

DGXX

AI Data Centers

Bitcoin Miners

Small Cap Momentum

Earnings Catalyst

Volume Analysis

DGXX: \$1.1B Cerebras Deal Sparks 47% Pre-Market Surge

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SUMMARY

DGXX explodes 47% pre-market after announcing a \$1.1B AI data center deal with Cerebras Systems, validating the miner-to-AI infrastructure pivot with institutional-grade revenue visibility.

SINCE REPORT +1.9%

DATA BOX

Price	\$5.79
Change	+46.58%
Volume	4.98M
Float	~60M
Mkt cap	\$194.94M

Analysis written at 8:48 AM ET on May 5, 2026 during pre-market session

Key Data:

- Price: \$5.79 (pre-market)
- Previous Close: \$3.95

- Change: +\$1.84 (+46.58%)
- Volume: 4.98M (already 2x average)
- Market Cap: \$195M
- Float: ~60M shares

The tape doesn't lie. DGXX just announced a Master Services Agreement with Cerebras Systems for a 40 MW AI data center campus in Alabama, with an initial 10-year term valued at approximately \$1.1 billion and total potential contract value up to \$2.5 billion inclusive of renewal terms. That's serious money for a \$195M market cap company.

Pre-market volume at nearly 5M shares tells you everything about trader interest. This isn't some speculative AI fluff — DGXX owns the site, completed an on-site substation, and secured grid interconnection with Alabama Power. The infrastructure is real, which matters in a sector drowning in vaporware promises.

The Setup That's Been Building

On April 20, DGXX signed its first AI revenue contract (~\$19.6M) with SubQ AI. Today's large Cerebras colocation deal extends that AI contract trajectory. But here's what makes this different from typical miner pivots: Phase 1 targets December 15, 2026 service; full 40 MW targeted by Q1 2027. Specific timelines with a customer that's already committed capital.

The broader context matters too. Bitcoin miners are shifting to AI data centers after the halving, and AI data center demand is exploding as companies that built massive, power-hungry crypto facilities now see servicing artificial intelligence as their next move. Most Bitcoin mining companies are doing well in 2026, with stock gains ranging from about 5% to

85%, as miners are shifting into AI and data centers, using their existing infrastructure for high-performance computing.

Reading the Volume

The 5M pre-market volume on a stock that averages around 2M daily is telling you institutional money is moving. DGXX is up with above-average volume, while peers are also moving up, pointing to both stock-specific news and broader sector momentum. But unlike sector-wide moves, this has catalyst-specific legs.

Risk Framework

Don't get cute here. An effective S-3 shelf filed on April 9 permits DGXX to offer up to \$750,000,000 of securities, including an at-the-market facility for up to \$75,000,000 of subordinate voting shares. No usage has been recorded yet, but the capacity allows future capital raises to fund AI data center build-out. That's a dilution overhang you can't ignore at these levels.

The fundamentals remain ugly: TTM revenue of \$34.2M, TTM net income of -\$28.4M, and diluted EPS of -\$0.64. Net profit margin of -82.9% and gross profit margin of -9.4%. This is still a cash-burning operation betting its future on AI infrastructure demand.

What to Watch

The December 15 Phase 1 deadline is your key catalyst. Miss that, and the narrative breaks. Hit it, and you've got validation that DGXX can execute at scale. The next event, "GPU rental agreement start", is scheduled for May 15, 2026 — another near-term execution test.

Volume-wise, if we see 10M+ shares today with price holding above \$5.00, it suggests institutional accumulation beyond the initial news pop. Break below Friday's \$4.23 high, and you're looking at profit-taking from the momentum crowd.

The broader miner-to-AI theme has legs. Mining revenue is projected to plummet from around 85% of total revenue in early 2025 to less than 20% by the end of 2026 for companies that have secured AI contracts. DGXX just joined that club with the biggest deal announced yet.

Bottom Line

This is the type of catalyst that changes a company's trajectory, not just its stock price. The \$1.1B Cerebras deal validates DGXX's pivot from crypto mining to AI infrastructure. Execution risk remains enormous, and dilution risk is real with that \$750M shelf, but the setup now has institutional-grade revenue visibility.

For traders: Above \$5.00 with volume suggests more upside. Below \$4.25 suggests profit-taking. For investors: This just became a legitimate AI infrastructure play, but position size accordingly given the execution risk ahead.

This analysis is for informational purposes only and does not constitute investment advice.

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