

August 8, 2019



Riot Blockchain Announces Q2/19 Financial Results

Balance sheet enhanced as cash and cryptocurrency position totals \$18 million while total liabilities reduced by 48% compared to FY 2018

CASTLE ROCK, Colo., Aug. 8, 2019 /PRNewswire/ -- Riot Blockchain, Inc. (NASDAQ: RIOT) ("Riot" or the "Company") announced the filing of its 2019 Quarterly Report on Form 10-Q, which can be viewed on the Company's website or at SEC.gov.



Highlights extracted from the June 30, 2019 quarterly consolidated condensed financial statements (unaudited) ("Q2/19"):

- Generated approximately \$2.4 million in mining revenue on the production of 316.19 bitcoins, 143.81 bitcoin cash, and 870.01 litecoins for the quarter. This compares to Q2/18 revenues of \$2.8 million on the production of 311.12 bitcoins, 272.81 bitcoin cash, and 314.04 litecoins.
- The average price of bitcoin for the quarter was \$7,301 as compared to \$7,767 in Q2/18. Additionally, the Q2/19 average price was substantially higher than the \$3,799/BTC average price in Q1/19. Bitcoin mining makes up the large majority of Riot's cryptocurrency mining operation.
- Gross margin as a percent of mining revenues improved significantly to 35% from (5%), sequentially, in the second quarter due primarily to higher average cryptocurrency prices as bitcoin, bitcoin cash, and litecoin gained 92%, 122%, and 158% relative to Q1/19 averages. Recent improvements in bitcoin prices, should they continue, are expected to further assist in improving gross margin break-even results.
- Net loss attributable to the Company in Q2/19 was approximately \$1.3 million or \$0.08/share. This marks a significant improvement from Q2/18, when the Company posted a comparable net loss of approximately \$24.0 million or \$1.81/share.
- Balance sheet was strengthened with a Q2/19 cash and cryptocurrency position of \$18 million as compared to \$225,000 at the end of FY/18. Total liabilities were reduced to \$4.8 million in Q2/19 from \$9.4 million at the end of FY/18 as outstanding payables were liquidated including settlement of certain debts – some at notable discounts.

Business update and highlights:

- Riot's fully-owned hashing power was approximately 101 Petahash as of June 30, 2019; which ranks the Company among the largest publicly-listed miners of bitcoin. The mining operation continues to be fully deployed with 24/7 real-time monitoring of status and margin contribution. Based upon recent operating metrics and difficulty levels, at a price of \$10,050/BTC an S9 miner would generate digital currency revenues of approximately \$0.12/kWh.
- Riot recently acquired 200 Bitmain S9 and 30 Bitmain L3 miners for a cost of approximately \$100,000. We plan to continue to look to enhance our mining operations through opportunistic value acquisitions.
- Riot maintains ownership of approximately 12% of Coinsquare, a leading cryptocurrency exchange in Canada.
- 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.
- The Company continues development progress with RiotX, its planned cryptocurrency exchange, as it engages additional partners in the establishment of the exchange.
- Riot recently announced the establishment of an Advisory Board that is 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.

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

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