

As of June 30, 2026 and December 31, 2025, the Company had \$274,231 in treasury stock, respectively.

Preferred Stock

The Company is authorized to issue 25,000,000 shares of preferred stock, par value \$0.001 per share. At June 30, 2026 and December 31, 2025, 177,681 and 174,630 shares were issued and outstanding, respectively.

Common Stock

The Company is authorized to issue 250,000,000 shares of common stock, par value \$0.001 per share. At June 30, 2026 and December 31, 2025, 39,643,626 and 30,375,530 shares were issued and outstanding, respectively.

Member Units

During the six months ending June 30, 2025, the Company issued 11,215,625 Class A -1 units for cash proceeds of \$17,945,000 and 5,974,556 Class A-2 Units for cash proceeds of 10,422,402. There were no Member units outstanding as of June 30, 2026.

Net Loss Per Common Share

The Company computes loss per share under ASC subtopic 260-10, Earnings Per Share. Net loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per share, if presented, would include the dilution that would occur upon the exercise or conversion of all potentially dilutive securities into common stock using the “treasury stock” and/or “if converted” methods, as applicable.

The computation of basic and diluted loss per share, for the six months ended June 30, 2026 and 2025, excludes potentially dilutive securities when their inclusion would be anti-dilutive, or if their exercise prices were greater than the average market price of the common stock during the period.

Potentially dilutive securities excluded from the computation of basic and diluted net loss per share are as follows:

	June 30, 2026	June 30, 2025
Common shares issuable upon exercise of options	1,213,458	-
Common shares issuable upon conversion of RSUs	1,697,850	-
Common shares issuable upon exercise of warrants	455,888	-
Common shares issuable upon conversion of preferred stock	17,781,878	-
Total potentially dilutive shares	21,149,074	-

Recent Accounting Pronouncements Not Yet Adopted

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued Accounting Standards Update No. 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)* (“ASU 2024-03”). ASU 2024-03 requires specified information about certain costs and expenses be disclosed in the notes to the financial statements, including the expense on the face of the income statement in which they are disclosed, in addition to a qualitative description of remaining amounts not separately disaggregated. Entities will also be required to disclose their definition of “selling expenses” and the total amount in each annual period. The standard is effective for the Company for annual periods beginning December 15, 2026, and for interim periods beginning December 15, 2027, with updates applied either prospectively or retrospectively. Early adoption is permitted. The Company is currently evaluating the impact of this guidance on its disclosures.

There are other various updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to have a material impact on the Company’s financial position, results of operations or cash flows.

Note 3 – Digital Assets

The following table presents the Company’s significant digital assets holdings as of June 30, 2026:

	Quantity	Cost Basis	Fair Value
Dogecoin	21,691,484	\$ 2,786,002	\$ 1,561,476
Bitcoin	72	5,750,791	4,234,714
Litecoins	3,395	267,611	142,176
Other	14,196,757	47,368	46,705
Total		<u>\$ 8,851,772</u>	<u>\$ 5,985,071</u>

The following table presents the Company’s significant digital assets holdings as of December 31, 2025:

	Quantity	Cost Basis	Fair Value
Dogecoin	20,974,425	\$ 4,217,383	\$ 2,460,255
Bitcoin	19.11	2,001,246	1,671,955
Litecoins	3,198	279,023	245,508
Other	191,738,575	56,973	52,484
Total		<u>\$ 6,554,625</u>	<u>\$ 4,430,202</u>

The following table summarizes the Company's digital asset activity for the six months indicated:

	Six Months Ended June 30, 2026
Digital assets, December 31, 2025	\$ 4,430,202
Digital asset mining revenue	
Dogecoin	98,194
Bitcoin	3,978,676
Litecoins	15,930
Other litecoins	187
Digital asset sales	(56,520)
Net unrealized and realized loss, digital assets	(2,481,598)
Digital assets, June 30, 2026	\$ 5,985,071

The following table presents a roll-forward of Bitcoin ("BTC") for the six months ended June 30, 2026, based on the fair value model under ASU 2023-08:

	Fair Value
BTC as of December 31, 2025	\$ 1,671,955
Receipt of BTC from mining services	3,978,676
Proceeds from sale of BTC	(39,543)
Change in fair value of BTC	(1,376,374)
BTC as of June 30, 2026	\$ 4,234,714

The following table presents a roll-forward of Dogecoin for the six months ended June 30, 2026, based on the fair value model under ASU 2023-08:

	Fair Value
Dogecoin as of December 31, 2025	\$ 2,460,255
Receipt of Dogecoin from mining services	98,194
Proceeds from sale of Dogecoin	(15,780)
Change in fair value of Dogecoin	(981,193)
Dogecoin as of June 30, 2026	\$ 1,561,476

Note 4 – Deposits on Equipment

The deposits for equipment represented advance payments for purchases of miner, high performance computing equipment and other equipment used in digital asset mining activity at the Colocation site. The Company initially recognizes deposits for equipment when cash is advanced to our suppliers. Subsequently, the Company derecognizes and reclassifies deposits for mining equipment to mining equipment when control is transferred to and obtained by the Company. At June 30, 2026 and December 31, 2025, the Company had deposits and advance payments of approximately \$3,600,100, respectively, for mining equipment.

Note 5 – Equipment

As of June 30, 2026 and December 31, 2025, equipment, net consisted of the following:

	June 30, 2026	December 31, 2025
Mining equipment	\$ 26,020,439	\$ 26,020,439
Computer equipment	28,295	28,295
Total	26,048,734	26,048,734
Less: accumulated depreciation	(14,019,892)	(7,511,282)
Equipment, net	\$ 12,028,842	\$ 18,537,452

Depreciation expense for the three and six months ended June 30, 2026 totaled \$3,254,234 and \$6,508,610, respectively, and for three and six months ended June 30, 2025 totaled \$2,162,531 and \$2,352,011, respectively, and is included in operating expenses on the condensed consolidated statement of operations.

Note 6 – Capitalized Software

As of June 30, 2026 and December 31, 2025, capitalized software consisted of the following:

	June 30, 2026	December 31, 2025
Capitalized software cost	\$ 397,739	\$ 457,830
Less: accumulated amortization	(259,612)	(193,637)
Capitalized software, net	\$ 138,127	\$ 264,193

Amortization expense for the three and six months ended June 30, 2026 totaled \$33,092 and \$65,975, respectively, and is included in operating expenses on the condensed consolidated statement of operations. There was no amortization expense for the three and six months ended June 30, 2025.

Note 7 – Contingencies

Legal

From time to time, the Company may be involved in various litigation matters and disputes arising in the ordinary course of business. The Company reviews its lawsuits, regulatory investigations and other legal proceedings on an ongoing basis. The Company records liabilities for contingencies, including legal costs, when it is probable that a liability has been incurred before the balance sheet date and the amount can be reasonably estimated.

Various legislative and executive bodies in the United States and in other countries may, in the future, adopt laws, regulations or guidance, or take other actions that could severely impact the permissibility of digital assets generally and the technology behind them or the means of transacting in or transferring them. It is difficult to predict how or whether regulatory agencies may apply existing or new regulation with respect to this technology and its applications.

Colocation Agreement

The Company utilizes third-party data center facilities to support its digital asset mining operations. Specifically, the Company has entered into a colocation and hosting services agreement with an independent data center provider for the ongoing provision of rack space, electrical power capacity, network connectivity, and cooling infrastructure required to operate the Company's mining hardware. These arrangements do not convey to the Company the right to control the use of any identified physical asset within the data center, and the service provider retains substantive substitution rights of the assets at all times. Accordingly, consistent with the guidance in ASC 842, the Company has concluded that the arrangement represents a service contract and does not contain a lease, as the Company does not obtain control of an identified asset during the contract term.

The colocation and hosting contracts generally include variable charges based on power consumption and other usage-based elements. Under ASC 842, the Company recognizes expense for such service arrangements as incurred, and no right-of-use ("ROU") asset or lease liability is recorded on the condensed consolidated balance sheet because the contract is outside the scope of lease accounting.

For the three and six months ended June 30, 2026, the Company incurred \$1,708,524 and \$3,374,852, respectively, and for the three and six months ended June 30, 2025, the Company incurred \$998,062 and \$1,074,032, respectively, in colocation and hosting-related service expenses, which are included within cost of revenues in the accompanying condensed consolidated statements of operations.

Note 8 – Stock Awards

Thumzup's stockholders approved Thumzup's 2024 Equity Incentive Plan in May 2024, amending it in July 2024 to increase the number of shares reserved for issuance thereunder to 2,000,000, and approved Thumzup's 2025 Equity Incentive Plan in April 2025 with an additional 2,000,000 shares reserved for issuance thereunder. In December 2025, the Company's stockholders approved the 2025 Omnibus Equity Incentive Plan. The number of shares reserved for issuance under the plan are 7,000,000. The equity plans approved by the stockholder are collectively referred to as the "Plans".

The Plans provide for the grant of incentive stock options to Thumzup's employees, including officers, consultants and directors, and its subsidiaries' employees, including officers, consultants and directors and for the grant of stock options, stock bonus awards, restricted stock awards, performance stock awards and other forms of stock compensation. The Plans also provide that the grant of performance stock awards may be paid out in cash as determined by the committee administering the Plans.

Option valuation models require the input of highly subjective assumptions. The fair value of stock-based payment awards was estimated using the Black-Scholes option pricing model with a volatility figure derived from historical data. The Company accounts for the expected life of options based on the contractual life of the options.

As of June 30, 2026, the Company had 5,187,575 shares of common stock available for future issuance under the Plans.

A summary of the stock option activity for the six months ended June 30, 2026, is as follows:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 31, 2025	1,173,458	\$ 5.07	8.89	\$ -
Granted	60,000	2.00	9.65	\$ -
Exercised	-	-	-	\$ -
Forfeited	(20,000)	5.00	8.55	\$ -
Cancelled/Exchanged	-	-	-	\$ -
Outstanding at June 30, 2026	1,213,458	\$ 4.92	8.45	\$ -
Exercisable at June 30, 2026	971,271	\$ 4.91	8.48	\$ -

A summary of the stock options outstanding at June 30, 2026, is as follows:

Exercise Price	Options Outstanding	Weighted Average Remaining Life	Options Exercisable
\$ 5.00	959,708	8.34	717,521
5.47	133,750	8.34	133,750
5.42	60,000	9.26	60,000
2.00	60,000	9.65	60,000
-	1,213,458	8.45	971,271

The aggregate intrinsic value of outstanding stock options was \$0, based on options with an exercise price less than the Company's stock price of \$1.78 as of June 30, 2026.

The fair value of all options that vested during the three and six months ended June 30, 2026 was \$115,765 and \$358,514. Unrecognized compensation expense was \$1,157,652 as of June 30, 2026.

In January 2026, 100,000 RSUs were granted to advisors to the Company. The RSUs will vest 50% immediately and 50% in July 2026.

In March 2026, 100,000 RSUs were granted to advisors to the Company. The RSUs vested immediately.

In April 2026, 70,000 RSUs were granted to the former Chief Financial Officer in accordance with the separation agreement. The RSUs vest immediately.

The Company determined the fair value of all the RSUs issued during the six months ended June 30, 2026 to be \$529,150 based on the price of the most recent sale of common stock prior to each grant date for those RSU's granted prior to the Listing Date, or the quoted market value on the date of issuance of the RSU's granted after the Listing Date. As of June 30, 2026 there was unamortized stock-based compensation of approximately \$4,281,021 which the Company expects to recognize over approximately 2 years.

The activity related to RSUs is summarized as follows:

Restricted Stock Units Issued	RSUs Granted	Weighted-Average Exercise Price
Restricted Stock Units at December 31, 2025	3,251,789	-
Granted	270,000	\$ 1.96
Cancelled	-	-
Forfeited	-	-
Restricted stock units at June 30, 2026	3,521,789	-

Vesting Activity of Restricted Stock Units	RSUs	Weighted-Average Exercise Price
Unvested at December 31, 2025	1,647,850	-
Granted	270,000	\$ 1.96
Cancelled	-	-
Vested	(220,000)	\$ 2.03
Unvested at June 30, 2026	1,697,850	-

Note 9 – Warrants

A summary of the warrant activity for the six months ended June 30, 2026, is as follows:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 31, 2025	455,888	\$ 9.09	4.53	\$ -
Granted	5,575,000	0.01	-	\$ -
Exercised	(500,000)	0.01	-	-
Cancelled/Exchanged	-	-	-	-
Outstanding at June 30, 2026	5,530,888	\$ 0.76	0.33	\$ 8,982,750
Exercisable at June 30, 2026	5,530,888	\$ 0.76	0.33	\$ 8,982,750

A summary of the warrants outstanding at June 30, 2026, is as follows:

Exercise Price	Warrants Outstanding	Weighted Average Remaining Life	Warrants Exercisable
\$ 2.00	5,075,000	-	5,075,000
6.00	65,000	4.01	65,000
6.25	40,888	3.34	40,888
10.00	350,000	4.12	350,000
-	5,530,888	0.33	5,530,888

The aggregate intrinsic value of outstanding stock warrants was \$8,982,750, based on warrants with an exercise price less than the Company's stock price of \$1.78 as of June 30, 2026, which would have been received by the warrant holders had those holders exercised the warrants as of that date.

Note 10- Secured Promissory Notes

In February 2025, the Company entered into a Secured Promissory note for a principal sum of \$2,150,000, bearing interest of 10% and matured on August 21, 2025. As of December 31, 2025, the note was repaid in full.

In March 2025, the Company entered into a Secured Promissory note for a principal sum of \$2,000,000, bearing interest of 10% and matured on April 26, 2025. As of December 31, 2025, the note was repaid in full.

In June 2025, the Company entered into a Secured Promissory note with a Fund for a principal sum of \$1,900,000 less an original issue discount amount of \$150,000. The original issue discount is amortized to maturity date by utilizing the effective interest method. The note is due December 24, 2025, however, if the Company closes on a financing with an institutional lender for an amount of net loan proceeds in excess of the total principal amount, ordinary interest, and late interest then outstanding; or a sale of all or substantially all the assets of the Company, then the Maturity Date shall accelerate to the date of such closing. As of December 31, 2025, the note was repaid in full.

Note 11 – Stockholder's Equity

Public Offering

On March 26, 2026, the Company entered into a placement agency with Dominari Securities LLC, pursuant to which we sold directly to investors, in a best efforts offering, an aggregate of (i) 4,510,000 shares of common stock at \$2.00 per share and (ii) pre-funded warrants to purchase up to an aggregate of 5,575,000 shares of common stock at \$1.99 per pre-funded warrant. The securities were offered and sold by the Company pursuant to our effective registration statement on Form S-3 (File No. 333-286951). The closing of the offering occurred on March 31, 2026 and the gross proceeds from the offering were approximately \$20.2 million, before deducting placement agent fees and expenses and estimated offering expenses totaling \$2,270,300. The funds associated with the warrants were received in full as of April 2, 2026.

As of June 30, 2026 prefunded warrants to purchase 5,075,000 shares of common stock remained outstanding. The prefunded warrants are exercisable at \$0.01 per share, *are subject to beneficial ownership limitations*, and are classified as equity.

Issuance of December 15, 2025 Series A Preferred Dividends

In January 2026, the Company issued an aggregate of approximately 3,079 shares of Series A Preferred Stock in satisfaction of the December 15, 2025 quarterly dividend that had been declared but had not yet been issued due to administrative processing delays.

March 16, 2026 Series A Preferred Dividends

On March 16, 2026, the Company declared and issued an aggregate of approximately 3,139 shares of Series A Preferred Stock as quarterly dividends due under the Series A Preferred Certificate of Designation.

June 16, 2026 Series A Preferred Dividends

On June 16, 2026, the Company declared an aggregate of approximately 3,183 shares of Series A Preferred Stock as quarterly dividends due under the Series A Preferred Certificate of Designation. The shares were not issued as of June 30, 2026 and a liability has been recorded in accounts payable and accrued expenses.

Second Amended and Restated Certificate of Designation – Series A Preferred Convertible Voting Stock

On March 27, 2026, the Company filed with the Secretary of State of the State of Nevada the Second Amended and Restated Certificate of Designation of Rights, Powers, Preferences, Privileges and Restrictions of Series A Preferred Convertible Voting Stock (the "Second A&R COD"), which had been approved by the Board of Directors and the holders of the Series A Preferred Convertible Voting Stock. The Second A&R COD continues to authorize 1,000,000 shares of Series A Preferred Convertible Voting Stock, par value \$0.001 per share, with a stated value of \$45.00 per share.

Holders of Series A Preferred Convertible Voting Stock are entitled to non-cumulative quarterly dividends, when, as and if declared by the Board of Directors out of funds lawfully available, in an amount equal to \$0.875 per share per quarter (\$3.50 per share on an annualized basis), payable on each of March 15, June 15, September 15 and December 15. Dividends may be paid in cash or, at the Company's election, in additional shares of Series A Preferred Convertible Voting Stock valued at the \$45.00 per share Purchase Price; provided that, if the closing price of the Common Stock on the trading day prior to the applicable payment date is below the Reference Rate (as defined below) then in effect, dividend shares will be valued at the Purchase Price multiplied by VWAP divided by the Reference Rate.

Each share of Series A Preferred Convertible Voting Stock is convertible at the option of the holder into 23 shares of Common Stock at a reference rate of \$2.00 per share of Common Stock (the “Reference Rate”), subject to adjustment for stock splits, stock dividends, business combinations and similar recapitalizations and to the anti-dilution provisions described below. Conversions are subject to a 4.99% beneficial ownership limitation, which may be waived by the holder upon 61 days’ advance notice, and a 9.99% beneficial ownership limitation that may not be waived.

In the event the Company issues additional securities at a per-share purchase price less than the then-effective Reference Rate (a “Dilutive Financing”), the Conversion Rate is adjusted by (i) multiplying the lowest per-share price paid in the Dilutive Financing by 0.8 to derive the Discount Rate, (ii) dividing the Reference Rate by the Discount Rate to derive the Adjustment Factor and (iii) multiplying the then-effective Conversion Rate by the Adjustment Factor; the Reference Rate is then reset to equal the Discount Rate. The anti-dilution provisions are inoperable when all of the following conditions are met: (a) the Company has closed on an offering of at least \$5 million, net of fees, at a minimum of \$5.00 per share; (b) the Securities and Exchange Commission has declared effective a registration statement registering for resale the Common Stock issuable upon conversion of the Series A Preferred Convertible Voting Stock; (c) the Common Stock is listed on the NYSE or NASDAQ; and (d) the Common Stock has had a closing price of \$6.00 or more for 20 consecutive Trading Days. The anti-dilution provisions do not apply to issuances of securities upon conversion of the Series A Preferred Convertible Voting Stock or as dividends thereon, conversion of preexisting convertible securities, or stock splits, stock dividends, or other subdivisions of Common Stock.

The Series A Preferred Convertible Voting Stock votes together with the Common Stock on an as-converted basis, with each holder limited to a maximum of 9.99% of the total votes entitled to be cast, except as required by law. Upon a liquidation, dissolution or winding up of the Company, holders of Series A Preferred Convertible Voting Stock are entitled to receive, prior to any distribution to holders of Common Stock or other junior securities, an amount in cash equal to \$45.00 per share plus any accrued and declared but unpaid dividends, and thereafter participate pari passu with the holders of Common Stock on an as-converted basis.

Note 12- Segment Information

The Company applies the provisions of ASC 280, Segment Reporting, which requires public entities to disclose information about operating segments based on the internal reports that are regularly reviewed by the Company’s Chief Operating Decision Maker (“CODM”) for purposes of allocating resources and assessing performance.

The CODM, who is the Company’s Chief Executive Officer, evaluates the business and makes operating decisions using a consolidated set of financial information. Management has determined that the Company operates as one operating segment, as the Company’s operations are organized and managed as a single business component with:

One set of economic activities—the development, deployment, and operation of digital asset mining infrastructure; A single management team making decisions about resource allocation across all activities; and revenue focus on the production, validation, and sale of digital assets; and a centralized cost structure, including equipment procurement, colocation arrangements, power usage, maintenance, and operational oversight.

Based on this analysis, management has concluded that the Company has one reportable segment, referred to as the “Digital Asset Mining Business.” This segment is primarily engaged in mining Dogecoin and other Litecoin-network digital assets, utilizing specialized hardware and third-party colocation facilities.

Because the Company has only one reportable segment, separate segment information (such as disaggregated revenues, profit or loss measures, or segment assets) is not presented, as such information is identical to the information presented in the Company's condensed consolidated financial statements. Because substantially all operations and assets are located in a single geographic area, no additional geographic disaggregation is presented.

Note 13 – Income Taxes

The Company did not provide for income taxes for the three and six months ended June 30, 2026 and 2025, since there was a loss and a full valuation allowance against all deferred tax assets.

Note 14 – Related Party Transactions

IRTH Communications, LLC

IRTH Communications, LLC ("IRTH") is owned and controlled by Robert Haag. On November 20, 2025, the Company entered into a Services Agreement with IRTTH pursuant to which IRTTH provides investor relations, public relations, financial communications and strategic consulting services. The agreement had an initial term of three months with automatic renewal and provided for a non-refundable monthly fee of \$30,000, payable quarterly in advance.

On February 20, 2026, the Company and IRTTH Communications, LLC ("IRTH") entered into Amendment No. 1 to the Services Agreement dated November 20, 2025, pursuant to which: (i) the Company, as successor-in-interest to Thumzup Media Corporation, formally assumed all rights and obligations under the original agreement; (ii) the term was extended for a fixed period of six months expiring August 20, 2026, with no automatic renewal; (iii) the monthly cash fee was reduced from \$30,000 to \$15,000, payable monthly in advance; and (iv) the Company granted IRTTH 60,000 fully vested stock options with an exercise price of \$2.00 per share under the Company's 2025 Omnibus Equity Incentive Plan. The equity grant was ratified by the Compensation Committee on February 20, 2026.

During the three and six months ended June 30, 2026, the Company paid IRTTH an aggregate of \$45,000 and \$75,000, respectively, consisting of monthly fixed fees.

Isaac Dietrich

Isaac Dietrich served as the Company's Chief Financial Officer and as a member of the Board of Directors until his resignation from both positions effective December 15, 2025, in connection with the Merger. In connection with his separation, the Company entered into a Transition and Separation Agreement with Mr. Dietrich dated December 10, 2025 (the "Transition Agreement"), pursuant to which Mr. Dietrich was engaged as an independent contractor to provide transition consulting services through the date the Company filed its Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Note 15 – Subsequent Events

The Company evaluated subsequent events and transactions through the date the unaudited condensed consolidated financial statements were issued. Based on this evaluation, the Company determined that no subsequent events required adjustment to or disclosure in the unaudited condensed consolidated financial statements.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This management's discussion and analysis of financial condition and results of operations contains forward-looking statements that involve risks and uncertainties. See "Cautionary Note Regarding Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with those statements. You should read the following discussion in conjunction with our consolidated financial statements and related notes which are included elsewhere in this Quarterly Report on Form 10-Q. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including, but not limited to, those described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, as may be amended, supplemented or superseded from time to time by other reports we file with the SEC.

Overview

Datacentrex, Inc. ("Datacentrex," the "Company," "we," "us," or "our") is a digital infrastructure and capital deployment company that owns and operates Script-based proof-of-work ("PoW") compute assets. On December 15, 2025, the Company consummated the acquisition of Dogehash Technologies, Inc. ("Doge") through a reverse recapitalization (the "Transaction"), following which the combined company changed its name to Datacentrex, Inc. Doge, the accounting acquirer, had commenced digital asset mining operations prior to the Transaction.

The following discussion reflects the operations of Doge and its successors for the three and six months ended June 30, 2026, as compared to the three and six months ended June 30, 2025. The Company began the first quarter of 2025 with an initial deployment of approximately 1,500 Script ASIC miners at a single colocation facility outside of the United States. Over the course of 2025, Doge deployed additional units in domestic colocation sites, relocated the original fleet of approximately 1,500 miners back to the United States and continued to deploy additional rigs. As of June 30, 2026, our total operating fleet consisted of 3,085 Script ASIC miners deployed across four geographically diversified colocation facilities, all located in the United States with no material additions or removals during the quarter then ended.

We generate revenue by deploying owned Script application-specific integrated circuit ("ASIC") hardware to produce PoW hashrate, which we monetize primarily through a hashrate marketplace model with settlement typically denominated in Bitcoin. Our Script compute contributes hashrate to the Litecoin blockchain, and through merged-mining architecture, simultaneously secures and validates additional Script-based networks, including Dogecoin, without incremental energy consumption. The Company's mining operations produce exposure to multiple digital asset networks from a single deployment of compute and power, with Dogecoin representing the largest share of protocol-native coin production during the period and Bitcoin representing the primary settlement asset received through marketplace monetization channels.

We manage a treasury of digital assets and cash intended to preserve capital, maintain liquidity, and enhance long-term value creation. As of June 30, 2026, the Company held over \$5.9 million in digital assets, comprising a mix of Bitcoin accumulated through hashrate marketplace settlement and unsold Dogecoin and Litecoin from pool-based mining. Management expects that future treasury concentration will favor Bitcoin over time, consistent with the Company's hashrate marketplace monetization model in which settlement is typically received in Bitcoin.

Our results are primarily driven by (i) realized revenue rate per unit of hashrate deployed, (ii) power cost and curtailment exposure at the facility level, (iii) uptime and operational execution, (iv) availability and replacement cycle dynamics for Script ASIC supply, and (v) treasury and capital allocation decisions, including decisions regarding holding, converting, or deploying digital assets and cash.

We are not a protocol developer. We do not control any blockchain network and do not generate revenues from maintaining or updating any open-source network protocol. Our results depend on our ability to procure and operate compute infrastructure economically and to monetize that compute in a manner that produces attractive risk-adjusted returns.

The Company's operations are principally operated remotely at various data centers throughout the United States. The Company's principal address is 470 W 200 N STE 18, Salt Lake City, UT 84103 and its telephone number is (800) 403-6150. The Company's website address is www.datacentrex.com. The information provided on the Company's website or connected thereto does not constitute part of, and is not incorporated by reference into, this quarterly report on Form 10-Q.

Key Factors that Affect Operating Results

Key Operating Inputs

Digital asset market conditions. Our results are influenced by price, volatility, and liquidity in digital asset markets, including the assets associated with Script networks and the settlement asset we receive through monetization channels. Adverse movements may reduce revenue and operating margins and impair liquidity.

Network difficulty and hashrate. PoW networks dynamically adjust mining difficulty based on total network hashrate. Increased network hashrate typically increases difficulty, which reduces expected rewards per unit of hashrate deployed and can pressure margins if power costs or monetization rates do not improve. Conversely, declines in network hashrate can reduce difficulty and improve expected economics for remaining miners.

Power costs and curtailment. Electricity is a primary input cost. Power rates, capacity charges, curtailment obligations, transmission constraints, and other ancillary costs can materially affect profitability. We may be required to curtail load or may voluntarily curtail load when economically advantageous or contractually required.

Uptime and operational execution. Because revenue depends on continuous operation of compute assets, uptime is a critical driver of realized results. Equipment failures, facility outages, maintenance, networking issues, and configuration errors can reduce uptime and revenue.

Hardware supply and replacement cycles. Script ASIC supply is subject to vendor production schedules, logistics, and market availability. As competition evolves, miners may need to deploy newer hardware, replace components, or optimize existing fleets to remain competitive.

Counterparty performance. Our business depends on the performance of hosting providers, marketplace operators, custodians, and trading venues. Counterparty failures, cybersecurity incidents, or operational disruptions could materially affect results.

Cost Structure and Operating Leverage

The Company's cost structure consists primarily of power costs, hosting-related expenses, and depreciation of capitalized mining equipment.

Power Costs

Electricity is the primary operating cost of the Company's compute operations. Power consumption is variable based on the number of machines operating at any given time. However, under the Company's existing colocation arrangements, the price of electricity is fixed pursuant to contractual agreements, and uptime and power delivery obligations are contractually defined.

If a hosting or colocation provider fails to deliver power in accordance with the terms of the applicable agreement, the Company may be entitled to monetary penalties or, in certain circumstances, to terminate the agreement without recourse to the host. As a result, while power usage fluctuates with operational decisions, power pricing and availability are substantially governed by contract.

Hosting and Operating Costs

Hosting-related costs include facility services, power delivery infrastructure, networking, and site-level operations provided by colocation partners. These costs may include both fixed and variable components depending on contractual terms and facility configuration.

Capitalized Hardware

Mining equipment is capitalized and depreciated over its estimated useful life. Hardware costs are not expensed as incurred, and operating margins are therefore sensitive to both depreciation expense and the economic productivity of deployed equipment.

Operating Leverage and Scale

Operating scale does not inherently improve margins under a pure hosting model. Meaningful margin expansion is primarily achievable through upstream integration into power ownership or power-adjacent infrastructure. If the Company were to acquire or control power generation, interconnection, or other upstream assets, margins could expand significantly due to reduced energy costs and improved control over the cost structure. There can be no assurance that such opportunities will be pursued or achieved.

Mining Equipment and Hosting Arrangements

Mining Equipment

Datacentrex owns a fleet of specialized Scrypt ASIC miners used to generate PoW hashrate. Since inception of the operating platform, the Company has invested in excess of \$29 million in mining equipment and related infrastructure.

As of the consummation of the Merger, the Company operated more than 3,100 Scrypt ASIC miners, which are deployed across multiple colocation facilities. The Company may hold certain equipment in inventory, in transit, or in staging for deployment, and may acquire additional miners or components depending on expansion plans, equipment availability, and capital allocation priorities.

The economic performance of the Company's mining equipment depends on a number of factors, including hardware reliability, uptime, network difficulty, power costs, and monetization rates. Over time, competitive dynamics may require replacement, refurbishment, or redeployment of equipment to maintain attractive operating economics.

Equipment Lifespan and Replacement Cycles

Script ASIC miners have finite useful lives and are subject to technological obsolescence over time. However, the lifecycle dynamics of Script mining equipment differ from those of SHA-256 mining equipment used in Bitcoin mining.

The Script ASIC market is served by a limited number of manufacturers, and innovation cycles have historically occurred at a slower pace relative to Bitcoin mining hardware. As a result, Script miners may retain economic usefulness for longer periods, and new hardware generations may not render prior generations obsolete as rapidly as in other PoW markets.

Management believes these dynamics can support longer economic lifespans and residual value for Script mining equipment relative to certain other mining categories. Nonetheless, future technological developments, changes in network economics, or shifts in competitive dynamics could reduce the useful life or value of existing equipment.

Hosting and Colocation Arrangements

Datacentrex deploys its mining equipment primarily through third-party colocation and hosting arrangements. Under these arrangements, hosting providers supply physical space, electrical infrastructure, power delivery, and certain site services necessary to operate energy-intensive compute workloads. The Company retains ownership of its mining equipment and remains responsible for configuration, monitoring, maintenance coordination, and operational management, subject to the terms of applicable hosting agreements.

The Company currently operates under three colocation arrangements that provide access to electric power sourced from the Electric Reliability Council of Texas (ERCOT) grid, the Midcontinent Independent System Operator (MISO) grid, and the Georgia Power grid, respectively. These arrangements allow Datacentrex to diversify geographic exposure, grid risk, and operational dependencies while supporting deployment of its existing fleet. Hosting arrangements expose the Company to counterparty risk, including the risk that a hosting provider fails to perform its obligations, experiences operational disruptions, or becomes financially distressed. Hosting agreements may also include provisions related to curtailment, maintenance windows, capacity constraints, or other operational limitations that can affect uptime and revenue.

Management believes that deploying equipment across multiple facilities and grid regions reduces reliance on any single site or power market. However, diversification does not eliminate the risk of correlated events, including regional grid disruptions, extreme weather events, regulatory actions, or market-wide curtailment programs. The Company's ability to expand operations depends on the availability of additional hosting capacity, power, and interconnection on acceptable terms, as well as access to capital and equipment supply.

Treasury, Liquidity, and Custody

We manage digital assets and cash as part of a dynamic treasury and capital allocation strategy intended to preserve capital, maintain liquidity, and enhance long-term value creation.

Under our hashrate marketplace monetization model, settlement is typically received in Bitcoin. Management has historically evaluated retaining Bitcoin-denominated proceeds as a treasury asset rather than immediately converting to fiat currency and expects that future treasury concentration may favor Bitcoin over time. From time to time, we may allocate a portion of Dogecoin exposure to pilot-stage, protocol-native yield opportunities within the Dogecoin ecosystem, including limited participation in Layer-2 networks. These activities remain exploratory and are not governed by a formal treasury policy adopted by our board of directors. We may modify, expand, suspend, or discontinue such pilot activities based on performance and risk assessment.

We utilize institutional custodians and trading platforms for custody and execution, including Anchorage Digital and Coinbase Prime, and are subject to risks associated with third-party custodians and trading venues, including cybersecurity risk, operational risk, legal and regulatory risk, and counterparty risk.

Infrastructure and Power Strategy

Power and physical infrastructure are foundational to our operating platform. Our current compute operations are deployed primarily through third-party colocation sites that provide access to power and the environment required to run energy-intensive compute.

Management evaluates opportunities to expand and, where attractive, vertically integrate upstream through acquisitions or developments involving powered land, interconnection capacity, electrical infrastructure, or operating data-center assets. Such opportunities may improve cost control and strategic flexibility but can require significant capital, permitting and regulatory execution, and operational integration.

We do not intend to limit our long-term opportunity set to cryptocurrency-related compute. Management believes our experience operating energy-intensive compute positions the Company to evaluate other compute-enabled or infrastructure-backed opportunities.

Strategy and Growth

Datacentrex is not positioned solely as a cryptocurrency mining company. Management views Script compute as an initial operating platform that can generate cash flow and operational capabilities that may be leveraged across a broader strategic mandate.

We intend to maintain flexibility to pursue mergers, acquisitions, asset purchases, joint ventures, and strategic investments across digital infrastructure, compute-enabled services, energy-adjacent infrastructure, and other asset-backed operating businesses. We may evaluate opportunities both within and outside the digital asset ecosystem. Management may adjust strategic focus over time in response to market conditions, regulatory developments, capital availability, and risk-adjusted return opportunities.

Strategic Scope and Capital Allocation Boundaries

The Company's strategy is designed to preserve flexibility while maintaining discipline in capital allocation. Although Datacentrex currently operates a Script-based compute platform, management does not view the Company as permanently constrained to any single protocol, asset class, or operating model. Strategic decisions, including material expansions, acquisitions, divestitures, or entry into new lines of business, are subject to oversight by the Company's board of directors. While management evaluates a broad range of potential opportunities, the Company does not intend to deploy capital indiscriminately or to pursue speculative investments unrelated to asset-backed operating businesses. Notwithstanding the foregoing, there can be no assurance that identified opportunities will be consummated or that any strategic initiative will be successful.

Second Quarter FY26 Operational Highlights

Key operational highlights for the quarter ended June 30, 2026 include:

Fleet Scaling and Deployment. The Company began the second quarter of 2026 with a total operating fleet of 3,085 Script ASIC miners deployed across four geographically diversified colocation facilities, all located in the United States. The fleet remained stable during the quarter, with no material additions or removals and no changes to colocation arrangements or contracted power capacity.

Hashrate and Power Capacity. As of June 30, 2026, the Company's fleet of 3,085 operating Script ASIC miners had an average nameplate capacity of approximately 14 GH/s per unit, representing aggregate deployed hashrate of approximately 43.2 TH/s at full uptime. The fleet's average nameplate power consumption was approximately 3.95 kW per unit, representing approximately 12.5 MW of total deployed power capacity across the Company's four colocation facilities.

Revenue and Financial Performance. For the quarter ended June 30, 2026, the Company generated revenues of approximately \$1.9 million from digital asset mining operations, with cost of revenue of approximately \$1.7 million and gross profit of approximately \$0.2 million. The Company reported a net loss attributable to common stockholders of approximately \$5.5 million, driven primarily by depreciation expense of \$3.3 million on mining equipment (amortized over a two-year useful life), stock-based compensation of \$0.8 million, and general and administrative expenses associated with operating as a public company. Adjusted EBITDA, which is defined as net loss, adjusted for impacts of interest expense, income tax provision or benefit and depreciation and amortization, and non-cash stock-based compensation was approximately \$(1.3) million for the period, reflecting the impact of net realized and unrealized losses on digital assets held in treasury during the period.

Our results are primarily driven by realized revenue rates per unit of hashrate deployed, power costs and facility-level economics, fleet uptime and operational execution, hardware supply and replacement cycle dynamics, digital asset market conditions, and treasury and capital allocation decisions. For a further discussion of these key operating inputs, see Item 1, “Business — Key Operating Inputs” and the discussion of results of operations below.

RESULTS OF OPERATIONS

Three months ended June 30, 2026 and 2025

The following table sets forth certain selected consolidated statements of operations data for the three months ended June 30, 2026, as compared to the three months ended June 30, 2025.

	For the Three Months Ended	
	June 30, 2026	June 30, 2025
Revenues	\$ 1,913,779	\$ 1,928,587
Cost of Revenue	1,708,524	998,062
Gross Profit	205,255	930,525
Operating Expenses	5,001,465	2,355,630
Loss from Operations	(4,796,210)	(1,425,105)
Total Other Income (Expense)	(672,147)	(104,125)
Net Loss	\$ (5,468,357)	\$ (1,529,230)

Revenues

The Company generated revenues of \$1,913,779 for the three months ended June 30, 2026, as compared to \$1,928,587 for the three months ended June 30, 2025. Revenue was relatively consistent for the three months ended June 30, 2026 and 2025 due to steady levels of operating activity during both periods. Cryptocurrency mining revenues are significantly affected by volatility in digital asset prices, changes in the blockchain network hash rate, increases in the overall quantity and efficiency of rigs utilizing the Script mining algorithm, and changes in the difficulty index associated with solving blocks on the blockchain.

Cost of Revenue

Cost of revenue for the three months ended June 30, 2026 of approximately \$1,708,524 consisted primarily of direct production costs of the mining operations, including utilities and fees paid to the Company's colocation agreement hosts, but excluding depreciation and amortization, which are separately stated. By comparison, cost of revenue for the three months ended June 30, 2025 of approximately \$998,062 consisted primarily of direct production costs of the mining operations, including utilities and fees paid to the Company's colocation agreement hosts. The increase of \$710,462 reflects the increased power rates of the Company's deployed mining fleet.

Operating expenses

For the three months ended June 30, 2026 the Company incurred operating expenses of \$5,001,465, consisting of general and administrative expenses of \$863,281, depreciation and amortization of \$3,287,326, and stock-based compensation of \$850,858. General and administrative expenses primarily reflect legal, accounting, and other professional fees, payroll and outside consultant fees, insurance, and public company compliance costs. Depreciation and amortization expense is primarily attributable to in-service mining equipment, which is amortized over a two-year useful life. Stock-based compensation reflects expense recognized under the Company's equity incentive plan for eligible employees and directors. For the three months ended June 30, 2025 the Company incurred operating expenses of \$2,355,630, consisting of general and administrative expenses of \$193,099, depreciation and amortization of \$2,162,531, and no stock-based compensation. The increase of \$2,645,835 in operating expenses period over period is primarily attributable to increases in depreciation expense of \$1,124,795 reflecting the substantially larger in-service mining fleet, stock-based compensation of \$850,858, legal and accounting fees of approximately \$254,000, and payroll and outside consultant fees of approximately \$356,000.

Net Loss from operations

The Company realized a net loss from operations of \$4,796,210 for the three months ended June 30, 2026, as compared to a net loss from operations of \$1,425,105 for the three months ended June 30, 2025, which is attributed to the reasons stated above in the section "Operating Expenses."

Other income (expense)

For the three months ended June 30, 2026, the Company had \$672,147 in other expense, net. This included net unrealized and realized loss on digital assets of \$1,269,425 and interest income, net, of \$597,278. For the three months ended June 30, 2025, the Company had \$104,125 in other expense, net, consisting of net unrealized and realized gain on digital assets of \$72,381 and interest expense, net of \$176,506.

Net Loss Before Income Taxes

The Company realized a net loss before income taxes of \$5,468,357 for the three months ended June 30, 2026, as compared to \$1,529,230 for the three months ended June 30, 2025. Our net losses were due to the reasons stated above in the preceding sections.

RESULTS OF OPERATIONS

Six Months Ended June 30, 2026 and 2025

The following table sets forth certain selected consolidated statements of operations data for the six months ended June 30, 2026, as compared to the six months ended June 30, 2025.

	For the Six Months Ended	
	June 30, 2026	June 30, 2025
Revenues	\$ 4,092,987	\$ 2,088,212
Cost of Revenue	3,374,852	1,074,032
Gross Profit	718,135	1,014,180
Operating Expenses	10,531,999	2,746,981
Loss from Operations	(9,813,864)	(1,732,801)
Total Other Income (Expense)	(1,806,200)	(105,024)
Net Loss	\$ (11,620,064)	\$ (1,837,825)

Revenues

The Company generated revenues of \$4,092,987 for the six months ended June 30, 2026 as compared to \$2,088,212 for the six months ended June 30, 2025. The increase of \$2,004,775 was driven primarily growth in the number of deployed units and expanded capacity, as well as the Company's transition during 2026 to the hashrate marketplace monetization model under which settlement is typically received in Bitcoin.

Cost of Revenue

Cost of revenue increased by \$2,300,820, to \$3,374,852 for the six months ended June 30, 2026, from \$1,074,032 for the six months ended June 30, 2025. Consistent with the three-month comparison, the increase was primarily attributable to the expansion of the Company's deployed mining fleet, increased power rates and increased operating activity during 2026.

Operating expenses

For the six months ended June 30, 2026 the Company incurred operating expenses of \$10,531,999, consisting of general and administrative expenses of \$1,950,490, depreciation and amortization of \$6,574,585, and stock-based compensation of \$2,006,924. For the six months ended June 30, 2025 the Company incurred operating expenses of \$2,746,981, consisting of general and administrative expenses of \$394,970, depreciation and amortization of \$2,352,011, and no stock-based compensation. The increase of \$7,785,018 in operating expenses period over period is primarily attributable to increases in depreciation expense of \$4,222,574 reflecting the substantially larger in-service mining fleet, stock-based compensation of \$2,006,924, legal and accounting fees of approximately \$416,000, insurance cost of approximately \$250,000 and payroll and outside consultant fees of approximately \$700,000.

Net Loss from operations

The Company realized a net loss from operations of \$9,813,864 for the six months ended June 30, 2026, as compared to a net loss from operations of \$1,732,801 for the six months ended June 30, 2025, which is attributed to the reasons stated above in the section "Operating Expenses."

Other income (expense)

For the six months ended June 30, 2026, the Company had \$1,806,200 in other expense, net. This included net unrealized and realized loss on digital assets of \$2,481,598, other income of \$6,467, and interest income, net, of \$668,931. For the six months ended June 30, 2025, the Company had \$105,024 in other expense, net, consisting of net unrealized and realized gain on digital assets of \$71,482 and interest expense, net of \$176,506.

Net Loss Before Income Taxes

The Company realized a net loss before income taxes of \$11,620,064 for the six months ended June 30, 2026, as compared to \$1,837,825 for the six months ended June 30, 2025. Our net losses were due to the reasons stated above in the preceding sections.

Liquidity and capital resources

As of June 30, 2026, the Company had cash and cash equivalents of \$51,884,089, stockholders' equity of \$74,533,809, and working capital of \$58,145,080.

The Company's accumulated deficit was \$20,122,949 as of June 30, 2026.

The Company used net cash in operating activities of \$4,991,617 for the six months ended June 30, 2026. For the six months ended June 30, 2026, operating cash flows were impacted by depreciation and amortization of \$6,574,585, stock-based compensation of \$2,006,924, digital asset mining revenue of \$4,092,987, net unrealized and realized loss on digital assets of \$2,481,598, impairment of capitalized software of \$60,092, increase in prepaid expense of \$108,694, increase in other receivables of \$16,873, and decrease in accounts payable and accrued expenses of \$276,198.

By comparison, the Company used net cash in operating activities of \$2,337,272 for the six months ended June 30, 2025. For the six months ended June 30, 2025, operating cash flows were impacted by depreciation and amortization of \$2,352,011, digital asset mining revenue of \$2,088,212, net unrealized and realized gain on digital assets of \$71,482, increase in prepaid expense of \$60,691, increase in other assets of \$686,893, and increase in accounts payable and accrued expenses of \$55,820.

Net cash provided by investing activities for the six months ended June 30, 2026 was \$56,520 consisting of proceeds from the sale of digital assets. The Company did not purchase additional mining equipment or pay deposits on equipment to be received during the period.

By comparison, net cash used in investing activities for the six months ended June 30, 2025 was \$23,988,068. During the six months ended June 30, 2025, the Company purchased \$17,423,650 of mining equipment, paid \$7,029,862 in deposits on mining equipment to be received, and received \$465,444 in proceeds from sale of digital assets.

Cash provided by financing activities for the six months ended June 30, 2026 was \$17,899,700, consisting of net proceeds from the Company's March 2026 confidentially marketed public offering. The Company did not issue Class A-1 or Class A-2 Units during the six months ended June 30, 2026.

By comparison, cash provided by financing activities for the six months ended June 30, 2025 was \$30,117,402, consisting of \$5,250,000 of proceeds from long-term debt net of discount, repayments of long term debt of \$3,500,000, \$17,945,000 of proceeds from the issuance of Class A-1 Units and \$10,422,402 of proceeds from the issuance of Class A-2 Units.

Capital Resources

June 30, 2026, we had cash and cash equivalents on hand of \$51,884,089. We currently have minimal sources of liquidity such as arrangements with credit institutions that will have or are reasonably likely to have a current or future effect on our financial condition or immediate access to capital.

Revenue from Mining Operations

Funding our operations on a go-forward basis will rely significantly on our ability to continue to monetize our deployed Script hashrate, the spot or market price of the digital assets we receive (primarily Bitcoin received as settlement through our hashrate marketplace monetization model, together with protocol-native rewards in Dogecoin, Litecoin and other Script-based assets), and our ability to raise additional funds as equity, debt or convertible securities. Our ability to monetize digital asset rewards at amounts that exceed our production and overhead costs will determine our ability to report profit margins related to such mining operations, although accounting for our reported profitability is significantly complex. Furthermore, regardless of our ability to generate revenue from the sale of our digital assets, we may need to raise additional capital in the form of equity or debt to fund our operations and pursue our business strategy.

The ability to raise funds as equity, debt or conversion of cryptocurrency to maintain our operations is subject to many risks and uncertainties.

Summary of Mining Results

The following table presents additional information about our cryptocurrency mining activities in coins and amounts during the six months ended June 30, 2026.

Name	Abbreviation	Coins	Amount (USD)
Bells Coin	BEL	144	\$ 12
BTC Nicehash	BTC	54	3,978,676
Dingocoin	DINGO	708,596	10
Dogecoin	DOGE	717,060	98,194
Junkcoin	JKC	349	4
Luckycoin	LKY	1,471	150
Litecoin	LTC	197	15,930
Pepe	PEPE	803,659	5
Shibacoin	SHIC	1,249,627	6
		<u>3,481,157</u>	<u>\$ 4,092,987</u>

The following table presents additional information about our cryptocurrency mining activities in coins and amounts during the six months ended June 30, 2025.

Name	Abbreviation	Coins	Amount (USD)
Bells Coin	BEL	9,554	\$ 1,875
Dingocoin	DINGO	9,224,087	352
Dogecoin	DOGE	9,976,516	1,844,110
Junkcoin	JKC	12,637	374
Luckycoin	LKY	7,036	1,763
Litecoin	LTC	2,736	239,538
Pepe	PEPE	20,790,063	200
		<u>40,022,629</u>	<u>\$ 2,088,212</u>

Contractual Obligations

The Company utilizes third-party data center facilities to support its digital asset mining operations. Specifically, the Company has entered into colocation and hosting services agreements with independent data center providers for the ongoing provision of rack space, electrical power capacity, network connectivity, and cooling infrastructure required to operate the Company's mining hardware. For the six months ended June 30, 2026, the Company incurred approximately \$3,374,852 of colocation and hosting-related service expenses, which are included in cost of revenue in the accompanying consolidated statements of operations.

Non-GAAP Financial Measures

In addition to our results determined in accordance with GAAP, we rely on Adjusted EBITDA to evaluate our business, measure our performance, and make strategic decisions. Adjusted EBITDA is a non-GAAP financial measure. We define Adjusted EBITDA as net income (loss), adjusted for impacts of interest expense, income tax provision or benefit and depreciation and amortization, and non-cash stock-based compensation. You are encouraged to evaluate each of these adjustments and the reasons our Board and management team consider them appropriate for supplemental analysis.

Our board of directors and management team use Adjusted EBITDA to assess our financial performance because it allows them to compare our operating performance on a consistent basis across periods by removing the effects of our capital structure (such as varying levels of interest expense and income), asset base (such as depreciation and amortization), and other items that impact the comparability of financial results from period to period. We believe each of these adjustments provides useful information to investors for the following reasons: (i) interest expense is excluded because it is a function of our financing arrangements and capital structure rather than our core operating performance, and its exclusion facilitates comparisons with companies that have different capital structures; (ii) depreciation and amortization is excluded because it is a non-cash charge that reflects the cost of capital assets acquired in prior periods and does not directly correspond to the current period operating performance of our mining operations, and its exclusion allows investors to evaluate operating results independent of the timing and magnitude of capital expenditures; and (iii) stock-based compensation expense is excluded because it is a non-cash charge that varies significantly based on the timing, size, and nature of equity awards granted, as well as factors such as stock price volatility and forfeiture rates, which are not directly related to our underlying operational performance, and its exclusion enables investors to compare our results with those

of other companies that may utilize different forms and levels of employee compensation.

Net income (loss) is the GAAP measure most directly comparable to Adjusted EBITDA. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in such presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. There can be no assurance that we will not modify the presentation of Adjusted EBITDA in the future, and any such modification may be material. Adjusted EBITDA has important limitations as an analytical tool and you should not consider Adjusted EBITDA in isolation or as a substitute for analysis of our results as reported under GAAP. Because Adjusted EBITDA may be defined differently by other companies in our industry, our definition of this non-GAAP financial measure may not be comparable to similarly titled measures of other companies, thereby diminishing its utility.

Reconciliations of Adjusted EBITDA to the most comparable U.S. GAAP financial metric as of the three months ended June 30, 2026 and June 30, 2025, are presented in the table below:

	For the Three Months Ended	
	June 30, 2026	June 30, 2025
Net Loss	\$ (5,468,357)	\$ (1,529,230)
Depreciation	3,287,326	2,162,531
Stock based compensation	850,858	-
Interest expense	-	176,506
Adjusted EBITDA	\$ (1,330,173)	\$ 809,807

Reconciliations of Adjusted EBITDA to the most comparable U.S. GAAP financial metric as of the six months ended June 30, 2026 and June 30, 2025, are presented in the table below:

	For the Six Months Ended	
	June 30, 2026	June 30, 2025
Net Loss	\$ (11,620,064)	\$ (1,837,825)
Depreciation	6,574,585	2,352,011
Stock based compensation	2,006,924	-
Interest expense	-	176,506
Adjusted EBITDA	\$ (3,038,555)	\$ 690,692

Inflation

The Company's results of operations have not been affected by inflation and management cannot predict the impact, if any, inflation might have on its operations in the future.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements. These financial statements are prepared in accordance with U.S. GAAP, which requires the Company to make estimates and assumptions that affect the reported amounts of our assets, liabilities, revenues, and expenses, to disclose contingent assets and liabilities on the dates of the consolidated financial statements, and to disclose the reported amounts of revenues and expenses incurred during the financial reporting periods. The most significant estimates and assumptions include, but are not limited to, the accounting for digital assets, revenue recognition, useful lives of equipment and the evaluation allowance related to deferred tax assets. We continue to evaluate these estimates and assumptions that we believe to be reasonable under the circumstances. We rely on these evaluations as the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from those estimates as a result of changes in our estimates. Some of our accounting policies require higher degrees of judgment than others in their application. We believe critical accounting policies as disclosed in this release reflect the more significant judgments and estimates used in preparation of our consolidated financial statements. For a summary of significant accounting policies, refer to Note 2 Summary of Significant Accounting Policies in our Notes to consolidated financial statements included elsewhere herein.

Known Trends, Events and Uncertainties

The Company is subject to risks and uncertainties common to companies in the digital asset mining industry. The following discussion highlights trends, events, and uncertainties that management believes are reasonably likely to have a material effect on the Company's financial condition, results of operations, or liquidity.

Competition for Power and Infrastructure from AI and HPC Demand. The rapid growth in demand for data center capacity driven by artificial intelligence ("AI") and high-performance computing ("HPC") workloads has intensified competition for power infrastructure across the United States. Large-scale AI training and inference operations require reliable, high-density power at scale, and operators of these workloads have demonstrated willingness to pay power rates that exceed the economics available to digital asset miners under current market conditions. This trend is driving an industry-wide reassessment of the highest and best use of the electron, as power assets that were historically allocated to PoW mining are increasingly being evaluated for, or converted to, AI and HPC applications. We expect this dynamic to continue and potentially accelerate. As a colocation-based operator, the Company is exposed to rising competition for hosting capacity and power allocation, which could result in increased colocation costs, reduced availability of hosting at favorable rates, or pressure to relocate operations to lower-cost jurisdictions.

Tariff Uncertainty and ASIC Hardware Supply. The Company's Scrypt ASIC mining hardware is manufactured primarily in China. During fiscal year 2025, evolving U.S. trade policy, including the imposition and adjustment of tariffs on Chinese-manufactured goods, materially impacted the Company's deployment strategy. In the first quarter of 2025, the Company initially deployed its fleet at a colocation facility outside of the United States in part to mitigate

tariff-related cost exposure. In the third quarter, following changes to the tariff environment, the Company relocated those miners to domestic facilities. The continued uncertainty surrounding U.S. tariff policy on ASIC mining hardware has disrupted supply chains across the industry, with many operators reducing or ceasing imports of rigs into the United States due to the adverse impact on equipment economics. Prolonged tariff uncertainty could constrain the Company's ability to procure replacement or next-generation hardware on commercially favorable terms, increase capital expenditure requirements, and limit the Company's ability to deploy rigs in jurisdictions with lower operating costs outside the United States.

Digital Asset Market Volatility and Network Difficulty. The Company's revenues and the carrying value of its digital asset treasury are directly affected by the market prices of the digital assets it mines and holds, including Bitcoin, Dogecoin, and Litecoin. Digital asset prices have historically exhibited significant volatility and may be influenced by factors beyond the Company's control, including macroeconomic conditions, investor sentiment, regulatory developments, technological changes, and the liquidity of digital asset markets. In addition, PoW mining economics are influenced by network difficulty, which adjusts dynamically based on total hashrate deployed across each respective blockchain. Increases in total network hashrate, whether driven by new entrants, fleet upgrades by existing miners, or changes in mining economics, increase mining difficulty and reduce expected rewards per unit of hashrate. During fiscal year 2025, the global Script network hashrate experienced fluctuations that affected the Company's per-unit mining economics. The Litecoin network is expected to undergo its next block reward halving event in August 2027, which would reduce the Litecoin block subsidy by 50% and may materially affect the mining economics of Script-based operations.

Evolving Regulatory Environment. The regulatory environment for digital assets in the United States and globally continues to evolve. Legislative and regulatory actions at the federal and state level, including potential changes to the classification, taxation, or permissibility of digital asset mining, staking, or custody activities, could materially affect the Company's operations and the broader market for digital assets. Changes in energy policy, environmental regulation, or reporting requirements applicable to data centers and PoW mining operations could also increase compliance costs or constrain operational flexibility. The Company monitors regulatory developments and engages with industry groups, but cannot predict the timing, scope, or impact of future regulatory actions.

Geopolitical and Macroeconomic Conditions. Ongoing geopolitical conflicts, including the conflicts between Russia and Ukraine and between Israel and Hamas, and broader macroeconomic uncertainty, including the effects of inflation, interest rate policy, and global trade tensions, may adversely affect digital asset markets, the cost and availability of capital, and the Company's operating environment. Changes to U.S. policy implemented by the U.S. Congress or the executive branch, including policies affecting tariffs, international trade, taxation, and the regulatory environment, have impacted and may continue to impact the Company's business and the broader economy in ways that are difficult to predict.

Other than as discussed above and elsewhere in this Quarterly Report on Form 10-Q, we are not currently aware of any trends, events, or uncertainties that are reasonably likely to have a material effect on our financial condition. For a further discussion of factors that may affect future operating results, see the section entitled "Risk Factors" in our most recent annual report on Form 10-K.

Recently Issued Accounting Pronouncements

Please refer to Note 2 — "*Summary of significant accounting policies*" for details.

Commitments and Contractual Obligations

The Company utilizes third-party data center facilities to support its digital asset mining operations. Specifically, the Company has entered into colocation and hosting services agreements with independent data center providers for the ongoing provision of rack space, electrical power capacity, network connectivity, and cooling infrastructure required to operate the Company's mining hardware. For the six months ended June 30, 2026, the Company incurred approximately \$3,374,852 of colocation and hosting-related service expenses, which are included in cost of revenue in the accompanying consolidated statements of operations.

Off-Balance Sheet Arrangements

During the periods presented, we did not have any off-balance sheet arrangements.

Item 3. Quantitative And Qualitative Disclosures About Market Risk.

We are a smaller reporting company, as defined by Rule 12b-2 of the Exchange Act, and are not required to provide the information required by this Item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as such 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 this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2026.

As described in our Annual Report on Form 10-K for the year ended December 31, 2025, under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, our management conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2025 based on the framework in “Internal Control — Integrated Framework (2013)” issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the assessment, management determined that our internal control over financial reporting was effective as of December 31, 2025.

Changes in Internal Control over Financial Reporting

During the period covered by this Quarterly Report, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. We are not aware of any pending legal proceedings or claims that will have, individually or in the aggregate, a material adverse effect on our business, financial condition or operating results.

Item 1A. Risk Factors.

We are a smaller reporting company, as defined by Rule 12b-2 of the Exchange Act, and are not required to provide the information under this item. Please refer to the section titled “Risk Factors” in our most recently-filed annual report on Form 10-K.

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

There were no sales of equity securities during the period covered by this Quarterly Report that were not registered under the Securities Act or were not previously reported in a Current Report on Form 8-K filed by the Company.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosure

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits.

Exhibit No.	Description
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act
32.1**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

* Filed herewith

** Furnished 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.

Date: August 12, 2026

DATACENTREX, INC.

By: /s/ Parker Scott

Name: Parker Scott

Title: Chief Executive Officer
(Principal Executive Officer)

Dated: August 12, 2026

By: /s/ Robert Steele

Name: Robert Steele

Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Parker Scott, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Datacentrex, Inc. for the period ended June 30, 2026;
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 registrant's board of directors (or persons performing the equivalent function):
 - 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.

Dated: August 12, 2026

By: /s/ Parker Scott
Parker Scott
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Robert Steele, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Datacentrex, Inc. for the period ended June 30, 2026;
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 registrant's board of directors (or persons performing the equivalent function):
 - 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.

Dated: August 12, 2026

By: /s/ Robert Steele
 Robert Steele
 Chief Financial Officer
 (Principal Financial and Accounting Officer)

By: /s/ Parker Scott
Parker Scott
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Robert Steele
Robert Steele
Chief Financial Officer
(Principal Financial and Accounting Officer)