

Illustrative Earnings Power Analysis

May 14, 2021



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Introduction & Agenda

- As we have committed to you, our owners,
we will communicate, frequently, clearly and transparently
about the company and its prospects
- We will outline for you a **hypothetical illustration** of the
application of the business model
- There are more detailed assumptions in the footnotes and
last pages, but the main point is:

**If we were to make all equipment buying decisions today,
this is what our economics could look like**

Ongoing Information Flow

We will refresh this information every 4 to 6 weeks

What will change?

- Updated coin prices
- Equipment mix
- Difficulty in projections
- Begin taking delivery of equipment

We expect to **discontinue this exercise in September**


- Hypothetical illustration will **increasingly become economic reality**
- At that point, we will issue **site-level key financials** from each facility **within 10 days of month's end**

Monthly Information Flow

In **June**, we will begin the first of our monthly site-level key financials*

On or about June 10th, the April & May site-level key financials will be released for:

- ☐ The TNT facility
- ☐ The Python facility

 Then by on or about the 10th of every month, we will release site-level key financials

Illustrative Financial Outcome



Consolidated Non-GAAP Illustrative Financial Outcome



(\$ in 000s)	2Q21	3Q21	4Q21	1Q22
Total Revenue	\$1,291	\$3,736	\$12,478	\$15,922
Electricity/Direct Costs*	232	1,195	3,753	4,973
Overhead Expenses	162	475	524	516
Cost of Cryptocurrency Revenue**	393	1,669	4,277	5,489
Contribution Margin (Non-GAAP)	\$898	\$2,067	\$8,202	\$10,433
Contribution %	69.5%	55.3%	65.7%	65.5%
Operating & Market Assumptions				
MW Deployed	3.55	13.35	41.35	51.85
Hashrate (SHA-256, PH/s)	39.37	216.48	722.51	912.27
Hashrate (GPU, GH/s)	61.30	61.30	61.30	61.30
BTC Price	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
Global Hashrate	181,153	203,077	225,000	241,250

*Includes Electricity and Hosting costs

**Excludes Depreciation, R&D Expenses, and SG&A Expenses

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Run Rate Analysis (BTC \$45k)



(\$ in 000s)

	Annual Run Rate		Annual Run Rate	
	Q4 2021	Per Q4 2021	Q1 2022	Per Q1 2022
Revenue	12,478	49,913	15,922	63,689
Electricity/Direct Costs*	3,753	15,011	4,973	19,891
Overhead Costs	524	2,095	516	2,065
Cost of Cryptocurrency Revenue**	\$4,277	\$17,107	\$5,489	\$21,956
Contribution Margin (Non-GAAP)	\$8,202	\$32,806	\$10,433	\$41,732
Contribution %	65.7%	65.7%	65.5%	65.5%

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Alternate Outcome Illustration



(\$ in 000s)

BTC \$25k

	Q4 2021	Annual Run Rate Per Q4 2021	Q1 2022	Annual Run Rate Per Q1 2022
Revenue	6,245	24,982	8,520	34,079
Electricity/Direct Costs*	1,870	7,480	2,393	9,574
Overhead Costs	524	2,095	516	2,065
Cost of Cryptocurrency Revenue**	\$2,394	\$9,575	\$2,910	\$11,639
Contribution Margin (Non-GAAP)	\$3,852	\$15,406	\$5,610	\$22,440
Contribution %	61.7%	61.7%	65.8%	65.8%

BTC \$60k

Revenue	16,334	65,334	20,304	81,215
Electricity/Direct Costs*	3,753	15,011	4,973	19,891
Overhead Costs	524	2,095	516	2,065
Cost of Cryptocurrency Revenue**	\$4,277	\$17,107	\$5,489	\$21,956
Contribution Margin (Non-GAAP)	\$12,057	\$48,228	\$14,815	\$59,259
Contribution %	73.8%	73.8%	73.0%	73.0%

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TNT Illustration



(\$ in 000s)	2Q21	3Q21	4Q21	1Q22
Total Revenue	\$891	\$846	\$804	\$901
Electricity/Direct Costs*	121	133	133	146
Overhead Expenses	110	110	110	113
Cost of Cryptocurrency Revenue**	230	243	243	259
Contribution Margin (Non-GAAP)	\$661	\$604	\$562	\$642
Contribution %	74.1%	71.4%	69.8%	71.3%

Operating & Market Assumptions

MW Deployed	1.85	1.85	1.85	1.85
Hashrate (SHA-256, PH/s)	8.65	8.65	8.65	8.65
Hashrate (GPU, GH/s)	61.30	61.30	61.30	61.30
BTC Price	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
Global Hashrate	181,153	203,077	225,000	241,250

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Anaconda Illustration



(\$ in 000s)	2Q21	3Q21	4Q21	1Q22
Total Revenue	\$0	\$0	\$7,922	\$7,511
Electricity/Direct Costs*	-	-	2,413	2,413
Overhead Expenses	-	147	196	202
Cost of Cryptocurrency Revenue**	-	147	2,609	2,615
Contribution Margin (Non-GAAP)	\$0	(\$147)	\$5,313	\$4,895
Contribution %	na	na	67.1%	65.2%
Operating & Market Assumptions				
MW Deployed	-	-	25.00	25.00
Hashrate (SHA-256, PH/s)	-	-	451.81	451.81
BTC Price	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
Global Hashrate	181,153	203,077	225,000	241,250

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Assumptions



Python closes on July 1



Python's second building gets built & scales up over Q4 2021

- No revenue is assumed in Q4 2021 for simplicity
- The full 10 MWs of revenue is presented for Q1 of 2022



Price of Bitcoin is \$45,000

Python Illustration



(\$ in 000s)	2Q21	3Q21	4Q21	1Q22
Total Revenue	\$400	\$2,890	\$3,752	\$7,511
Electricity/Direct Costs*	111	1,062	1,207	2,413
Overhead Expenses	52	218	218	202
Cost of Cryptocurrency Revenue**	163	1,280	1,425	2,615
Contribution Margin (Non-GAAP)	\$237	\$1,610	\$2,327	\$4,895
Contribution %	59.3%	55.7%	62.0%	65.2%

Operating & Market Assumptions

MW Deployed	1.70	11.50	14.50	25.00
Hashrate (SHA-256, PH/s)	30.72	207.83	262.05	451.81
BTC Price	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
Global Hashrate	181,153	203,077	225,000	241,250

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Historical Information



About Non-GAAP Financial Measures



To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measures: contribution margin and adjusted cost of cryptocurrency revenue. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

We use these non-GAAP financial measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. We believe that these non-GAAP financial measures provide meaningful supplemental information regarding our performance and liquidity by excluding certain items that may not be indicative of our recurring core business operating results, such as our revenues excluding the effect of foreign exchange rate movements and hedging activities or our operating performance excluding extraordinary fines. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting, and analyzing future periods. These non-GAAP financial measures also facilitate management's internal comparisons to our historical performance and liquidity as well as comparisons to our competitors' operating results. We believe these non-GAAP financial measures are useful to investors both because (1) it allows for greater transparency with respect to key metrics used by management in its financial and operational decision-making and (2) it is used by our institutional investors and the analyst community to help them analyze the health of our business.

TNT: Non-GAAP Historical Financial Results



(\$ in 000s) (Unaudited)

	Jan 21	Feb 21	Mar 21	Q1 21
Revenue	263	306	322	891
Electricity/Direct Costs*	34	51	36	121
Overhead Costs	33	47	22	102
Adjusted Cost of Cryptocurrency Revenue**	\$67	\$98	\$58	\$223
Contribution Margin	\$197	\$207	\$264	\$668
Contribution %	74.6%	67.8%	82.1%	75.0%

*Includes Electricity and Hosting costs

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For more information on these non-GAAP financial measures, please see the section captioned “Reconciliation of non-GAAP results of operations to the nearest comparable GAAP measures”.

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Python: Non-GAAP Historical Financial Results



(\$ in 000s) (Unaudited)

	Jan 21	Feb 21	Mar 21	Q1 21
Revenue	30	34	40	104
Electricity/Direct Costs*	8	7	8	23
Overhead Costs	0	0	0	0
Adjusted Cost of Cryptocurrency Revenue**	\$8	\$7	\$8	\$23
Contribution Margin	\$22	\$27	\$32	\$81
<i>Contribution %</i>	<i>73.7%</i>	<i>80.4%</i>	<i>79.6%</i>	<i>78.1%</i>

*Includes Electricity and Hosting costs

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Python has been hosting surplus equipment for EcoChain since January 2021

- On April 12, EcoChain purchased approximately 11.2 Petahash in SHA-256 Bitcoin miners and 235 Gigahash in Script Litecoin miners which are hosted at the Python site prior to close

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Consolidated Non-GAAP Historical Financial Results



(\$ in 000s) (Unaudited)	1Q21	Operating & Market Overview	
Total Revenue	\$995	MW Deployed	1.80
		Hashrate (SHA-256, PH/s)	12.92
Electricity/Direct Costs*	144	Hashrate (GPU, GH/s)	56.40
Overhead Expenses	102		
Adjusted Cost of Cryptocurrency Revenue**	246	BTC Price ⁽¹⁾	\$ 44,970
		Global Hashrate	159,230
Contribution Margin	\$749		
Contribution %	75.3%		

*Includes Electricity and Hosting Costs

**Excludes Depreciation, R&D Expenses, and SG&A Expenses

(1) Source: Coinbase

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Appendix

Consolidated Non-GAAP Illustrative Financial Outcome: BTC \$25k



(\$ in 000s)	2Q21	3Q21	4Q21	1Q22
Total Revenue	\$1,291	\$2,412	\$6,245	\$8,520
Electricity/Direct Costs*	232	834	1,870	2,393
Overhead Expenses	162	475	524	516
Cost of Cryptocurrency Revenue**	393	1,308	2,394	2,910
Contribution Margin (Non-GAAP)	\$898	\$1,103	\$3,852	\$5,610
Contribution %	69.5%	45.7%	61.7%	65.8%

Operating & Market Assumptions

MW Deployed	3.55	13.35	41.35	51.85
Hashrate (SHA-256, PH/s)	39.37	216.48	722.51	912.27
Hashrate (GPU, GH/s)	61.30	61.30	61.30	61.30
BTC Price	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Global Hashrate	181,153	203,077	225,000	241,250

*Includes Electricity and Hosting costs ; The company would operate at less capacity to achieve lower electricity cost per kWh

**Excludes Depreciation, R&D Expenses, and SG&A Expenses

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Consolidated Non-GAAP Illustrative Financial Outcome: BTC \$60k



(\$ in 000s)	2Q21	3Q21	4Q21	1Q22
Total Revenue	\$1,291	\$4,555	\$16,334	\$20,304
Electricity/Direct Costs*	232	1,195	3,753	4,973
Overhead Expenses	162	475	524	516
Cost of Cryptocurrency Revenue**	393	1,669	4,277	5,489
Contribution Margin (Non-GAAP)	\$898	\$2,886	\$12,057	\$14,815
Contribution %	69.5%	63.4%	73.8%	73.0%

Operating & Market Assumptions

MW Deployed	3.55	13.35	41.35	51.85
Hashrate (SHA-256, PH/s)	39.37	216.48	722.51	912.27
Hashrate (GPU, GH/s)	61.30	61.30	61.30	61.30
BTC Price	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Global Hashrate	181,153	203,077	225,000	241,250

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Reconciliation of non-GAAP results of operations to the nearest comparable GAAP measures

Reconciliation of Non-GAAP Results



(\$ in 000s) (Unaudited)

	2021							
	EcoChain							
	TNT	Python	Anaconda	Corporate	EcoChain	MTII	Corporate	Consolidated
Product revenue (GAAP)	\$0	\$0	\$0	\$0	\$0	\$1,337	\$0	\$1,337
Cryptocurrency revenue (GAAP)	\$891	\$104	\$0	\$0	\$995	\$0	\$0	\$995
Cost of product revenue (GAAP)	0	0	0	0	0	452	0	452
<u>Cost of cryptocurrency revenue (GAAP):</u>								
Electricity/Direct costs*	120	23	0	0	143	0	0	143
Overhead costs	170	9	6	0	185	0	0	185
Total cost of cryptocurrency revenue (GAAP)	\$290	\$31	\$6	\$0	\$327	\$0	\$0	\$327
Cost of revenue (GAAP)	\$290	\$31	\$6	\$0	\$327	\$452	\$0	\$779
Depreciation	67	8	0	0	76	0	0	76
Adjusted Non-GAAP Cost of Revenue**	\$223	\$23	\$6	\$0	\$251	\$452	\$0	\$703
Contribution Margin (Non-GAAP)	\$668	\$81	(\$6)	\$0	\$744	\$886	\$0	\$1,629

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