

November 12, 2019



# Riot Blockchain Announces September 30, 2019 Quarterly Results

**Balance sheet enhanced as cash and digital currencies position totals \$18.3 million**

CASTLE ROCK, Colo., Nov. 12, 2019 /PRNewswire/ -- Riot Blockchain, Inc. (NASDAQ: RIOT) ("Riot" or the "Company") announced the filing of its September 30, 2019 Quarterly Report on Form 10-Q, which can be viewed on the Company's website or at SEC.gov.



Riot today announced financial results for its period ended September 30, 2019. The Company posted quarterly revenue of \$1.7 million and raised a total of \$23.6 million through its at-the-market offering ("ATM") during the nine months ending September 30, 2019.

## **Q3 Highlights:**

- Generated approximately \$1.7 million in revenue on the production of 157.2 bitcoin, and 400.2 litecoin for the quarter. This compares to Q3/18 revenues of \$2.3 million on the production of 319.3 bitcoin, and 1,182.2 litecoin. The industry faced continuing increases in the bitcoin difficulty index, increasing 61% during the latest quarter, which negatively affected BTC production and reported revenues.
- The average price of bitcoin for the latest quarter was \$10,382, compared to \$8,297 in Q2/19 and \$6,856 in Q3/18.
- Cash and digital currencies as of September 30, 2019 totaled approximately \$18.3 million.
- The Company received gross proceeds from the sale of shares of its common stock under its ATM of approximately \$23.6 million at a weighted average sales price of \$3.10 per share during the nine months ended September 30, 2019.
- The Company's financial position improved across the three and nine months ended September 30, 2019, with the Company reporting working capital of \$16.5 million at September 30, 2019 as compared to a working capital deficit of \$(4.3) million at December 31, 2018. Total stockholders' equity also improved to \$28.2 million at period end, an increase of \$23.7 million over the December 31, 2018 balance.

- Gross margin percent, computed as mining revenues in excess of cost of revenues (exclusive of depreciation and amortization), improved to 14% from 13% in the three-month periods ended September 30, 2019 and 2018, respectively. Gross margin percent was 18% and 35% in the nine-month periods ended September 30, 2019 and 2018, respectively.
- Reduction in the Company's selling, general, and administrative expenses ("SG&A Expenses") to \$1,762,000 in Q3/19, from \$5,970,000 in Q3/18, a 70.5% decrease arising from ongoing expense reductions. SG&A Expenses reduced to \$7,140,000 from \$16,314,000 in the nine-month periods ended September 30, 2019 and 2018, respectively.
- Net loss in the three-month periods ended September 30, 2019 and 2018, respectively, totaled approximately \$(1.8) million and \$(6.2) million, or \$(0.08) and \$(0.46) /share. Net loss in the nine-month periods ended September 30, 2019 and 2018, respectively, totaled approximately \$(16.6) million and \$(46.6) million, or \$(0.93) and \$(3.56) /share.

### **Recent business update and highlights:**

Riot has conducted two in-person meetings with its newly established Advisory Board over the past ninety days to begin and advance a dialog covering the Company's bitcoin mining operations, efficiencies and possible strategic next steps. Riot previously announced establishment of an Advisory Board comprised of well-recognized creative leaders with a wealth of operational and strategic experience from across the blockchain space including: bitcoin software development, node projects, bitcoin education, start-up advisory, and venture capital/angel investing. The Advisory Board has been established to assist the Company in its strategic mission and enhance shareholder value through the advisors' industry-leading insights and vast network of innovators and pacesetters.

The previously disclosed Securities and Exchange Commission investigation associated with the subpoena received by the Company in April 2018 is still ongoing, and the Company has been cooperating with the SEC in that investigation.

### **About Riot Blockchain**

Riot Blockchain is focused on building, operating, and supporting blockchain technologies. Its primary operations consist of cryptocurrency mining, targeted development of a cryptocurrency exchange, and the identification and support of innovations within the sector. For more information, visit <http://www.RiotBlockchain.com/>.

### **Investor Notice**

Investing in our securities involves a high degree of risk. Before making an investment decision, you should carefully consider the risks, uncertainties and forward-looking statements described under "Risk Factors" in Item 1A of our most recent Form 10-K for the fiscal year ended December 31, 2018 filed with the Securities and Exchange Commission (the "SEC") on April 2, 2019, as amended by Amendment No. 1 on Form 10-K/A on April 23, 2019, as well as those risk factors disclosed in any periodic reports we file with the SEC. If any of these risks were to occur, our business, financial condition or results of operations would likely suffer. In that event, the value of our securities could decline, and you could lose part or all of your investment. The risks and uncertainties we describe are not the only ones facing us.

Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. In addition, our past financial performance may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results in the future. See "Safe Harbor" below.

### **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," "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 Securities and Exchange Commission, including the factors described in the sections entitled "Risk Factors," copies of which may be obtained from the SEC's website at [www.sec.gov](http://www.sec.gov). The Company does not undertake any obligation to update forward-looking statements contained in this press release.

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