

August 23, 2021



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

Castle Rock, CO, Aug. 23, 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 June 30, 2021. The unaudited financial statements are available on Riot's [website](#) and [here](#).

- Increased mining revenue by 1,540% to a record \$31.5 million for the three-month period ended June 30, 2021, as compared to \$1.9 million for the same three-month period in 2020.
- Increased mining revenue margin to 70% for the three-month period ended June 30, 2021, as compared to 25% for the same three-month period in 2020.
- Produced record net income of \$19.3 million, or \$0.22 per share for the three-month period ended June 30, 2021, as compared to a \$(10.6) million net loss, or \$(0.31) per share, for the same three-month period in 2020.
- Total cash and Bitcoin of \$195.4 million as of June 30, 2021.

"We are extremely pleased with Riot's record quarterly financial results," 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 successful acquisition of Whinstone US ("Whinstone"), the Company's growth prospects have been significantly de-risked, and future financial opportunities are very exciting. As previously announced, Riot is aggressively expanding its capacity at Whinstone, which is expected to provide the critical infrastructure necessary to successfully execute on driving continued growth for the Company."

Second Quarter 2021 and Recent Financial Highlights

Riot continues to attain significant milestones and set up for future opportunities, driven by its focus on Bitcoin mining.

- Produced a Company record \$19.3 million in net income for the three-month period ended June 30, 2021, as compared to a \$(10.6) million net loss for the same three-month period in 2020.
- Increased mining revenues by 1,540%, to \$31.5 million for the three-month period ended June 30, 2021, as compared to \$1.9 million for the same three-month period in 2020.
- Increased mining revenue margin, excluding depreciation and amortization, to 70% for the three-month period ended June 30, 2021, as compared to 25% for the same three-

month period in 2020.

- Increased total mined BTC by 38% on a sequential quarter-over-quarter basis, with 675 BTC mined in the second quarter of 2021, as compared to 491 BTC mined in the first quarter of 2021.
- Increased total revenues to \$34.3 million for the three-month period ended June 30, 2021, as compared to \$1.9 million for the same three-month period in 2020. Included in the consolidated results are the operations of Whinstone, including \$2.9 million in revenue, for the approximate one-month post acquisition period. With the acquisition of Whinstone, the Company determined it has two reportable segments: Cryptocurrency Mining and Data Center Hosting.
- Substantially all of the current assets as of June 30, 2021, totalling \$221.3 million, are highly liquid. As of July 31, 2021, the Company's unaudited BTC balance stood at 2,687 BTC, all of which were produced by its mining operations.
- The average BTC price used to calculate Riot's second quarter 2021 mining revenues was approximately \$46,600.

Second Quarter 2021 and Recent Operational Highlights

- Successfully closed the acquisition of Whinstone, creating one of the largest hosting and mining companies in North America, as measured by developed and future capacity.
- Initiated a 400 megawatt ("MW") expansion at Whinstone with four buildings totalling approximately 240,000 square feet currently under construction.
- Strengthened the Company's management team by appointing William Jackman as General Counsel, Josh Bowman as Director of Human Resources, and Trystine Payfer as Director of Communications.
- During the three-month period ended June 30, 2021, Riot received 9,900 S19 Pro Antminers (110 TH) under purchase contracts with Bitmain previously announced in 2020. As of June 30, 2021, the Company had 16,146 miners installed, and 7,500 S19 Pro Antminers in the process of being deployed.
- Subsequent to June 30, 2021, the Company installed approximately 4,600 S19 Pro Antminers, resulting in a fleet of 20,746 miners deployed. Riot's current hash rate capacity is approximately 2.07 exahash per second ("EH/s").
- As part of a December 2020 purchase order with Bitmain, 2,000 S19 Pro Antminers were shipped late July and will be deployed at the Whinstone facility over the coming weeks. By early September, Riot anticipates that it will have a total of 25,946 Antminers in operation, utilizing approximately 83 MW of energy, with an estimated hash rate capacity of 2.6 EH/s.

Second 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 \$22.1 million (70% of mining revenue), which compares to \$0.5 million for the same three-month period in 2020. The improvements in revenue and gross profit were primarily due to increases in the price of Bitcoin, combined with the greater number and higher efficiencies of the new generation miners currently being deployed, net of increases in the difficulty index associated with solving BTC mining algorithms.

Selling, general, and administrative ("SG&A") expenses increased by 58% to \$3.5 million, as

compared to \$2.2 million for the same three-month period in 2020. The increase in SG&A expenses was primarily due to increased personnel as a result of the company's rapid growth. Acquisition-related costs of \$17.0 million were incurred during the second quarter of 2021, for the Whinstone acquisition. Acquisition-related costs incurred during the period are considered to be non-recurring.

Net income for the quarter ended June 30, 2021 was \$19.3 million, or \$0.22 per share, as compared to a net loss of \$(10.6) million, or \$(0.31) per share, in the same period last year. Second quarter 2021 net income, included several significant income (expense) items, including a realized gain on the sale of long-term investments of \$26.2 million, an impairment of crypto currencies of \$(17.5 million), a change in fair value of derivative assets of \$17.5 million, associated with the Whinstone power agreement, and Whinstone acquisition costs of \$(17.0) million.

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 mining Bitcoin, and through Whinstone, its wholly owned subsidiary, provides data center hosting of Bitcoin mining equipment for institutional clients. The Company is expanding and upgrading its mining operations through industrial-scale infrastructure development and latest-generation miner procurement. Riot is headquartered in Castle Rock, Colorado, and the Whinstone facility operates out of Rockdale, Texas. The Company also has mining equipment operating in upstate New York under a co-location hosting agreement with Coinmint, LLC. 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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