

# DPW Holdings Reports March 31, 2018 Financial Results

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Newport Beach, CA, May 21, 2018 (GLOBE NEWSWIRE) -- DPW Holdings, Inc. (NYSE American: DPW) ("**DPW**" or the "**Company**"), a diversified holding company, filed today its Form 10-Q for the first quarter of the 2018 fiscal year ending March 31, 2018 reporting the following results:

- Gross sales increased \$3,568,000 to \$5,196,000 for growth of 219.16% compared to gross sales of \$1,628,000 for the same quarter ending March 31, 2017. Sales increased by \$1,976,000 from sales of \$3,220,000 for growth of 61.4% for the immediate prior quarter ended December 31, 2017;
- Gross margins increased \$685,000 to \$1,393,000 compared to gross margins of \$708,000 for the same quarter ended March 31, 2017. However, gross margin profitability decreased to 26.9% for the three months ended March 31, 2018 compared to 43.5% for the three months ended March 31, 2017. The decrease in gross margin profitability was partially attributable to the lower margin revenue of \$1,793,000 from MTIX, a related party, with gross margins of 21.9% combined with negative margins of (26.5%) on revenues of \$237,000 at Super Crypto Mining. The negative margins are attributed to monthly recurring fixed costs at our colocation facilities which temporarily exceed the revenues from our mining operations while we place our miners in service;
- Total assets increased \$7,983,000 to \$38,493,000, an increase of 26.2%, compared to an increase of assets of \$12,250,000 for total assets of \$30,510,000 for the immediate prior quarter ending December 31, 2017, representing growth of 67.1%;
- Total stockholders' equity increased \$3,042,000 to \$21,832,000 for growth of 16.2% compared to an increase of \$11,328,000 for total equity of \$18,790,000 for the immediate subsequent quarter ended December 31, 2017;
- Net Loss increased \$5,065,000 to \$6,059,000 compared to a net loss of \$994,000 for the same quarter ending March 31, 2017;
- Other comprehensive loss was \$4,715,000 due to a net unrealized loss on securities available-for-sale of \$4,741,000 which was slightly offset by an adjustment for foreign currency translation of \$26,000. This compared to other comprehensive income of \$21,000 for the same quarter ended March 31, 2017;
- Non-Cash charges \$4,152,000, an increase of \$3,774,000 when compared to non-cash charges of \$378,000 for the same quarter ended March 31, 2017;
- Raised capital from financing activities of \$11,892,000, an increase of \$10,795,000 compared to capital raised from financing activities of \$1,097,000 for the same quarter ended March 31, 2017;
- The Company used capital of \$9,765,000 for investment activities, an increase of \$8,073,000 compared to capital used in investment activities of \$692,000 for the same quarter ended March 31, 2017. A very large portion of this increase in investment activities was due to the Company's continued support of Super Crypto Mining;
- The total value of cryptocurrencies held as of March 31, 2018 was \$166,000 based on the fair value of the closing price for each cryptocurrency consisting of Bitcoin, Bitcoin Cash, Litecoin and Ethereum; and
- The Company's investment portfolio includes marketable securities totaling \$1,938,000 and an investment of \$7,594,000 in Avalanche International Corp dba MTIX International, Inc.

The Company notes the value of their investments can severely fluctuate as they are reported quarterly on a “mark-to-the-market” basis which will include the volatility of the market.

For the period ending March 31, 2018, the Company recognized \$1,793,000 from the \$50,000,000 purchase order from MTIX, Ltd. The Company anticipates recognizing for the fiscal year 2018 a total revenue of between \$6,400,000 to \$8,000,000 from fulfillment of the MTIX purchase order.

DPW noted that its subsidiary, Coolisys Technologies, has a current order backlog of \$68,000,000 as of today, May 21, 2018 which includes all subsidiaries it recently has acquired.

Super Crypto Mining generated revenues of \$237,000 for the period ending March 31, 2018. The revenue was severely affected by the Company’s transition to its new facility located in the Midwest and the declining value of the major cryptocurrencies during the period. The Company is currently mining \$420,000 to \$460,000 a month of cryptocurrencies or between \$1,200,000 to \$1,400,000 in value per quarter. The Company expects to have by July 31, 2018 an aggregate of 5,500 miners operational while the Company continues to pursue its goal of having 10,000 miners operational by the end of 2018.

For the second quarter ending June 30, 2018, the Company is providing guidance of \$7,000,000 to \$7,600,000 in gross revenues and maintains its total revenue projections for fiscal year 2018 of \$44,000,000 to \$49,000,000.

“We are excited about the continued growth in the first quarter. We see a strong 2018, as we have said before, although we had some challenges with our new Midwest facility for Super Crypto Mining, it is now online and operational, and we are seeing strong results,” said Milton “Todd” Ault, III, the Company’s CEO and Chairman. Ault added, “I am proud of the team, as we continue to deliver on all the promises we have made to the shareholders.”

The Company reminds shareholders, investors and all others interested that it is hosting today its conference call via webcast at 3:00 PM Pacific Daylight Time (PDT) to review these financial results reported, after the close of the U.S. financial markets. The webcast will be hosted by the Company’s Chairman and CEO, Milton “Todd” Ault III, and the Company’s CFO, William Horne, with the CEOs of each of the Company’s three principal subsidiaries, Amos Kohn of Coolisys Technologies, Inc., William “Bill” Corbett of Digital Power Lending, LLC, and Darren Magot of Super Crypto Mining, Inc. participating and a question and answer session, if time permits. Shareholders, investors and interested parties who desire to participate in the webcast either online or by calling in must use this link to register prior to 2:00 PM Pacific Daylight Time (PDT) today:

Registration URL: [https://zoom.us/webinar/register/WN\\_xNaAVFcZQG-W2MxDW1vZuA](https://zoom.us/webinar/register/WN_xNaAVFcZQG-W2MxDW1vZuA)

Internet access to the conference call and presentation materials will be available on the Company’s website at [www.DPWHoldings.com](http://www.DPWHoldings.com), by selecting “Investor Relations” and then “Upcoming and Past Events.” A webcast replay, as well as a replay in downloadable MP3 format, will be accessible within 2 business days after the webcast on the Company’s website at [www.DPWHoldings.com](http://www.DPWHoldings.com).

#### **ABOUT DPW HOLDINGS, INC.**

Headquartered in Newport Beach, CA, DPW Holdings, Inc. ([www.DPWHoldings.com](http://www.DPWHoldings.com)), is a diversified holding company with a growth strategy of acquiring undervalued assets, disruptive technologies, sustainable solutions, and exciting ventures for incubation and development to their full potential for long-term growth and investor returns.

DPW, through its wholly-owned subsidiary, Coolisys Technologies, Inc., is dedicated to providing world-class technology-based solutions for critical applications and lifesaving services, in which innovation is the main driver. Coolisys serves the defense, aerospace, naval, homeland security,

medical, telecom, datacom, and industrial markets. Its growth strategy targets core markets that are characterized by “high barriers to entry” and that require specialized products and services that are not likely to be commoditized. Through its portfolio companies, Coolisys develops and manufactures cutting-edge switching power products and power solutions utilizing its customized digital power management and resonant topology to achieve the highest efficiency and highest density power converters and inverters; specialized complex airborne high-frequency, radio frequency (RF), and microwave detector-log video amplifiers (DLVA); very high-frequency filters; and naval power conversion and distribution equipment. Coolisys provides its technology and services through its three primary groups: the Power Solutions Group (PSG); the Defense and Aerospace Solutions Group (DSG); and the Advanced Service Industries (ASI) Group. Coolisys manages five divisions, including Digital Power Corporation, [www.DigiPwr.com](http://www.DigiPwr.com), a leading provider of power electronics technology based in Northern California; Digital Power Limited dba Gresham Power Ltd., [www.GreshamPower.com](http://www.GreshamPower.com), a designer and manufacturer of power distribution systems primarily for Naval use based in Salisbury, UK; Microphase Corporation, [www.MicroPhase.com](http://www.MicroPhase.com), a designer and manufacturer of microwave electronics technology based in Shelton, CT; Power-Plus Technical Distributors, [www.Power-Plus.com](http://www.Power-Plus.com), a value-added distributor based in Sonora, CA; and Enertec Systems, a developer and manufacturer of specialized advanced electronic systems for the defense and aerospace sectors based in Karmiel, Israel.

Digital Power Lending, LLC, [www.DigitalPowerLending.com](http://www.DigitalPowerLending.com), a wholly owned subsidiary of the Company, is based in Fremont, CA, and is a California private lending company operating under Financial Lender’s License ##60DBO-77905 dedicated to strategically providing capital to small and middle size businesses for an equity interest in addition to loan fees and interest. Super Crypto Mining, Inc. [www.SuperCryptoMining.com](http://www.SuperCryptoMining.com) is a wholly-owned subsidiary of the Company, is based in Fremont CA that leverages its engineering expertise and existing locations to create crypto currency mining facilities across the globe. Super Crypto Mining, Inc. operates the branded division, Super Crypto Power, [www.SuperCryptoPower.com](http://www.SuperCryptoPower.com). Excelo, LLC, [www.Excelo.com](http://www.Excelo.com), a wholly-owned subsidiary of the Company, is a national search firm specializing in fulfilling strategic executive, professional and hi-tech placements for businesses delivering world-class services. DPW Holdings, Inc.’s headquarters is located at 201 Shipyard Way, Suite E, CA 92663; [www.DPWHoldings.com](http://www.DPWHoldings.com). For Investor inquiries: [IR@DPWHoldings.com](mailto:IR@DPWHoldings.com) or 1-888-753-2235.

### **Forward-Looking Statements**

The foregoing release contains “forward looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding the acquisition and the ability to consummate the acquisition. These forward-looking statements generally include statements that are predictive in nature and depend upon or refer to future events or conditions, and include words such as “believes,” “plans,” “anticipates,” “projects,” “estimates,” “expects,” “intends,” “strategy,” “future,” “opportunity,” “may,” “will,” “should,” “could,” “potential,” or similar expressions. Statements that are not historical facts are forward-looking statements. Forward-looking statements are based on current beliefs and assumptions that are subject to risks and uncertainties. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update any of them publicly in light of new information or future events. Actual results could differ materially from those contained in any forward-looking statement as a result of various factors. More information, including potential risk factors, that could affect the Company’s business and financial results are included in the Company’s filings with the U.S. Securities and Exchange Commission, including, but not limited to, the Company’s Forms 10-K, 10-Q and 8-K. All filings are available at [www.sec.gov](http://www.sec.gov) and on the Company’s website at [www.DPWHoldings.com](http://www.DPWHoldings.com).

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Source: DPW Holdings, Inc.