March 6, 2026

Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

Michael Kim
312-265-9372
mkim@zacks.com

scr.zacks.com
101 N. Wacker Drive, Chicago, IL 60606

DeFi Technologies Inc. (DEFT- NASDAQ)

DEFT: 4Q25 Earnings Preview – Lowering EPS Estimates on Crypto Market Weakness

Ahead of 4Q25 earnings (likely to be announced around March 31, 2026), we are lowering our 2025 and 2026 EPS estimates from $0.14/$0.25 to $0.11/($0.01) primarily reflecting a flatter revenue trajectory driven by the crypto market downdraft during 4Q25 and thus far in 1Q26. As a result of our lower earnings outlook, we are taking down our price target by $1 to $5.00.

Current Price (3/6/26)	$0.70
Valuation	**$5.00**

OUTLOOK

Key model assumptions include: 1) total revenues of $24.9 million for 4Q25 and $104.9 million for 2025, or a bit shy of management's prior guidance of ~$116 million; 2) ongoing crypto market weakness continues to weigh on average/ending AUM levels for 4Q25 and thus far in 2026, thereby pressuring management, staking, and lending fees, even as yields remain stable; 3) assuming AUM averages ~$500 million for the year and applying a 6% yield implies approximately $30 million of revenue, with ~$12 million of trading fees/commissions from Stilman putting total revenue in the low- to mid-$40 million range for 2026, or generally consistent with the current operating expense run rate (ex share-based payments); and 4) our model calls for around breakeven EPS for 2026, with material upside potential assuming a more favorable crypto market backdrop.

SUMMARY DATA

52-Week High	**$4.95**
52-Week Low	**$0.60**
One-Year Return (%)	**-71.82%**
Beta	**N/A**
Average Daily Volume (sh)	**4,885,405**
Shares Outstanding (mil)	**384**
Market Capitalization ($mil)	**$269**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**10**
Insider Ownership (%)	**33**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**11.7**
P/E using 2025 Estimate	**6.4**
P/E using 2026 Estimate	**N/A**

Risk Level	**Above Average**
Type of Stock	**Small Growth**
Industry	**Financial Services**

ZACKS ESTIMATES

Revenue
(in thousands of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	(8,386) A	5,579 A	4,418 A	6,269 A	7,816 A
2024	(3,640) A	97,294 A	17,884 A	3,970 A	38,362 A
2025	44,116 A	13,412 A	22,528 A	24,880 E	104,935 E
2026					49,838 E

Earnings/Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	-$0.06 A	-$0.00 A	-$0.01 A	-$0.00 A	-$0.07 A
2024	-$0.05 A	$0.20 A	$0.05 A	-$0.03 A	-$0.08 A
2025	$0.08 A	-$0.00 A	$0.01 A	$0.02 E	$0.11 E
2026					-$0.01 E

Quarterly revenues/EPS may not equal annual revenues/EPS due to FX rates/rounding and/or restatements.

LOWERING EPS ESTIMATES/PRICE TARGET

Ahead of 4Q25 earnings (likely to be announced around March 31, 2026), we are lowering our 2025 and 2026 EPS estimates from $0.14/$0.25 to $0.11/($0.01). Our downward revisions primarily reflect a flatter revenue trajectory – mostly a function of the crypto market downdraft during 4Q25 and thus far in 1Q26. Focusing on the top line, our model now calling for total revenues of $24.9 million for 4Q25 and $104.9 million for 2025, or a bit shy of management's prior guidance of ~$116 million. To be sure, crypto market weakness (CoinDesk 20 Index down 33% in 4Q25) pressured average/ending AUM levels for the quarter along with forecasted net outflows. In aggregate, we estimate AUM ended 2025 at ~$620 million, down 38% from $989 million as of 9/30/25. Looking ahead, further market declines thus far in 1Q26 (CD20 down 32% YTD) have likely added to AUM declines, thereby pressuring management, staking, and lending fees, even as yields remain stable.

At a high level, assuming AUM averages ~$500 million for the year and applying a 6% yield implies approximately $30 million of revenue. Adding in $12 million of trading fees/commissions from Stilman puts total revenue in the low- to mid-$40 million range for 2026, or consistent with the current operating expense run rate (ex share-based payments). As such, our model calls for around breakeven EPS for 2026, with material upside potential assuming a more favorable crypto market backdrop.

Furthermore, DEFT maintains a strong balance sheet with no debt and cash likely holding steady at around $100 million following the securities purchase agreement capital raise back in September 2025. In addition to funding new business initiatives, seeding new ETPs, and financing trading/lending/staking transactions, senior executives maintain ample capacity to acquire distressed assets (potential from DATs) at favorable valuations.

Turning to valuation, as a result of our lower earnings outlook, we are taking down our DCF-derived price target by $1 to of $5.00, still representing considerable upside potential from current levels. That said, we continue to believe DeFi Technologies is uniquely positioned to capitalize on the burgeoning digital assets ecosystem, with a diversified and differentiated portfolio of asset management, trading, infrastructure, venture capital, and research businesses. We see meaningful upside potential for the stock, as awareness and appreciation of the company's unique business model, durable competitive advantages, considerable growth prospects, and unsustainable valuation disconnect continue to build.

INVESTMENT THESIS

DeFi Technologies Inc. (DEFT) is a diversified technology company primarily focused on the digital assets/decentralized finance ecosystem. DEFT provides digital asset-focused asset management, trading, infrastructure, and research services, while the company's venture capital business invests in early-stage decentralized finance and Web3 companies. Our investment thesis revolves around DeFi Technologies':

1. **Diversified Platform Focused on Digital Assets, DeFi, and Web3:** DeFi Technologies' mission is to provide investor access to and capitalize on the innovation, value, and high growth of leading decentralized technologies primarily through introducing and managing digital asset ETPs, as well as identifying, investing in, and developing companies focused on the decentralized finance and Web3 ecosystems. Stepping back, decentralized finance (DeFi) applies the model of digital assets (decentralized blockchains to validate and track transactions/ownership) to the world of traditional financial services. Decentralized applications (dApps) run on public blockchains and provide financial services without centralized gatekeeps/toll takers. As a result, decentralized finance apps provide banking, borrowing, lending, trading, and insurance (amongst other services) within a more accessible, timely, cost efficient, secure, and transparent platform. Web3 takes the concept a step further and applies the decentralized blockchain groundwork to the internet.

2. **Rising Crypto Adoption:** Rising awareness and demand combined with improving accessibility continues to drive higher adoption/allocation rates across the digital assets landscape. Despite the surge in demand for cryptocurrencies via BTC ETFs, a majority of Bitcoins remains held by retail investors. The key to a step function in growth remains rising crypto allocations from institutional investors (pensions, Sovereign Wealth Funds, and insurance companies). We expect BTC and other cryptocurrencies to broadly outperform more traditional asset classes over time reflecting several powerful tailwinds/catalysts including ongoing ETF inflows, a more favorable interest rate backdrop, and fixed supply.

3. **ETP First Mover:** DeFi Technologies' subsidiary Valour Asset Management is a leading ETP issuer in Europe, with a broad array of single-asset and multi-asset class products. From a competitive positioning perspective, Valour focuses on niche markets, with investment performance track records and trading/issuance capabilities in local currencies. Despite rising competition, Valour remains well positioned to continue to gain market share reflecting in-house management expertise, regulatory approvals to list ETPs on major exchanges across Europe, and a focus on Alt Coins. Looking ahead, we expect Valour ETP AUM to continue to grow fueled by ongoing new product development. Incremental ETP launches likely extend beyond digital assets, with thematic and active strategies key areas of focus. Furthermore, management remains focused on broadening Valour's geographic footprint, particularly in jurisdictions maintaining favorable regulatory frameworks and high crypto adoption rates (see the Middle East and Asia), via organic initiatives and/or strategic partnerships and joint ventures.

4. **Supercharged Asset Manager Revenue/Margin Model:** Unlike traditional asset managers that rely almost exclusively on management fees to drive the top line (and are subject to ongoing fee pressures), DeFi Technologies generates revenue across multiple streams including staking, lending, and trading underlying digital assets in addition to ETP management fees.

INVESTMENT RISKS

1. **Cryptocurrency volatility:** Near-term cryptocurrency pricing volatility directly impacts DEFT's ETP AUM, management fees, and staking and lending income, and therefore earnings power. That said, we expect ongoing net inflows reflecting accelerating demand/higher allocations to work as an offset.

2. **Challenging regulatory backdrop:** Given the breadth and depth of the U.S. equities market, it makes sense for DeFi to list Exchange-Traded Products on an exchange here in the U.S. Having said that, the U.S. regulatory environment remains uncertain, with any meaningful market penetration likely necessitating considerable time, effort, and resources. Stepping back, the ongoing lack of a comprehensive and consistent regulatory framework here in the U.S. threatens to restrict market access, slow innovation, and trigger operational and financial inefficiencies.

3. **Black swan events:** Black swan events including unanticipated regulatory shifts, technology failures, widespread fraud, or other company collapses would likely trigger step-ups in crypto market volatility and investor uncertainty.

4. **Rising competition:** We expect more players to enter the digital asset management business following the successes of BTC and ETH ETF launches. Furthermore, stepped up competition is unlikely to be limited to the U.S. market, with select managers increasingly focusing on Europe.

5. **Reliance on third-parties:** DeFi's asset management, staking, and lending businesses are all subject to risks related to third-party service providers. More specifically, Valour buys/sells digital assets which the company's ETPs track on crypto exchanges, with any operational issues potentially impacting liquidity and tracking error. Furthermore, digital assets held and staked by third-party custodians are subject to market, liquidity, and loss risks.

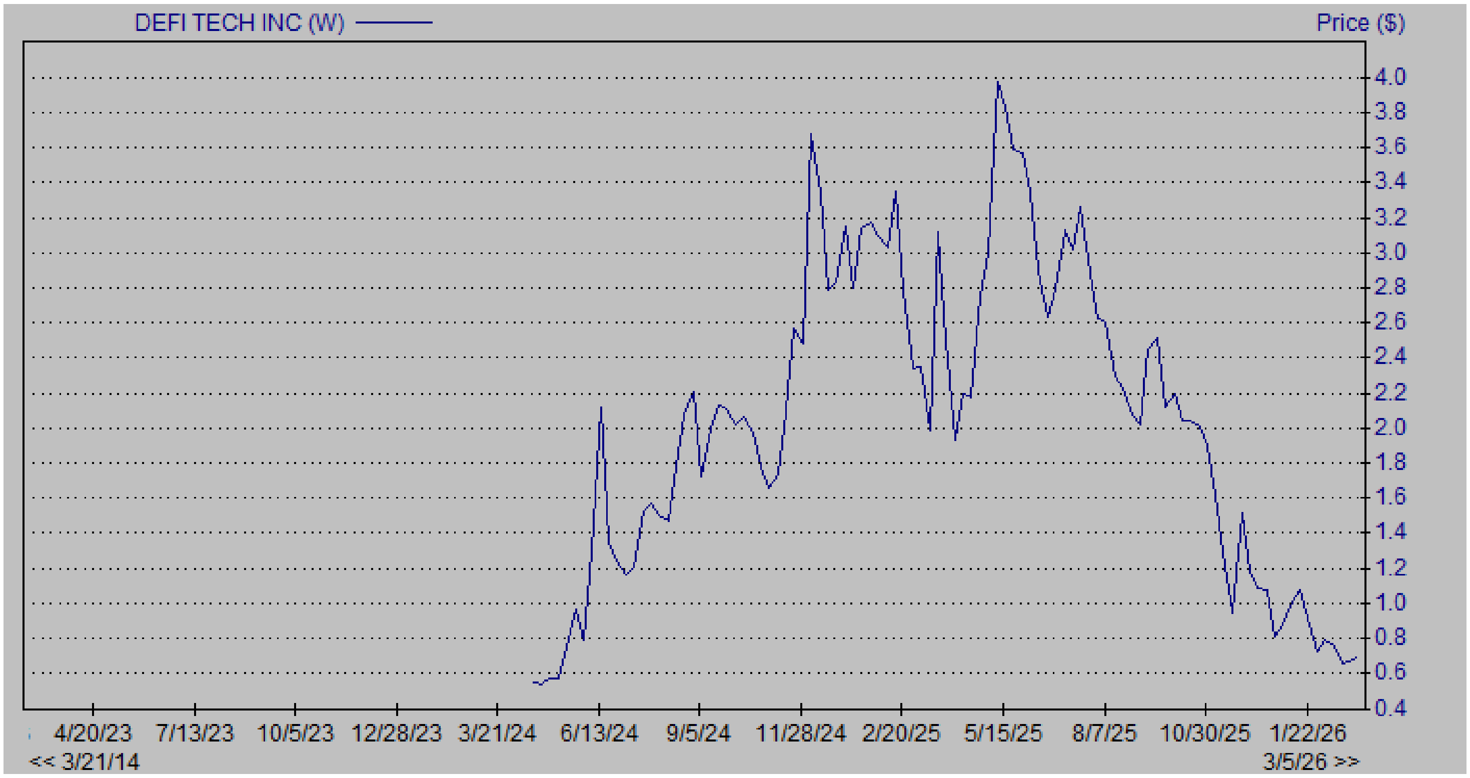
PROJECTED INCOME STATEMENT (USD)

DeFi Technologies Inc.
($ thousands)

	Quarterly				Annual			Y/Y Growth		
	1Q25	**2Q25**	**3Q25**	**4Q25E**	**2024**	**2025E**	**2026E**	**2024**	**2025E**	**2026E**
	Mar-25	Jun-25	Sep-25	Dec-25	Dec-24	Dec-25	Dec-26	Dec-24	Dec-25	Dec-26
Revenues										
Digital assets realized/unrealized gains/(losses)	(159,834)	70,904	118,261	12,000	239,869	41,331	0	-2%	-83%	-100%
ETP payables realized/unrealized gains/(losses)	280,224	(106,415)	(179,811)	0	(335,505)	(6,002)	0	NM	NM	NM
Unrealized gain on equity investments at FVTPL	(90,857)	37,829	71,235	0	92,041	18,207	0	NM	-80%	-100%
Staking and lending income	9,782	6,875	7,423	7,384	24,816	31,465	27,529	825%	27%	-13%
Management fees	2,533	2,129	2,885	2,639	6,133	10,186	8,650	456%	66%	-15%
Trading commissions	2,085	1,913	2,233	2,456	2,005	8,687	11,791	NM	333%	36%
Research revenue	183	176	110	112	1,364	580	483	NM	-58%	-17%
Advisory revenue	0	0	192	289	0	481	1,385	NM	NM	188%
Total Revenues	**44,116**	**13,412**	**22,528**	**24,880**	**30,723**	**104,935**	**49,838**		**242%**	**-53%**
Expenses										
Operating, general and administration	6,323	7,791	8,954	8,954	34,962	32,023	35,818	364%	-8%	12%
Share based payments	5,115	3,435	2,208	2,208	18,320	12,966	8,830	731%	-29%	-32%
Depreciation - property, plant and equipment	0	1	1	1	5	2	4	-46%	-53%	43%
Amortization - intangibles	373	332	459	459	1,469	1,623	1,834	-4%	10%	13%
Amortization - right of use assets	0	0	51	51	0	102	205	NM	NM	100%
Fees and commissions	1,641	2,483	1,812	1,812	4,724	7,749	7,829	508%	64%	1%
Foreign exchange gain/(loss)	(659)	281	11	0	(306)	(367)	0	-104%	NM	NM
Impairment loss	0	0	0	0	3,448	0	0	NM	-100%	NM
Total Expenses	**12,793**	**14,324**	**13,496**	**13,485**	**62,622**	**54,098**	**54,520**	**215%**	**-14%**	**1%**
Operating Income/(Loss)	**31,323**	**(913)**	**9,032**	**11,395**	**(31,899)**	**50,838**	**(4,682)**		**NM**	**-109%**
Loss on settlement of debt	0	0	0	0	(178)	0	0	NM	NM	NM
Realized gain/(loss) on investments, net	(478)	0	177	0	108	(301)	0	NM	-380%	NM
Unrealized gain/(loss) on investments, net	3	0	0	0	7,527	3	0	-26%	-100%	-100%
Interest income	18	12	35	37	4	102	178	287%	2251%	75%
Finance costs	(119)	(115)	(142)	(142)	(2,688)	(517)	(566)	-186%	NM	NM
Financing expense	0	0	(4,675)	0	0	(4,675)	0	NM	NM	NM
Pre-Tax Income/(Loss)	**30,746**	**(1,016)**	**4,428**	**11,291**	**(27,125)**	**45,449**	**(5,070)**		**NM**	**-111%**
Income tax	746	272	492	1,255	0	2,766	(564)	NM	NM	-120%
Net Income/(Loss)	**30,000**	**(1,288)**	**3,936**	**10,036**	**(27,125)**	**42,683**	**(4,506)**		**NM**	**-111%**
Foreign currency translation gain/(loss)	(69)	2,155	(943)	0	3,410	1,143	0	236%	-66%	-100%
Net comprehensive gain/(loss)	29,931	867	2,993	10,036	(23,716)	43,826	(4,506)		NM	-110%
Earnings per share, diluted	**$0.08**	**($0.00)**	**$0.01**	**$0.02**	**($0.08)**	**$0.11**	**($0.01)**		**NM**	**-109%**
Weighted average shares outstanding, basic	323,887	330,104	343,999	389,661	295,591	346,913	394,661	33%	17%	14%
Weighted average shares outstanding, diluted	366,974	362,049	373,628	419,290	334,408	380,485	424,290	44%	14%	12%

Source: Company reports and Zacks SCR estimates and calculations.

HISTORICAL STOCK PRICE



DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research ("Zacks SCR"), a division of Zacks Investment Research ("ZIR"), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

ANALYST DISCLOSURES
I, @AnalystName, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

INVESTMENT BANKING AND FEES FOR SERVICES
Zacks SCR does not provide investment banking services nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article.
Zacks SCR has received compensation from the issuer directly, from an investment manager, or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer. The non-investment banking services provided to the issuer includes the preparation of this report, investor relations services, investment software, financial database analysis, organization of non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR. The fees for these services vary on a per-client basis and are subject to the number and types of services contracted. Fees typically range between ten thousand and fifty thousand dollars per annum. Details of fees paid by this issuer are available upon request.

POLICY DISCLOSURES
This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer's business.
SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover. SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

ADDITIONAL INFORMATION
Additional information is available upon request. Zacks SCR reports and articles are based on data obtained from sources that it believes to be reliable, but are not guaranteed to be accurate nor do they purport to be complete. Because of individual financial or investment objectives and/or financial circumstances, this report or article should not be construed as advice designed to meet the particular investment needs of any investor. Investing involves risk. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports or articles or tweets are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

CANADIAN COVERAGE
This research report is a product of Zacks SCR and prepared by a research analyst who is employed by or is a consultant to Zacks SCR. The research analyst preparing the research report is resident outside of Canada, and is not an associated person of any Canadian registered adviser and/or dealer. Therefore, the analyst is not subject to supervision by a Canadian registered adviser and/or dealer, and is not required to satisfy the regulatory licensing requirements of any Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and is not required to otherwise comply with Canadian rules or regulations.