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Riot Blockchain Reports 2019 Financial Results and Operational Highlights

CASTLE ROCK, Colo., March 25, 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 year ended December 31, 2019. The financial statements are available on Riot's [website](#) and [here](#).



2019 Recent Operational Highlights

- Invested in 4,000 Bitmain S17 Pro Antminers at the Company's Oklahoma City mining facility, which when deployed in early 2020 resulted in an increase in Riot's fully owned hashing power capacity to approximately 248 Petahash;
- Received notice of the termination of the SEC's investigation of Riot on January 29, 2020;
- Produced 944 newly minted bitcoins (BTC) during 2019 and increased bitcoin inventory 206% year-over-year to 514 BTC at December 31, 2019;
- Established an industry-leading advisory board comprised of recognized leaders with proven operational and strategic experience throughout the cryptocurrency space;
- Improved December 31, 2019 working capital to \$9.3 million from a deficit of \$(4.3) million as of December 31, 2018 and decreased total liabilities to \$4.1 million from \$9.4 million during the same period; and
- Increased total stockholders' equity to \$26.2 million at December 31, 2019 compared to \$4.5 million balance at December 31, 2018, approximately a \$22 million increase over the prior period.

Fiscal Year 2019 Financial Results

Total mining revenue in 2019 was \$6.7 million compared to \$7.7 million in 2018.

Gross profit, which is computed as mining revenues in excess of cost of revenues (excluding depreciation and amortization), was \$644,000 (9.6% of total mining revenues), as compared to \$1.9 million (24.9% of total mining revenues) in 2018. The decreases in revenue and gross profit were primarily due to changes in cryptocurrency prices as well as increases in

the difficulty index associated with solving mining algorithms.

Selling, general, and administrative ("SG&A") expenses in 2019 decreased 56% to \$9.2 million from \$20.9 million in 2018. The decrease in SG&A expenses was primarily due to reductions in staff, decreases in stock-based compensation expense, consulting fees, and legal fees, which were slightly offset by increases in audit and related professional fees.

Net loss for 2019 was \$20.3 million, or \$(1.02) per share, compared to net loss of \$60.2 million, or \$(4.33) per share, in 2018.

At December 31, 2019, the Company had \$11.3 million in cash and cryptocurrencies, as compared to \$932,000 at December 31, 2018.

2020 Strategic Priorities

As announced in a [press release](#) issued on February 20, 2020, Riot has concentrated its strategic priorities by focusing on bitcoin mining and pursuing opportunities more directly related to bitcoin and bitcoin mining. In line with that mission, the Company has upgraded its mining facility in Oklahoma City and engaged XMS Capital Partners to advise on potential strategic opportunities.

In response to the rapidly expanding and evolving effects of COVID-19, Riot Blockchain is actively monitoring COVID-19 developments, including local, regional and global regulatory and health updates. Temporary policies have been adopted covering travel restrictions, remote work solutions where feasible, etc. The Company is dedicated to the safety and well-being of its team members and business partners. The Company is reviewing and developing protocols to navigate and manage its key operations by evaluating potential future steps and plans to consider potential implications to its workforce, operations, finance and liquidity.

About Riot Blockchain

Riot Blockchain (NASDAQ: RIOT) specializes in cryptocurrency mining. The Company's operational focus consists of mining bitcoin. Riot also holds non-controlling investments in blockchain technology companies. Riot is headquartered in Castle Rock, Colorado, and the Company's mining facility is located in Oklahoma City, Oklahoma. 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.

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