

May 17, 2021



Riot Blockchain Reports Record First Quarter 2021 Financial Results, Current Operational and Financial Highlights

Castle Rock, CO, May 17, 2021 (GLOBE NEWSWIRE) -- **Riot Blockchain, Inc. (NASDAQ: RIOT) ("Riot" or the "Company")**, one of the leading Nasdaq-listed public Bitcoin ("BTC") mining companies in the United States, reported financial results as of and for the three-months ended March 31, 2021. The unaudited financial statements are available on Riot's [website](#) and [here](#).

- Increased mining revenue by 881.1% to \$23.2 million for the three-month period ended March 31, 2021, as compared to \$2.4 million for the same three-month period in 2020.
- Increased mining revenue margin to 67.5% for the three-month period ended March 31, 2021, as compared to 40.4% for the same three-month period in 2020.
- Produced record net income of \$7.5 million, or \$0.09 per share for the three-month period ended March 31, 2021, as compared to a \$(4.3) million net loss, or \$(0.15) per share, for the same three-month period in 2020.
- Achieved a record net income margin of 32.5% for the three-month period ended March 31, 2021.
- Increased total cash and Bitcoin to \$275.6 million, as compared to \$235.0 million as of December 31, 2020.

"We are extremely pleased with Riot's record quarterly financial results, which builds upon a transformative 2020," said Jason Les, Riot's CEO. "The Company's improved financial results are a direct result of Riot's absolute focus on Bitcoin mining and growing its mining operations. With the signing of the definitive agreement to acquire Whinstone US, the Company's financial and operational prospects are very exciting. We plan to amplify our focus on initiatives that will drive continued growth for the Company, increasing the US-based share of the Bitcoin mining landscape."

First Quarter 2021 and Recent Financial Highlights

Riot continues to attain significant milestones, driven by its focus on Bitcoin mining.

- Reported a Company record \$7.5 million in net income for the three-month period ended March 31, 2021, as compared to a \$(4.3) million net loss for the same three-month period in 2020.
- Increased mining revenues by 881.1%, to \$23.2 million for the three-month period ended March 31, 2021, as compared to \$2.4 million for the same three-month period in 2020.
- Increased mining revenue margin, excluding depreciation and amortization, to 67.5% for the three-month period ended March 31, 2021, as compared to 40.4% for the same

three-month period in 2020.

- Increased total mined BTC by 62.0% on a sequential quarter-over-quarter basis, with 491 BTC mined in the first quarter of 2021, as compared to 303 BTC mined in the fourth quarter of 2020.
- Completed the first quarter of 2021 with record current assets and zero debt, with \$275.6 million in cash and BTC as reported on the balance sheet. In addition, as of April 30, 2021, the Company's unaudited BTC balance stood at 1,771 BTC, all of which were produced by its mining operations.
- The average BTC price used to calculate Riot's first quarter 2021 mining revenues was approximately \$46,700.

First Quarter 2021 and Recent Operational Highlights

- Announced the signing of a definitive agreement to acquire Whinstone US, Inc. ("Whinstone") to create a leading US-based corporate pillar in support of the Bitcoin mining network. Whinstone owns and operates North America's largest Bitcoin mining facility, with 300 MW in developed capacity and an attractive long-term power purchase agreement. Upon closing, Riot will be one of the largest publicly traded Bitcoin mining companies operating in North America, as measured by developed capacity. The transaction is expected to close in the second quarter of 2021, subject to the satisfaction or waiver of customary closing conditions, including receipt of required regulatory clearances.
- Strengthened the Company's management team by appointing Jason Les to Chief Executive Officer and Megan Brooks to Chief Operating Officer, and hiring Ryan Werner as Vice President, Finance and Phil McPherson as Vice President, Capital Markets.
- During the three-month period ended March 31, 2021, Riot received 6,703 S19 Pro Antminers as per purchase contracts with Bitmain previously announced in 2020, resulting in a total of 13,746 miners deployed as of March 31, 2021.
- Subsequent to March 31, 2021, the Company received a further 8,900 S19 Pro Antminers as per purchase contracts with Bitmain previously announced in 2020. When fully deployed, Riot's fleet will increase to 22,646 miners with an estimated hash rate capacity of 2.3 exahash per second ("EH/S").
- During 2021, the Company entered into additional purchase agreements with Bitmain for the purchase of 43,500 Antminer S19j (90 Terahash per second) ("TH/s") miners for a total purchase price of \$145.7 million. Once fully deployed, Riot's hash rate capacity is estimated to reach 7.7 EH/s in the fourth quarter of 2022.

First Quarter 2021 Financial Results

Mining margin, computed as mining revenues in excess of cost of revenues (excluding depreciation and amortization which is separately stated), was \$15.6 million (67.5% of total revenue), which compares to \$1.0 million for the same three-month period in 2020. The improvements in revenue and gross profit were primarily due to changes in the price of Bitcoin, combined with the greater number and higher efficiencies of the new generation miners deployed in 2021, net of increases in the difficulty index associated with solving BTC mining algorithms.

Selling, general, and administrative ("SG&A") expenses increased 46.2% to \$5.5 million, as compared to \$3.7 million for the same three-month period in 2020. The increase in SG&A

expenses was primarily due to professional fees associated with transaction expenses of approximately \$2.4 million incurred during the first quarter of 2021. Excluding transaction expenses, recurring SG&A expenses would have totalled \$3.1 million.

Net income for the quarter ended March 31, 2021 was \$7.5 million, or \$0.09 per share, as compared to a net loss of \$(4.3) million, or \$(0.15) per share, in the same period last year.

At March 31, 2020, the Company reported \$275.6 million in cash and Bitcoin, as compared to \$235.0 million at December 31, 2020.

Hash Rate Growth

During Q4 2022, Riot anticipates achieving a total hash rate capacity of 7.7 EH/s, assuming full deployment of its anticipated fleet of approximately 81,146 Antminers acquired from Bitmain, 95% of which will be the latest generation S19 series model of miners. When fully deployed, the Company's total fleet is expected to consume approximately 257.6 MW of energy with an overall hash rate efficiency of 33 joules per terahash (J/TH). This demonstrates Riot's commitment to being a market leader by building one of the largest and most efficient Bitcoin mining fleets in the industry.

About Riot Blockchain, Inc.

Riot Blockchain (NASDAQ: RIOT) focuses on cryptocurrency mining of Bitcoin. The Company is expanding and upgrading its mining operations by securing the most energy efficient miners currently available. Riot is headquartered in Castle Rock, Colorado, and the Company's mining operations are located in upstate New York, under a co-location hosting agreement with Coinmint. For more information, visit www.RiotBlockchain.com.

Safe Harbor

The information provided in this press release may include forward-looking statements relating to future events or the future financial performance of the Company. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Words such as "anticipates," "believes," "plans," "expects," "intends," "will," "potential," "hope" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon current expectations of the Company and involve assumptions that may never materialize or may prove to be incorrect. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of various risks and uncertainties. Detailed information regarding factors that may cause actual results to differ materially from the results expressed or implied by statements in this press release relating to the Company may be found in the Company's periodic filings with the U.S. Securities and Exchange Commission (the "SEC"), including the factors described in the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, which was filed with the SEC on March 31, 2021, copies of which may be obtained from the SEC's website at www.sec.gov. The Company does not undertake any obligation to update forward-looking statements contained in this press release.

Attachment

- [miner order](#)

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