

November 9, 2020



Riot Blockchain Reports Third Quarter 2020 Financial Results, Recent Operational & Financial Highlights

- Increased mining revenue by 21% to \$6.7 million for the nine-month period ended September 30, 2020, as compared to \$5.6 million the same nine-month period in 2019.
- Increased cryptocurrency mining revenue margin to 38% for the nine-month period ended September 30, 2020, as compared to 18% during the same nine-month period in 2019.
- Increased margin of cryptocurrency mining revenues in excess of cost of revenues during the three-month period ended September 30, 2020 to 47%, indicating performance improved in the latter part of the nine-month period ended September 30, 2020.
- Excluding stock-based compensation, decreased SG&A expenses to \$5.1 million for the nine months ended September 30, 2020, as compared to \$6.7 million during the same nine-month period in 2019.
- Increased liquidity to \$39.1 million in cash and cryptocurrencies, as compared to \$11.3 million as of December 31, 2019.

CASTLE ROCK, Colo., Nov. 9, 2020 /PRNewswire/ --**Riot Blockchain, Inc.** (NASDAQ: RIOT) ("**Riot**" or the "**Company**"), one of the few Nasdaq listed public cryptocurrency mining companies in the United States, reported financial results for the three and nine-month periods ended September 30, 2020. The financial statements are available on Riot's [website](#) and [here](#).



Riot continues to achieve substantial milestones on its bitcoin mining focus. As previously disclosed, the Company expects to have a total of 22,640 miners deployed by June 2021, the vast majority consisting of the latest generation S19 Pro miners. At full deployment, Riot expects to achieve 2.3 EH/s of total hash rate capacity by utilizing 73 megawatts of energy. This would result in Riot having an overall operational efficiency of approximately 32.33 ±% 5 joules per terahash (J/TH).

Riot's mining revenues for the nine-month period ended September 30, 2020 increased by 21%, as compared to the same nine-month period in 2019. SG&A expenses, excluding stock-based compensation decreased by 24%. In addition, the Company's working capital, liquidity and total stockholders' equity positions all continued to improve as compared to the beginning of 2020.

Recent Operational Highlights

- Received and deployed 3,040 next-generation Bitmain S19 and S19 Pro Antminers during the period of July through November 2020, increasing the Company's total hashrate capacity to 566 PH/s.
- Contracted for 15,600 next-generation Bitmain S19 Pro Antminers in the third quarter of 2020. Combined with the previously disclosed miner purchases from Bitmain, the Company now expects to achieve a total hash rate capacity of 2.3 EH/s by June 2021, with 22,640 total miners deployed.

Recent Financial Highlights

- Produced 730 newly minted bitcoins (BTC) during the nine-month period ended September 30, 2020, despite experiencing downtime associated with relocating to Coinmint's facility in the second quarter of 2020, the BTC halving event that occurred in May 2020, and continued increases in network hashrate during 2020.
- As of September 30, 2020, improved working capital to \$39.3 million from \$9.3 million as of December 31, 2019 and decreased total liabilities to \$2.0 million from \$4.1 million during the same period.
- As of September 30, 2020, increased total stockholders' equity to \$60.7 million from \$26.2 million at December 31, 2019.
- As of September 30, 2020, committed \$34.8 million for next-generation miners that will be received by the second half of 2020, with the first delivery scheduled in late December 2020.

September 30, 2020 financial results

For the nine-month period ended September 30, 2020, cryptocurrency mining revenues increased to \$6.7 million, as compared to \$5.6 million in the same nine-month period in 2019. Mining revenues increased to \$2.4 million in the three-month period ended September 30, 2020, as compared to \$1.7 million in the same three-month period in 2019.

For the nine-month period ended September 30, 2020, cryptocurrency mining revenue margin improved to 38.2% as compared to 18.5% during the same nine-month period in 2019. Cryptocurrency mining revenue margin is computed as mining revenues in excess of cost of revenues (excluding depreciation and amortization which is separately stated).

Selling, general, and administrative ("SG&A") expenses totaled \$8.0 million in the nine months ended September 30, 2020, as compared to \$7.1 million in the same nine-month period in 2019. Excluding stock-based compensation, SG&A expenses decreased by 24% to \$5.1 million for the nine-month period ended September 30, 2020, as compared to \$6.7 million during the same nine-month period in 2019. Stock-based compensation expense totaled \$2.4 million for the nine-month period ended September 30, 2020, as compared to \$0.4 million for the same nine-month period in 2019. SG&A expenses totaled \$2.0 million for the three-month period ended September 30, 2020, as compared to \$1.8 million for the same three-month period in 2019, in each case \$1.5 million and \$1.7 million, respectively, excluding stock-based compensation.

Net loss for the nine-month period ended September 30, 2020 was \$16.6 million, as compared to a net loss of \$16.6 million, in the same nine-month period in 2019. Net loss for the three months ended September 30, 2020 was \$1.7 million, as compared to a net loss of \$1.8 million in the same three-month period in 2019. Substantially impacting the net loss for the nine-month period ended September 30, 2020 were non-recurring items consisting of a \$9.4 million expense due to a 100% impairment of the Company's investment in Coinsquare, net of a \$1.3 million gain on extinguishment of debt.

As of September 30, 2020, the Company had \$39.1 million in cash and cryptocurrencies, as compared to \$11.3 million at December 31, 2019.

COVID-19 Update: As published in its previous disclosures, Riot is continuing to closely monitor COVID-19 and its potential impact on the Company's workforce, operations, finance, and liquidity. To date, the impact of COVID-19 has remained minimal.

About Riot Blockchain

Riot Blockchain (NASDAQ: RIOT) specializes in cryptocurrency mining with a focus on bitcoin. Riot also holds non-controlling investments in blockchain technology companies. Riot is headquartered in Castle Rock, Colorado, and the Company's primary mining facility is located in Massena, New York under a colocation 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," "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. The

Company does not undertake any obligation to update forward-looking statements contained in this press release.

For further information, please contact:

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