



**RESEARCH UPDATE**

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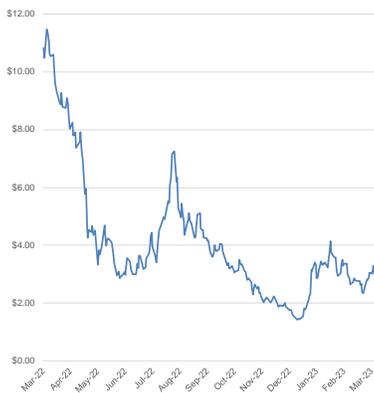
**Market Statistics**

Price	\$ 3.11
52 week Range	\$1.35 - \$10.65
Daily Vol (3-mo. average)	503,070
Market Cap (\$M):	\$ 260.6
Enterprise Value (\$M):	\$ 283.0
Shares Outstanding: (M)	83.8
Float (M)	83.4
Public Ownership	83.6%
Institutional Ownership	16.0%

**Financial Summary**

Cash (\$)	\$ 8.61
Cash/Share	\$ 0.10
Debt (\$)	\$ 37.0
Equity (\$)	\$ 140.9
Equity/Share	\$ 1.68

FYE: Mar	2022	2023 E	2024 E
(in \$M)			
Rev	\$211.2	\$110.3	\$96.8
Chng %	212%	-48%	-12%
Adj - EBITDA	\$171.0	\$36.8	\$24.6
EPS	\$ 1.02	\$ (2.97)	\$ (1.00)
EV/R	1.3x	2.6x	2.9x
EV/EBITDA	1.7x	7.7x	11.5x



**Company Description**

HIVE Blockchain Technologies Ltd is a Canada-based Company within the blockchain sector that is focused on the mining and sale of digital currencies. The Company owns green energy-powered data centers in Canada, Sweden, and Iceland which produce minted digital currencies. The Company's digital currencies consist of Bitcoin (BTC). The Company also owns a data center campus in New Brunswick. The Company's geographic segments include Canada, Sweden, Iceland, and Bermuda.

**HIVE BLOCKCHAIN TECHNOLOGIES LTD. (TSXV: HIVE)**

**Company Updates**

**Leader in Bitcoin (BTC) Mining:** HIVE is the first publicly traded cryptocurrency miner and was listed in 2017 on the TSX Venture Exchange. We estimate the Company is generating over 8.4 Bitcoin per day, almost 8 from ASIC and GPU, (~\$183,000/day) using ASIC processor & approx. .5 BTC equivalent per day (~\$11,585/day) while using GPU fleet as of January 2, 2023. This would translate to \$194,628 revenue in crypto every day using January month spot prices. This is up from \$177,650 in November of 2022. Due to recent price volatility for forward run rate calculations, we will use the trailing 30-day average of \$24,000 BTC price for our revenue assumptions.

**High Operating Efficiency:** The Company is a market leader of BTC mined per exahash (EH) with 114 BTC mined per EH per month as of December 31, 2022. A modern and regularly updated mining fleet supports the Company's production efficiency.

**More Tasks Given to Repurposed GPUs:** Historically, HIVE generated significant revenues and profits from mining Ethereum (ETH). On 9/15/22, ETH "merged" with Beacon Chain making ETH mining unprofitable. Due to the "merge", HIVE repurposed their GPU fleet to mine altcoins (cryptos outside of BTC) and has maintained profitability mining these coins. HIVE has also announced that in 2Q23 these GPUs will be used for cloud computing services supporting AI, a venture that can be 25 times more profitable than using the GPUs for mining. With how GPU intensive AI applications are, this GPU allocation gives investors direct exposure to AI.

**ESG Oriented:** The Company has a green energy focus that includes hydroelectric and geothermal energy that powers their mining facilities. The Company owns green energy-powered data center facilities in Canada, Sweden, and Iceland which produces minted digital currencies. Notably, the recent infrastructure upgrades in New Brunswick and Quebec were completed using green, clean, and cheap energy.

**Positioned to Benefit from Price Correction:** The Company mines and holds Bitcoin, leading to large revenue swings. There are many secular drivers which support upward bias to spot prices, including a limited supply curve, increased institutional interest, and steady progress in regulatory acceptance for Bitcoin. HIVE is the only crypto miner that has survived two bear markets, and it is notable that their balance sheet remains clean. Recently they have strategically purchased ASIC miners at depressed prices. The strong balance sheet and opportunistic uses of its cash position can lead the Company to have a strong rebound in the event of a market correction. We believe a near term catalyst could be if the Fed pivots to a more dovish stance.

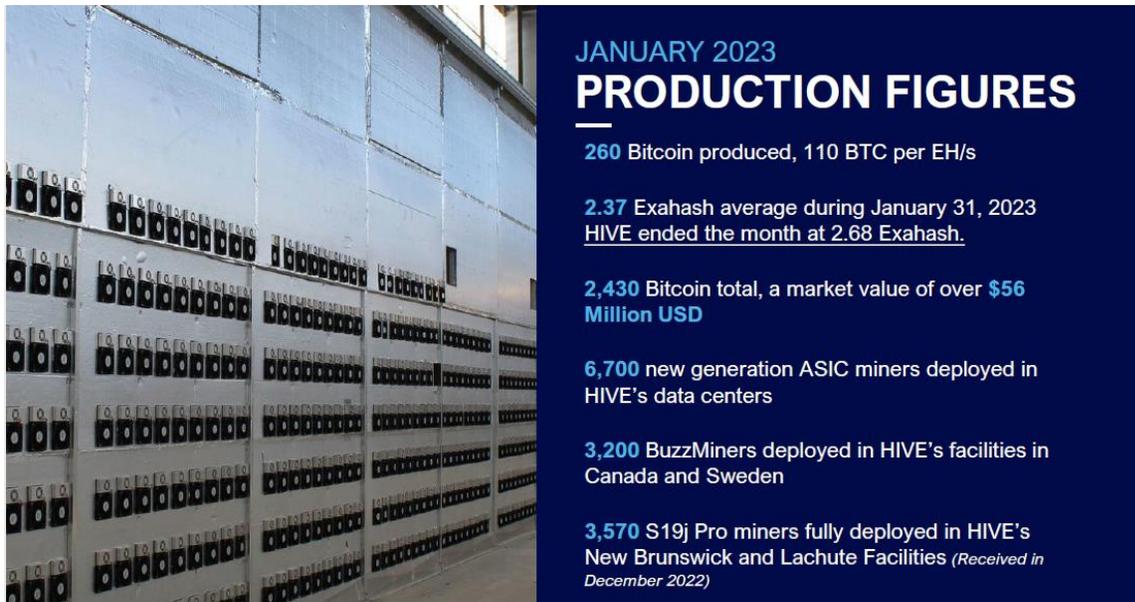
**Valuation:** We are valuing the Company based on our 2023 estimates:

- **EV/EBITDA:** Applying an EV/EBITDA range of 8x to 10x, with a midpoint of 9x, results in a price range of \$3.24 to \$4.13, with a midpoint of \$3.68.
- **EV/Revenues:** Applying an EV/Revenue range of 2x to 4x, with a midpoint of 3x, results in a price range of \$2.60 to \$3.77, with a midpoint of \$3.18.
- **EV/Exahash (EH):** Applying an EV/EH range of 150x to 250x, with a midpoint of 200x, results in a price range of \$3.11 to \$5.41, with a midpoint of \$4.26.

## Business Overview

HIVE Blockchain Technologies is a Canadian-based sustainable cryptocurrency mining Company with mining facilities in Canada, Sweden, and Iceland. As HIVE has expanded and upgraded its mining fleet, the Company has become one of the most efficient miners, producing an average of 8.4 BTC per day in January 2023 at a rate of 110 BTC per EH/s. HIVE went public in 2017 under the “HIVE” ticker on the TSX Venture Exchange and has since listed on the Nasdaq as well as the Berlin and Frankfurt Stock Exchanges.

### Exhibit 1: Hive by the Numbers



Source: Company Reports

Per the most recent MD&A as of December 31, 2022, HIVE's cryptocurrency mining operations are all powered by green energy, hydroelectric or geothermal, with the major data centers being:

- 1) A Bitcoin mining operation in New Brunswick, Canada, currently equipped with approximately 17,300 new generation ASIC mining rigs with an aggregate operating hash rate of approximately 1,480 petahashes per second (PH/s), utilizing approximately 60 megawatts (MW) of power capacity.
- 2) A Bitcoin mining operation at a leased facility in Quebec, Canada, currently equipped with approximately 7,100 new generation ASIC mining rigs with an aggregate operating hash rate of approximately 530 PH/s, utilizing approximately 27 MW power but with an available power capacity of 30 MW.
- 3) In Sweden, a leased facility equipped with power capacity of 32MW, of which 25MW are GPUs which produce approximately 350 PH/s of Bitcoin mining capacity, 5.5MW are ASICs which produce 130 PH/s of Bitcoin mining capacity, and the remainder is cooling and operations. In northern Sweden there is an additional 4MW data center HIVE operates which produces approximately 60 PH/s.
- 4) In Iceland, HIVE has a 5 MW hosted data center which produces 110 PH/s and another 5 MW hosted facility which produce 101 PH/s.

All the mining power is utilized by HIVE to generate mining rewards that are paid in Bitcoin and generally retained in secure storage.

HIVE demonstrated its adaptability in 2021 by executing numerous collaborations and agreements to expand its business. HIVE joined the NVIDIA Partner Network and made some significant equipment purchases from top vendors like Bitmain, MicroBT, & Canaan, which will greatly enhance its BTC and altcoin mining capacity.

Overall, HIVE has made substantial efforts to scale its business and targets at achieving an EBITDA positive business. The fundamental principles, expansion plans, and green power agreements offer HIVE favorable crypto mining economics and a compelling value proposition in the market. The Company recently announced a deal with Intel, with Intel miners already being used by HIVE.

The Company currently has a significant Bitcoin treasury, and they have not pledged or staked it as collateral against debt or other obligations of any kind. This strategy is well suited for investors that believe in the long-term future of Bitcoin and want direct exposure to the digital asset market.

## Exhibit 2: LEADING KPI: BEST UPTIME (OPERATING EFFICIENCY) BITCOIN PER EXAHASH

### BTC PRODUCED AND BTC PER EXAHASH

## Q3 F2023 EFFICIENCY ANALYSIS

	OCTOBER 2022			NOVEMBER 2022			DECEMBER 2022		
	Total Hashrate	BTC Produced	BTC Per EH	Total Hashrate	BTC Produced	BTC Per EH	Total Hashrate	BTC Produced	BTC Per EH
<b>HIVE</b>	<b>2,670</b>	<b>307</b>	<b>115</b>	<b>2,510</b>	<b>264</b>	<b>105</b>	<b>1,890</b>	<b>216</b>	<b>114</b>
ARBK	2,500	204	82	2,500	147	79	2,500	204	82
BITF	4,200	486	116	4,400	453	103	4,380	496	113
CLSK	5,100	532	104	5,500	535	97	6,200	464	75
HUT	3,070	299	97	3,270	264	105	2,500	161	64
MARA	7,000	615	88	7,000	472	67	7,000	475	68
RIOT	6,900	509	74	7,700	521	68	9,700	659	68

Source: Company Reports

## HIVE Revenue Model

The Company recognizes revenue from the provision of transaction verification services, known as cryptocurrency mining, for which the Company receives digital currencies and records them at their fair value on the date received. As with any mining company, the spot price volatility of BTC can have a material impact on revenue generated in any given period. Mining revenue is also dependent on HIVE's hash rate and the BTC and other altcoin network hashrates.

The Company's generates revenue from mining Bitcoin using ASICs and GPUs. During the quarter that ended December 2022, the Company generated \$14.3 million in mining revenue. The Company currently holds 2,372 BTC worth \$38.9 million of digital currencies with cash of \$8.6 million in hand as of December 31, 2022.

### Exhibit 3: Digital Currencies

	December 31, 2022		March 31, 2022	
Bitcoin	\$	38,864,138	\$	117,669,390
Ethereum		40		52,301,707
Ethereum Classic		88,786		29,315
<b>Total</b>	<b>\$</b>	<b>38,952,964</b>	<b>\$</b>	<b>170,000,412</b>

Source: Company reports, Financial statements

The Company's revenue is generated through HIVE's profitable self-mining. The Company's sites in Canada, Sweden, and Iceland all achieve profitable self-mining using green energy, such as hydroelectric and geothermal. For its ASIC and GPU miners, HIVE has created an internal data center design with dependable uptime performance, affordable cooling, and direct grid connections. HIVE does not rely on external hosting for any of its operations, excluding its Icelandic data center. As of January 2023, the Company had a combined BTC mining hashrate of 2.68 EH/s, comprised of 2.52 EH/s from ASIC Mining & and 0.16 from GPU BTC Mining.

### Exhibit 4: Gross Mining Margin Q/Q Stats

Calculation of Gross Mining Margin:	Q3 2023		Q2 2023		Q1 2023		Q4 2022		Q3 2022	
Revenue (1)	\$	14,318,711	\$	29,596,579	\$	44,178,526	\$	49,783,515	\$	68,844,789
Less:										
Operating and maintenance costs:		(10,702,734)		(13,656,022)		(17,161,751)		(26,910,860)		(6,526,317)
<b>Gross Mining Margin</b>	<b>\$</b>	<b>3,615,977</b>	<b>\$</b>	<b>15,940,557</b>	<b>\$</b>	<b>27,016,775</b>	<b>\$</b>	<b>22,872,655</b>	<b>\$</b>	<b>62,318,472</b>
<b>Gross Mining Margin %</b>		<b>25%</b>		<b>54%</b>		<b>61%</b>		<b>46%</b>		<b>91%</b>

Source: Company Reports

Profitability is determined by taking income (the Company's share of network hashrate \* block reward \* price of BTC) and deducting expenditures (the cost of the miner + power + any other corporate expenses). The hashrate of the network, the cost of miners, the cost of Bitcoin, and the block reward are the variables. HIVE focuses largely on increasing hashrate and reducing electricity costs to achieve a lower breakeven BTC price and larger profitability.

## Multiple Growth Drivers for HIVE

### Increasing Mining Capacity & Growing Hashrate:

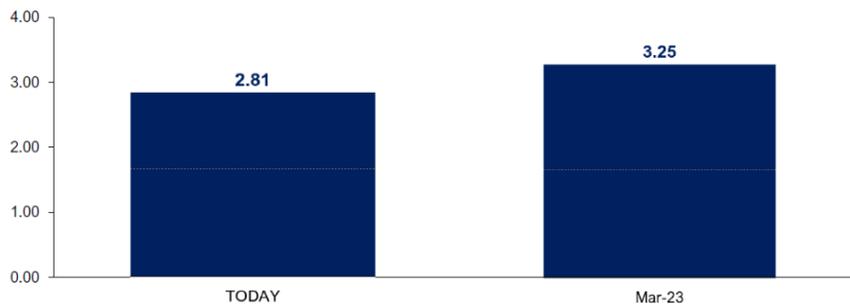
HIVE continues to scale up its operations and has recently completed an additional 10MW in New Brunswick, and 4MW in Quebec for incoming ASICs, bringing total operating power capacity to 147.5MW across all operational sites as of December 2022.

HIVE entered an at-the-market equity offering agreement in 3Q22 to sell up to \$100 million of company shares to support the growth of its mining operations. As of December 31, 2022, the Company has issued an aggregate of 1,306,474 common shares, generating \$3,941,736. The proceeds will be used to capitalize on opportunities which may exist or may be brought to its attention relating to distressed asset sales of mining equipment throughout the mining ecosystem. This offering was terminated as of February 6, 2023.

### Exhibit 5: Growth Outlook

GPU AND ASIC COMBINED FOR BTC HASHRATE

#### HIVE 2023 ASIC HASHRATE GROWTH OUTLOOK



**15% increase in hashrate this quarter** via ASICs in HIVE's inventory which can be installed throughout its global infrastructure

*\*Included in these figures, HIVE has approximately 160 Petahash Bitcoin mining capacity from its GPU fleet*

Source: Company Reports

### Key Data Points:

- As of Feb 07, 2023, HIVE HODLs 2,430 BTC with a market value of \$56.0mn and operates 2.52 EH/s in BTC equivalent mining capacity during the month from ASIC mining operations and 0.16 EH/s from GPU operations.
- Exhibit 5 above shows growth in hashrate from contracted deliveries of ASICs of the new HIVE Buzzminer powered by Intel ASICs. In addition to this projected ASIC capacity, HIVE has hash rate from its GPU fleet equivalent to approximately 160 PH/s (or 0.16 EH/s). We expect HIVE will operate at approximately 3.5 EH/s in BTC equivalent hashrate by calendar Q2 2023 (including both ASICs and GPUs).
- The Company has a robust growth pipeline at its New Brunswick, Iceland, and Sweden facilities, with capacity recently expanded to 147.5MW, as of December 2022. Using low-cost renewable energy sources and fast ramping up both its operational BTC hashrate are the main goals of HIVE's site expansions.

**HIVE Current Production Update:**

As of February 7, HIVE is producing an average of over 8.4 Bitcoin per day from ASIC and GPU production comprised of almost 8 Bitcoin per day from ASIC fleet and approx..5 Bitcoin per day from GPU fleet

**Exhibit 6: Efficiency Analysis**

Self Mining Updates - December 2022									
	BIT DIGITAL	Bitfarms	Cleanpark	DMG	ENERGIZER	HIVE	HUT8	MARATHON	IO T
Nov 30, 2022 Total HR PH/s	1,400	4,400	5,500	842	650	2,310	3,270	7,000	7,700
Dec 31, 2022 Total HR PH/s	1,400	4,500	6,200	945	715	2,060	3,270	7,000	9,700
Average HR Dec 2022	1,230	4,380	4,100	915	554	1,890	2,500	7,000	7,200
Bitcoin Mined Dec 2022	130.0	496.0	464.0	104.6	57.0	213.8	161.0	475.0	659.0
Current Bitcoin Hold	947	405	228	454	111	2,348	9,086	12,232	6,952
Bitcoin Sold during Dec	134	1,755	517	40	44	1,441	0	0	600
Dec 31, Hold \$M	\$26.2	\$6.7	\$3.8	\$7.5	\$2.8	\$38.9	\$150.3	\$202.4	\$115.0
Bitcoin mined per 1 EH/s	105.7	113.2	113.2	114.3	102.9	113.1	64.4	67.9	91.5
Bitcoin Mined Nov/day	4.8	15.1	17.8	2.9	2.0	8.8	7.9	15.7	17.4
Bitcoin Mined Dec/day	4.2	16.0	15.0	3.4	1.8	6.9	5.2	15.3	21.3
Day on Day change %	-12.7%	6.0%	-16.1%	15.0%	-10.1%	-21.6%	-34.5%	-2.6%	22.4%
Dec Self Mining Revenue \$M	\$2.15	\$8.21	\$7.68	\$1.73	\$0.94	\$3.54	\$2.66	\$7.86	\$10.90
Rank by Production EH/s	5	2	3	1	6	4	9	8	7

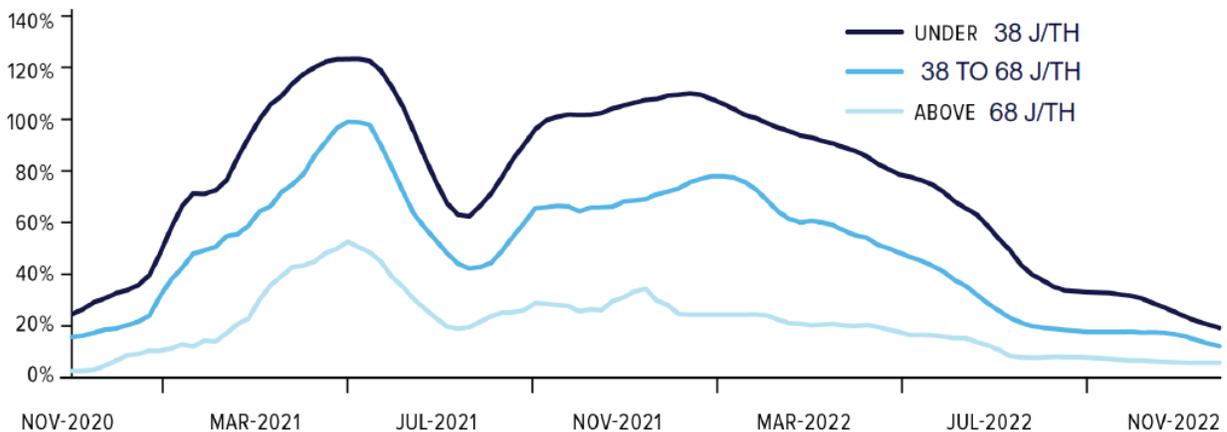
Anthony Power @cazenove\_uk

Source: Anthony Power

The Company has 6,700 new generation ASIC miners deployed across HIVE’s data centers. This is along with 3,200 BuzzMiners deployed across the facilities in Canada and Sweden as well as the 3,570 S19j Pro Miners fully deployed in New Brunswick and Lachute facilities. The total mining power that HIVE employs translated to 2.68 Exahash to end January 2023. As ASIC prices approach all-time lows, the Company will be strategic with their capital allocation to upgrade their fleet at the most economic prices.

**Exhibit 7: Continued Opportunity for Growth**

**ASIC PRICE INDEX PERCENTAGE DRAWDOWNS**  
**ASIC PRICES APPROACH ALL-TIME LOWS**



Source: Company Presentation

**ESG Focus:**

Currently, HIVE operates 70 MW in New Brunswick and a 30 MW facility in Quebec for mining Bitcoin in Canada. New Brunswick has a total capacity of 70MW, ready for new ASICs to arrive. Lachute has a total capacity of 30MW. New Brunswick/Quebec is a desirable site for expansion and flexibility for future operations, since it offers competitive costs for renewable energy, and skilled labor.

In addition, HIVE runs a 37.5MW mining plant in Sweden. Hydroelectricity provides power for Sweden's GPU infrastructure.

Lastly, the Company is operating a 10MW mining facility in Iceland. Iceland was HIVE's first mining facility and is the only site to rely on third-party hosting to operate. Iceland offers mild year-round temperatures to reduce cooling costs and is powered by geothermal sources.

**Increasing Supplier Arrangements to Drive Growth:**

In preparation for its new sites coming online, HIVE has made significant investments to grow and optimize its fleet in 2022. In 2021, HIVE joined the NVIDIA Partner Network and also entered purchase agreements with MicroBT and Bitmain to enhance its mining fleet. These deals secured a large amount of top-of-the-line ASIC and GPU miners in preparation for expansion across its sites in North America and Europe.

**Exhibit 8: Mining Capacity Current & Future**

**2022 OPERATIONAL UPDATE**  
**INFRASTRUCTURE**

HIVE has completed the following infrastructure using green and clean energy:

**CURRENT COMPLETED MW**  
 New Brunswick: **70MW**  
 Quebec: **30MW**  
 Sweden: **37.5MW**  
 Iceland: **10MW**  
**TOTAL: 147.5MW**

Source: Company Reports

HIVE announced a supply agreement with Intel Corporation to purchase new high-performing ASIC chips that will be incorporated into state-of-the-art miner, which HIVE is developing and manufacturing. The product is named the HIVE Buzzminer, using the Intel BlockScale ASICs.

Most recently HIVE brought online all 3,570 S19j Pro miners at their New Brunswick and Lachute Facilities. After having received the miners in December 2022, it is notable that management had these miners operational on a short timeframe.

**Exhibit 9: Contracted Expansion**

**HIVE BuzzMiner**

HIVE is pleased to announce commercial deployment of the HIVE BuzzMiner, powered by Intel Blockscales ASIC. This comes after months of planning, engineering development, field testing and global collaboration.

*\*January 2023*

intel inside

HIVE

Source: Company Presentation

### Undervalued to its Peers

Historically, HIVE was operating its Ethereum mining fleet that generated approximately 3 to 4 times more revenue per MW, compared to Bitcoin ASIC mining, and reported higher gross margins compared to their peers. HIVE has consistently led the industry with the highest Bitcoin per Exahash production figures. Despite this, the Company has been valued within the lowest multiples in its peer group.

HIVE has strategically located its facilities in various mining friendly jurisdictions (in terms of coins mined, geographic locations, and equipment) which reduces risk. The Company follows an accelerated depreciation policy, depreciating their equipment over 2 years and continuing to invest in newer technology-based equipment miners. The Company has roughly 20 employees in managing its fleet, generating the highest revenue/employee compared to its peers.

The table below from Anthony Powers in Exhibit 11, ranks all Bitcoin miners in terms of their monthly production in Bitcoin per Exahash, which is the industry leading KPI to determine uptime (operational efficiency). HIVE led industry peers in 2022 and is ranked #1 again in year-to-date Bitcoin mined per EH/s, with results having been tabulated by Anthony Powers.

#### Exhibit 10: Bitcoin Valuation Over Peers

	ARGO	HIVE	CleanSpark	Bitfarms	HUT8	STRATEGY	IO T	Core Scientific	IrisEnergy	RAVEN	DMG
Market Cap	\$96.0	\$269.4	\$137.8	\$189.6	\$315.9	\$1178.6	\$1034.6	\$437.7	\$186.4	\$20.8	\$32.1
Enterprise Value (EV)	\$208.7	\$250.6	\$117.0	\$238.1	\$153.8	\$1767.3	\$775.8	\$1818.4	\$126.5	\$11.8	\$28.1
Cost per current PH/s	\$83,497	\$109,899	\$28,114	\$56,686	\$50,105	\$465,070	\$138,534	\$139,878	\$57,395	\$18,191	\$36,494
Dec 31, Cost per PH/s	\$54,932	\$58,272	\$21,035	\$39,680	\$43,949	\$174,977	\$62,063	\$105,111	\$26,915	\$7,883	\$28,101
Net Assets	\$201	\$260	\$377	\$335	\$395	\$659	\$1,289	\$416	\$437	\$59	\$73
EV /Net Assets	1.04	0.96	0.31	0.71	0.39	2.68	0.60	4.37	0.29	0.20	0.38
Ranking	9	8	3	7	5	10	6	11	2	1	4

Anthony P O W e r @cazenove\_uk

Source: Anthony Power

#### Exhibit 11: HIVE Efficiency in BTC Production over Peers



Source: Anthony Power

### Post – Merge Review (Month Following Ethereum Merge)

The Ethereum Foundation finalized the Merge, bringing an end to Proof-of-Work as the consensus layer for the Ethereum network and signaled the end of GPU based Ethereum mining on September 15, 2022. HIVE has been positioning itself for the eventuality of Ethereum transitioning from Proof-of-Work to Proof-of-Stake and the Company notes it has sold substantively all its Ethereum. HIVE has focused on reoptimizing its GPU fleet to mine altcoins.

Prior to the Merge, the Company was generating approximately the same ETH/USD value of 7 Bitcoins per day. Post Merge, the Company was generating approximately 1.6 Bitcoins per day from the same equipment. With Bitcoin price at the time ~\$20,000, this was the difference of generating approximately \$140,000 USD from 25MW of GPU mining operations in Ethereum mining, and \$30,000 USD from these same 25MW of GPU mining operations, but instead mining alt-coins and then converting to Bitcoin.

The below exhibit explains what the financial impact on HIVE was after the merge. Daily revenue decreased from \$350,000 to \$201,000. Revenue/MW dropped from \$2,692/MW levels to \$1,546/MW levels.

#### Exhibit 12: Revenue Pre merge

Particulars	Average Daily Revenue- June 22 Qtr	Mining Grid (MW)	Revenue/ MW
BITF	464,611	158	2940.6
HIVE	490,873	130	3775.9

Pre-Merge: BTC & ETH		Post-Merge: BTC and Alt Coins		Assumes BTC Only	
105 MW MINING BTC	81%	105 MW MINING BITCOIN	81%	105 MW MINING BTC	81%
25 MW MINING ETH	19%	25 MW MINING GPU	19%	25 MW MINING ALSO MINING BTC	19%
\$171,000 BTC MINING REVENUE	53%	\$171,000 BTC MINING REVENUE	85%	\$171,000 BTC MINING REVENUE	81%
\$150,000 ETH MINING REVENUE	47%	\$30,000 GPU MINING REVENUE	15%	\$40,714 BTC MINING REVENUE	19%
130 MW		130 MW		130 MW	
\$ 321,000 TOTAL DAILY REVENUE		\$ 201,000 TOTAL DAILY REVENUE		\$ 211,714 TOTAL DAILY REVENUE	
\$ 2,469 Revenue/MW		\$ 1,546 Revenue/MW		\$ 1,629 Revenue/MW	

Note: These three scenarios assume HIVE keeps and sells BTC. In the Pre-merge Scenario (September month) Data for bitcoins mined per day & mining revenue per bitcoin is taken same as of October month & not the actual one for comparative purposes. It is pertinent to mention here that bitcoin difficult has also increased in the Q1'23 for all bitcoin miners & therefore Revenue per MW has also reduced

Source: Stonegate Research

The drop further to \$1,546 MW post merge was in line with competitors operating at \$1,629 Revenue/MW.

The decrease of revenue is only on 25MW of capacity operating the GPU fleet/ The HIVE Revenue/MW earned on the rest of the 105MW grid remains unchanged, that is the ASIC Bitcoin mining fleet, which has industry leading efficiency in Bitcoin per Exahash per month.

Since the Merge, HIVE has made optimal use of its GPU fleet. The Company has reassigned its GPU fleet to optimize energy consumption, generating \$180,000 of profit in January of 2023 by selling energy back to the electrical grid. This was after a further \$3.1M in profits recognized in December of 2022 using the same strategy.

HIVE has also assigned portions of their GPU fleet to launch HIVE Performance Cloud in 2Q23. This pivot is past the proof-of-concept stage and has shown potential for a run-rate of \$1M in annual revenues. To achieve this revenue amount, the Company is using approx. 450 GPUs to support AI, an endeavor that is estimated to be 25x more profitable than mining.

### Financial Overview

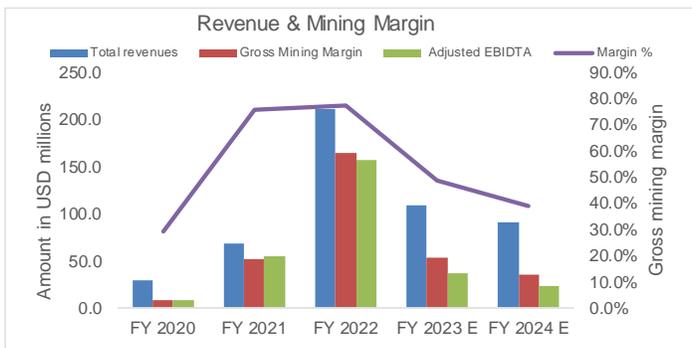
During the quarter ended December 31, 2022, the Company reported revenue of \$14.3 million down 79% from the same quarter prior year. The company achieved gross mining margin of \$3.6 million for the quarter, a 94% decrease over 3Q22 of \$62.3 million, the Company’s gross mining margin was 25.3%, versus 90.5% in 3Q22. Adjusted EBITDA is \$1.5 million for Q3 & Adjusted EBITDA margin stood at 10.8% vs 95.5% reported in Q3 2022.

#### Exhibit 13: Balance Sheet Stats



Source: Company Presentation

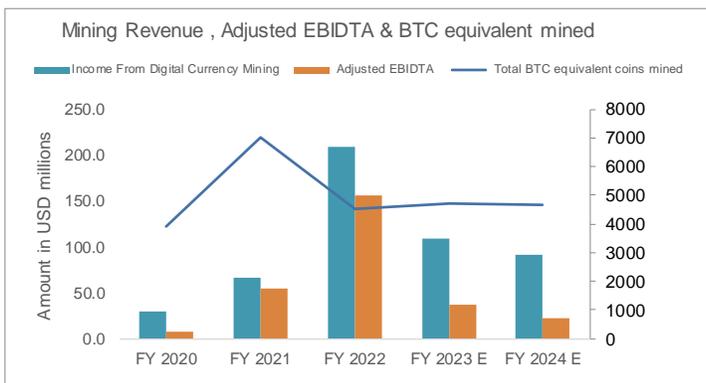
#### Exhibit 14: Margin Statistics



Source: Company Presentation and Stonegate Research

The Company mined 787 Bitcoin during the three-month period ended December 31, 2022. The Company also reported Digital currency assets of \$39.0 million, as of December 31, 2022.

#### Exhibit 15: Bitcoin Equivalent Mining Statistics



Source: Stonegate Research

## GP Margins:

We analyzed each of the factor in the following way:

- 1) **Network Difficulty:** Network difficulty factors are a significant variable in the Company's gross profit margins. The Bitcoin network difficulty saw a 20% increase quarter over quarter as of December 2023. Furthermore, the Bitcoin network difficulty saw a total 15% increase during the month of January. Bitcoin mining difficulty has increased substantively year over year, with an estimated rise of 60% as of January 2023. Despite the increased difficulty, the Company saw consistent Bitcoin production at 260 Bitcoin in January of 2023. This compares to 264 Bitcoin produced in January 2022.
- 2) **Digital Currency Rewards:** Block difficulty denotes a relative measure of how difficult it is to find a new block. The difficulty is adjusted periodically as a function of how much hashing power has been deployed by the network of miners. The block reward is how new bitcoin is "minted" or brought into the economy. These rewards, which started at 50 Bitcoin at inception of the network in 2009, halve every 210,000 blocks, with the halving that occurred on May 11, 2020, resulting in a reward of 6.25 Bitcoin per block vs 12.5 immediately prior to the halving. The next halving which will reduce the reward to 3.125 Bitcoin per block is currently projected to happen in April or May 2024.

## Risks:

**Capital Intensive** – Cryptocurrency mining is a capital-intensive industry. Participants are required to use significant capital to acquire new miners and to expand their hash rate capacity to compete with other large-scale miners.

**Highly Competitive Industry** – Industry participants in Bitcoin are competing to solve a block on the blockchain. There is no guarantee that an industry participant will win its expected Bitcoin reward. Additionally, as the price of cryptocurrencies goes up, a new market participant may be attracted to cryptocurrency mining. The addition of more miners can potentially reduce the current hash rate of existing miners.

**Unregulated Cryptocurrency Exchanges** – In general, cryptocurrency exchanges are not well-regulated markets. Industry participants are dependent on underregulated third-party providers to establish a market price for Bitcoin or other cryptocurrencies. HIVE relies on well-performing cryptocurrency markets for its revenue generation.

**Digital Currency Volatility**– HIVE's operating results are directly tied to the price of Bitcoin. The price of Bitcoin has historically experienced significant volatility. If the market price for Bitcoin drops significantly, operating results may suffer.

**Supplier Risk** – Historically, HIVE has purchased its miners from a single manufacturer. If the Company is unable to obtain the necessary miners or obtain its miners at an appropriate price, its operating results could suffer.

**Regulatory Changes** – Any regulation of cryptocurrency limiting or barring its use can potentially reduce the demand for these digital assets, and lead to a loss in the overall value of the asset. In general, most countries do not have a high degree of regulation in place for digital asset exchanges, creating the opportunity for more restrictive regulations.

**Environmental Risks** – Future regulation over the environmental impact of both cryptocurrency mining and the manufacturing of new miners could restrict HIVE's mining activities or affect the availability of new miners.

**Significant Need for Power** – The process of mining digital assets requires a significant amount of electrical power to run its miners. An inability to secure the necessary electrical power or the ability to access electrical power at acceptable costs could negatively impact operations. This risk was most evident following the Russian invasion of Ukraine where the Company saw a significant increase in energy costs at their Sweden location.

VALUATION SUMMARY

- HIVEs revenues are closely tied to the price of BTC. We have included a sensitivity analysis in exhibit 16, to determine a potential annual run rate for the next twelve months of revenue and EBITDA assuming a 45% Gross Mining Margin and a BTC price of \$24,000 (based on a 30-day moving average). HIVE has historically generated higher margins relative to its peers yet has traded at a significantly discounted valuation. We believe HIVE should trade at or above industry peers. Due to the volatility in BTC price, we opted to use the near term 2023 multiples to value HIVE as opposed to 2024 multiples.
- We are using three methods to value the Company based on our 2023 estimates:
- EV/EBITDA:** Applying an EV/EBITDA multiple range of 8x to 10x, with a midpoint of 9x, results in a price range of \$3.24 to \$4.13, with a midpoint of \$3.68.
- EV/Revenues:** Applying an EV/Revenue multiple range of 2x to 4x, with a midpoint of 3x, results in a price range of \$2.60 to \$3.77, with a midpoint of \$3.18.
- EV/Exahash:** Using an alternative approach, applying an EV/EH range of 150x to 250x, with a midpoint of 200x, results in a price range of \$3.11 to \$5.41, with a midpoint of \$4.26. BTC mined and BTC/EH was used to compute Exahash for all the company is as of December 31, 2022.

Exhibit 16: Valuation Summary

Bitcoing Price Sensivity Analysis						
BTC Price	24,000	10,000	15,000	20,000	25,000	30,000
Revenue NTM (\$m)	101.8	35.3	56.5	77.7	98.9	120.1
EBITDA NTM (\$m)	13.6	(1.2)	4.1	9.4	14.7	20.0
EBITDA %	13%	-4%	7%	12%	15%	17%

\*Current 30 day trailing average highlighted

Company Name	Symbol	Price (1)	EV	MC	ROA	Gross Margin	PH	EV/PH	P/B	EV/Rev (2)			
								2022	2022	2022	2023 E	2024 E	
<b>Bitcoin Mining Companies</b>													
Core Scientific, Inc.	CORZ.Q	\$ 0.30	1,150	114	6%	44%	NM	NM	0.0x	2.1x	1.7x	1.5x	
Argo Bloackchain	ARBK	\$ 6.65	4,291	4,263	1%	0%	NM	NM	0.4x	2.1x	1.9x	1.8x	
Bit farms Ltd.	BITF	\$ 0.93	255	222	-6%	7%	4.38	58.3x	0.9x	1.8x	2.1x	NM	
Hut 8 Mining Corp.	HUT	\$ 1.75	398	386	-20%	-17%	2.50	159.2x	1.6x	2.6x	4.3x	4.1x	
CleanSpark Inc	CLSK	\$ 2.69	233	210	-2%	69%	4.10	56.8x	0.4x	1.8x	1.1x	0.6x	
Marathon Digital Holdings Inc.	MARA	\$ 7.81	1,986	1,306	-17%	38%	7.00	283.9x	3.2x	16.9x	5.3x	3.3x	
Riot Blockchain	RIOT	\$ 8.63	1,233	1,441	-11%	25%	7.20	171.2x	1.4x	4.8x	3.5x	2.7x	
								Average	145.9x	1.1x	4.6x	2.8x	2.4x
								Median	159.2x	0.9x	2.1x	2.1x	2.3x
Hive Blockchain Technologies	HIVE	\$ 3.11	283	261	16%	78%	1.89	149.6x	0.7x	1.3x	2.6x	2.9x	

Particulars	Valuation Range		
EV/EH	150.0x	200.0x	250.0x
Current EH	1.89	1.89	1.89
EV	283.82	378.43	473.03
Net Debt	28.36	28.36	28.36
Equity Value (in \$ million)	255.5	350.1	444.7
No of Shares (in million)	82.25	82.25	82.25
Per Share Value	\$ 3.11	\$ 4.26	\$ 5.41

Particulars	Valuation Range		
EV/EBITDA	8.0x	9.0x	10.0x
Adjusted EBITDA FY 2023	\$36.82	\$36.82	\$36.82
EV	294.59	331.42	368.24
Net Debt	28.36	28.36	28.36
Equity Value (in \$ million)	266.2	303.1	339.9
No of Shares (in million)	82.25	82.25	82.25
Per Share Value	\$ 3.24	\$ 3.68	\$ 4.13

Particulars	Valuation Range		
EV/Rev	2.5x	3.0x	3.5x
FY 2023 Revenue	\$96.76	\$96.76	\$96.76
EV	241.91	290.29	338.67
Net Debt	28.36	28.36	28.36
Equity Value (in \$ million)	213.5	261.9	310.3
No of Shares (in million)	82.25	82.25	82.25
Per Share Value	\$ 2.60	\$ 3.18	\$ 3.77

Source: Stonegate Research

BALANCE SHEET

<b>HIVE Blockchain Technologies Ltd.</b>						
<b>Consolidated Balance Sheets ( \$Ms)</b>						
<b>Fiscal Year: March</b>						
<b>ASSETS</b>	<b>FY 2020</b>	<b>FY2021</b>	<b>FY 2022</b>	<b>Q1 Jun-22</b>	<b>Q2 Sep-22</b>	<b>Q3 Dec-22</b>
<b>Assets</b>						
Cash	5.1	40.3	5.3	4.0	8.1	8.6
Amounts recievables and prepaids	9.7	8.8	8.0	7.7	9.2	10.8
Investments	0.0	1.0	17.0	7.9	6.5	5.5
Digital Currencies	3.5	57.5	170.0	71.4	64.9	39.0
<b>Total Current Assets</b>	<b>18.3</b>	<b>107.5</b>	<b>200.3</b>	<b>91.0</b>	<b>88.7</b>	<b>63.9</b>
Property & Equipment	-	-	177.5	171.2	132.0	93.7
Net Property & equipemnt	-	-	<b>177.5</b>	<b>171.2</b>	<b>132.0</b>	<b>93.7</b>
Data Centre Equipment	6.4	21.6	-	-	-	-
Cloud mining rights	0.0	0.0	-	-	-	-
Right of use asset	2.2	3.0	12.6	11.3	9.9	11.2
Deposits	1.9	45.5	59.7	43.7	45.8	15.9
Invetments in sublease	0.2	0.1	0.0	0.0	-	-
Goodw ill	-	0.6	0.3	0.3	0.2	0.1
Long Term recievables	-	-	1.8	1.8	1.8	4.7
Other assets	10.8	70.8	74.4	57.0	57.6	31.8
<b>Total Assets</b>	<b>29.1</b>	<b>178.3</b>	<b>452.3</b>	<b>319.2</b>	<b>278.4</b>	<b>189.4</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Current Liabilities</b>						
Accounts Payable and accrued liabilities	2.1	3.5	12.4	16.3	10.4	9.6
Loans Payable	2.7	4.4	1.2	1.2	1.2	1.2
Taxes Payable	0.8	0.1	0.1	0.0	-	-
Current portion of lease liability	1.6	1.9	2.2	2.0	1.9	2.1
Current portion of Term Loan	-	-	9.4	8.8	7.9	7.6
Current income tax liability	-	-	0.9	0.9	2.3	1.9
<b>Total Current Liabilities</b>	<b>7.2</b>	<b>9.9</b>	<b>26.2</b>	<b>29.2</b>	<b>23.7</b>	<b>22.3</b>
<b>Long Term Liabilities</b>						
Lease Liability	0.8	1.2	10.5	9.3	8.2	8.2
Convertible Loan - Liability component	-	6.3	5.6	5.4	5.2	5.0
Convertible loan- derivative component	-	9.4	5.0	0.6	0.8	0.1
Loans Payable	-	17.1	14.5	13.1	12.0	12.9
Term Loan	-	-	0.0	-	-	-
Deferred Tax Liability	-	-	1.5	1.5	-	-
<b>Total Long Term Liabilities</b>	<b>0.8</b>	<b>34.0</b>	<b>37.1</b>	<b>30.0</b>	<b>26.2</b>	<b>26.2</b>
<b>Total Liabilities</b>	<b>8.0</b>	<b>43.9</b>	<b>63.2</b>	<b>59.2</b>	<b>49.9</b>	<b>48.5</b>
<b>Shareholders' Equity</b>						
Share Capital	188.5	259.9	413.7	413.7	414.5	418.6
Equity reserve	0.0	0.0	12.2	13.2	15.0	16.6
Accumulated other comprehensive income	5.7	5.2	23.4	10.8	10.2	10.4
Accumulated deficit (Earnings)	(173.2)	(130.6)	(60.2)	(177.7)	(211.2)	(304.7)
Special Warrants	-	-	-	-	-	-
<b>Total Stockholders Equity</b>	<b>21.1</b>	<b>134.5</b>	<b>389.1</b>	<b>260.0</b>	<b>228.5</b>	<b>140.9</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>29.1</b>	<b>178.3</b>	<b>452.3</b>	<b>319.2</b>	<b>278.4</b>	<b>189.4</b>
<b>Ratios</b>						
<b>Liquidity</b>						
Current Ratio	2.5x	10.9x	7.7x	3.1x	3.7x	2.9x
Quick Ratio	2.5x	10.9x	7.7x	3.1x	3.7x	2.9x
Working Capital	11.09	97.68	174.1	61.7	65.0	41.5
<b>Leverage</b>						
Net Debt to Equity	-20.7%	-4.7%	7.8%	9.4%	7.9%	20.2%
Net Debt to Capital	-26.0%	-4.9%	7.2%	8.6%	7.3%	11.1%
<b>Capital Usage- Annualized</b>						
A/R Turns	3.0x	7.7x	26.5x	22.5x	13.8x	5.3x
Days Sales Outstanding	121.8	47.3	13.8	16.2	26.4	68.6
A/P Turnover	9.7x	4.8x	3.8x	1.2x	1.2x	1.1x
Dayes Payables outstanding	37.5	76.6	95.6	305.0	303.9	326.7

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

HIVE Blockchain Technologies Ltd. Consolidated Statements of Income (in M \$, except per share amounts) Fiscal Year: March												
	FY 2021	FY 2022	Q1 Jun-22	Q2 Sep-22	Q3 Dec-22	Q4 E Mar-23	FY 2023 E	Q1 E Jun-23	Q2 E Sep-23	Q3 E Dec-23	Q4 E Mar-24	FY 2024 E
Income From Digital Currency Mining	66.70	209.61	44.18	29.60	14.32	22.18	110.27	22.45	23.42	24.90	25.99	96.76
Hosting Revenue	1.00	1.58	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>\$ 67.7</b>	<b>\$ 211.2</b>	<b>\$ 44.2</b>	<b>\$ 29.6</b>	<b>\$ 14.3</b>	<b>\$ 22.2</b>	<b>\$ 110.3</b>	<b>\$ 22.5</b>	<b>\$ 23.4</b>	<b>\$ 24.9</b>	<b>\$ 26.0</b>	<b>\$ 96.8</b>
Operating and mining costs	(16.6)	(47.3)	(17.2)	(13.7)	(10.7)	(15.5)	(57.0)	(14.6)	(14.6)	(14.9)	(14.9)	(59.1)
<b>Gross Mining Margin</b>	<b>51.1</b>	<b>163.9</b>	<b>27.0</b>	<b>15.9</b>	<b>3.6</b>	<b>6.7</b>	<b>53.2</b>	<b>7.9</b>	<b>8.8</b>	<b>10.0</b>	<b>11.0</b>	<b>37.6</b>
General and Administrative	(5.1)	(11.0)	(3.4)	(3.2)	(3.2)	(3.3)	(13.1)	(3.3)	(3.3)	(3.3)	(3.3)	(13.0)
Share-based compensation	(1.7)	(6.8)	(1.0)	(1.9)	(2.6)	(1.3)	(6.8)	(1.3)	(1.4)	(1.5)	(1.6)	(5.8)
Depreciation	(10.9)	(67.0)	(25.8)	(24.3)	(20.3)	(23.5)	(93.9)	(24.5)	(25.0)	(25.0)	(25.0)	(99.5)
<b>Operating Income</b>	<b>33.4</b>	<b>79.2</b>	<b>(3.1)</b>	<b>(13.6)</b>	<b>(22.5)</b>	<b>(21.4)</b>	<b>(60.6)</b>	<b>(21.2)</b>	<b>(20.9)</b>	<b>(19.8)</b>	<b>(18.8)</b>	<b>(80.7)</b>
Revaluation of Digital Currencies	24.7	0.0	(72.2)	(2.4)	(6.0)	-	(80.5)	-	-	-	-	-
Gain on Sale of Digital Currencies	8.0	0.1	(0.1)	0.0	-	-	(0.1)	-	-	-	-	-
Foreign Exchange	1.3	3.3	(3.7)	7.1	2.0	-	5.5	-	-	-	-	-
Realised Gain/loss on Investments	0.0	-	(8.7)	-	-	-	(8.7)	-	-	-	-	-
Unrealized Gain/loss on investments	0.8	(0.8)	4.4	(1.0)	(1.1)	-	2.3	-	-	-	-	-
Change in Fair Value of derivative Liability	(0.9)	10.8	-	(0.2)	0.7	-	0.5	-	-	-	-	-
Change in Fair Value of Contingent consideration	-	1.4	-	-	-	-	-	-	-	-	-	-
Impairment expenses	-	(13.3)	(11.0)	(26.2)	(61.5)	-	(98.7)	-	-	-	-	-
Gain/ Loss on sale of subsidiary	(23.4)	3.2	-	-	-	-	-	-	-	-	-	-
Gain on sale of mining Assets	-	2.2	-	0.0	(1.3)	-	(1.3)	-	-	-	-	-
Other Income	-	-	-	-	0.2	-	0.2	-	-	-	-	-
<b>EBIT</b>	<b>43.9</b>	<b>85.9</b>	<b>(94.3)</b>	<b>(36.2)</b>	<b>(89.4)</b>	<b>(21.4)</b>	<b>(241.3)</b>	<b>(21.2)</b>	<b>(20.9)</b>	<b>(19.8)</b>	<b>(18.8)</b>	<b>(80.7)</b>
Finance Expenses	(1.2)	(3.9)	(1.0)	(0.9)	(1.0)	(0.9)	(3.9)	(0.9)	(0.9)	(0.9)	(0.9)	(3.8)
<b>Net Income (Loss) before tax</b>	<b>42.7</b>	<b>82.0</b>	<b>(95.3)</b>	<b>(37.2)</b>	<b>(90.4)</b>	<b>(22.4)</b>	<b>(245.2)</b>	<b>(22.2)</b>	<b>(21.8)</b>	<b>(20.7)</b>	<b>(19.7)</b>	<b>(84.4)</b>
Tax Expense	(0.2)	(2.4)	-	0.1	0.4	0.7	1.2	0.7	0.7	0.6	0.6	2.5
<b>Net Income (loss) for the period</b>	<b>42.5</b>	<b>79.6</b>	<b>(95.3)</b>	<b>(37.0)</b>	<b>(90.0)</b>	<b>(21.7)</b>	<b>(244.0)</b>	<b>(21.5)</b>	<b>(21.2)</b>	<b>(20.1)</b>	<b>(19.1)</b>	<b>(81.9)</b>
Adjusted EBITDA	55.3	171.0	11.2	\$18.8	\$1.5	\$3.4	36.8	4.6	\$5.5	\$6.7	\$7.8	24.6
Basic EPS (loss)	\$ 0.12	\$ 1.02	\$ (1.16)	\$ (0.45)	\$ (1.09)	\$ (0.26)	\$ (2.97)	\$ (0.26)	\$ (0.26)	\$ (0.24)	\$ (0.23)	\$ (1.00)
Diluted EPS (loss)	\$ 0.12	\$ 0.94	\$ (1.16)	\$ (0.45)	\$ (1.09)	\$ (0.26)	\$ (2.97)	\$ (0.26)	\$ (0.26)	\$ (0.24)	\$ (0.23)	\$ (1.00)
Basic shares outstanding	347.1	77.7	82.2	82.3	82.7	82.3	82.3	82.2	82.3	82.3	82.3	82.3
Diluted shares outstanding	347.1	84.8	82.2	82.3	82.7	82.3	82.3	82.2	82.3	82.3	82.3	82.3
<b>Margin Analysis</b>												
Gross Margin	75.5%	77.6%	61.2%	53.9%	25.3%	30.0%	48.3%	35.0%	37.5%	40.0%	42.5%	38.9%
Operating Margin	49.3%	37.5%	-6.9%	-45.8%	-157.3%	-96.6%	-54.9%	-94.6%	-89.1%	-79.5%	-72.2%	-83.4%
EBITDA Margin	81.7%	81.0%	25.4%	63.6%	10.8%	15.3%	33.4%	20.5%	23.6%	26.9%	30.0%	25.5%
Pre-Tax Margin	63.1%	38.8%	-215.6%	-125.6%	-631.5%	-100.9%	-222.4%	-98.8%	-93.1%	-83.2%	-75.8%	-87.2%
Net Income Margin	62.8%	37.7%	-215.6%	-125.1%	-628.6%	-97.8%	-221.3%	-95.8%	-90.3%	-80.7%	-73.5%	-84.6%
Tax Rate	-0.4%	-2.9%	0.0%	-0.4%	-0.5%	-3.0%	-0.5%	-3.0%	-3.0%	-3.0%	-3.0%	-3.0%
<b>Growth Rate Y/Y</b>												
Total Revenue	131.7%	212.0%	13.3%	-44.8%	-79.2%	-55.5%	-47.8%	-49.2%	-20.9%	73.9%	17.2%	-12.2%
Total cost of revenues	-20.0%	185.1%	175.9%	79.8%	64.0%	-42.3%	20.7%	-15.0%	7.2%	39.6%	-3.7%	3.6%
Selling, General and Administrative	8.5%	113.0%	45.4%	22.9%	13.5%	3.4%	19.6%	-3.4%	0.4%	0.0%	0.0%	-0.8%
Depreciation	73.6%	512.7%	273.3%	152.7%	35.7%	-33.8%	40.1%	-4.9%	2.8%	22.9%	6.4%	5.9%
Operating Income	-1138.9%	137.2%	-114.4%	-142.1%	-152.6%	25.6%	-176.5%	595.4%	53.9%	-12.2%	-12.4%	33.2%
Pre-Tax Income	-5230.6%	92.2%	-804.3%	-162.1%	-240.7%	-59.7%	-398.9%	-76.7%	-41.3%	-77.1%	-11.9%	-65.6%
Net Income	-5212.4%	87.2%	-804.3%	-161.9%	-240.1%	-62.6%	-406.5%	-77.4%	-42.9%	-77.7%	-11.9%	-66.4%
EPS	-1573.1%	735.9%	-3325.4%	-387.5%	-758.0%	-64.6%	-389.6%	-77.4%	-42.9%	-77.5%	-11.9%	-66.4%
Share Count- fully diluted	247.1%	-75.6%	-79.2%	-79.5%	-79.9%	-3.0%	-3.0%	0.0%	0.0%	-0.5%	0.0%	0.0%
(1) Excludes 1x items (2) Using applicable tax rate												

Source: Company Reports, Stonegate Capital Partners estimates

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