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Empery Digital Provides Balance Sheet and Data Center Investment Update

Company Believes Its Equity Is Significantly Undervalued Relative to Net Asset Value Per Share

Midwest Data Center Investment Expected to Close in Q3 2026; Empery Digital's Share of Cash Flow Expected to Exceed $440 Million over Life of Lease with Payments Beginning in Early 2027

AUSTIN, Texas--(BUSINESS WIRE)-- Empery Digital Inc. (NASDAQ: EMPD) (the "Company" or "Empery Digital") today provided an update on its balance sheet and its previously announced strategic data center investments.

The Company currently holds 1,179 bitcoin, approximately $62 million in cash and $35 million of debt. With 29,813,797 shares outstanding, after giving effect to the potential exercise of 2,146,395 pre-funded warrants, that results in an NAV per share of $4.83 based on a bitcoin price of $79,800 and valuing each of the data center investments at cost. The Company's available cash position reflects legal expenses incurred in connection with the activist defense matters disclosed in its SEC filings. The Company expects that such expenses qualifying under the Company's directors and officers insurance policy, exceeding the $5 million deductible, will be reimbursed by its insurance carriers.

This NAV calculation does not include the incremental value creation from the Company's two minority investments in data center opportunities made possible by its strategic partnership with Hunt Properties. Management expects that these investments will generate meaningful value, pairing near-term cash flow with participation in behind the meter buildouts while capping Empery Digital's funding obligation to its initial investments:

- An 8% interest in Cardinal Data Power, Inc. ("CDP") following the $20 million preferred equity investment that it signed and closed in July. This investment supports CDP's inaugural behind the meter campus in West Texas, with phase I now contemplated to be 1.3 GW designed to deliver first power in 2027 and support expansion to more than 5 GW over time.
- An agreement to invest $65 million for a 25% interest in the private entity acquiring the 150 MW Midwest facility that will be converted into a state-of-the-art AI data center following the execution of a triple net lease agreement with high investment grade counterparties currently under LOI. This opportunity is on track to close in the third quarter of 2026. The Company believes that the facility should produce up to $2 billion in aggregate lease payments over the term of the lease, which, based on Empery Digital's 25% share, would represent more than $440 million in cash flows to the Company over the life of the anticipated lease. Lease payments are expected to commence in early 2027.

"Our job is to allocate capital where it creates the most value for shareholders," said Ryan

Lane, Co-Chief Executive Officer of Empery Digital. "Our balance sheet gives us the flexibility to do just that by pursuing a growing pipeline of diversified data center investment opportunities."

About Empery Digital

Empery Digital is focused on building long-term shareholder value through its disciplined capital allocation strategy. The Company employs a bitcoin treasury strategy and is strategically expanding into AI infrastructure and data center investments, partnering with operators that have decades of real-estate and energy infrastructure development experience to capture growth at the intersection of digital assets and next-generation compute. Empery Digital is committed to transparency, efficiency, and accountability, applying rigorous decision-making to drive sustainable, long-term shareholder value.

Forward-Looking Statements

This press release includes forward-looking statements. These forward-looking statements generally can be identified by the use of words such as “anticipate,” “intend,” “expect,” “plan,” “could,” “may,” “will,” “believe,” “estimate,” “forecast,” “goal,” “project,” and other words of similar meaning. These forward-looking statements address various matters, which include, without limitation, statements regarding our strategy, future operations, future financial position, including, but not limited to, statements relating to: the closing of the acquisition of the Midwest facility and the timing thereof; the conversion of the Midwest facility into a data center; the execution of a definitive triple net lease agreement for the Midwest facility with the same or similar terms to the LOI, and the expected total lease payments that may be realized in connection therewith; the development of CDP’s inaugural campus in West Texas and the timing associated therewith, including the timing of expected first power; the strategic partnership between the Company and Hunt Properties and the realization of the expected benefits therefrom; the Company’s expectations regarding the reimbursement of expenses incurred in connection with its activist defense matters pursuant to its insurance coverage; the Company’s bitcoin strategy and statements relating to the Company’s ability to create long-term value for shareholders.

Each forward-looking statement is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such statements. Applicable risks and uncertainties include the risks and uncertainties regarding, among other things: our ability to keep pace with new technology and changing market needs; changes in business, market, financial, political and regulatory conditions; reduced demand for data centers or decreases in information technology spending; increased competition or available supply of data center capacity; delays or disruptions in connectivity or availability of power; deterioration in the relationship between the Company and Hunt Properties or CDP, or with potential data center tenants; the significant valuation uncertainty associated with the Company’s data center investments and the Company’s ability to realize a return on such investments; the Company’s limited ability to influence the operations, governance and strategic direction of its minority, non-controlling investments; the ability of CDP and Hunt Properties to negotiate and execute definitive long-term leases on commercially acceptable terms; potential delays or other impediments in the development of proposed data centers; the Company’s operations and business, including the highly volatile nature of the price of Bitcoin and other cryptocurrencies; the Company’s stock price may be highly correlated to the price of the digital assets that it holds; increased competition in the industries in which the Company operates; significant legal, commercial, regulatory and technical uncertainty regarding digital assets generally; the treatment of crypto assets for U.S. and foreign tax purpose; the Company's ability to generate revenues from sales and generate cash from financing of inventory, sale of its products and Bitcoin derivatives; significant decrease in the market value of the Company's Bitcoin holdings; the Company's ability to obtain additional financing through equity or debt offerings, obtain borrowings from financing arrangements or generate cash from the sale of Bitcoin and the competitive environment of our business. Other risks and uncertainties include those identified under the heading "Risk Factors" contained in our Annual Report on Form 10-K for the year ended December 31, 2025, (as amended by Form 10-K/A filed with the SEC on April 21, 2026), and in our Quarterly Report on Form 10-Q for the three months ended June 30, 2026, and any subsequent filings with the SEC.

As a result of these and other factors, we may not achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. The forward-looking statements reflect our views as of the date hereof. We do not assume and specifically disclaim any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Our business is subject to substantial risks and uncertainties, including those referenced above. Investors, potential investors, and others should give careful consideration to these risks and uncertainties.

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