



Monthly Update
July 2021



Legal Disclosure

- This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act that reflect our current views with respect to, among other things, our operations, business strategy, interpretation of prior development activities, plans to develop and commercialize our products and services, potential market opportunity, financial performance and needs for additional financing. We have used words like "anticipate," "believe," "could," "estimate," "expect," "future," "intend," "may," "plan," "potential," "project," "will," and similar terms and phrases to identify forward-looking statements in this presentation.
- The forward-looking statements contained in this presentation are based on management's current expectations and are subject to substantial risks, uncertainty and changes in circumstances. Actual results may differ materially from those expressed by these expectations due to risks and uncertainties, including, among others, those related to our ability to obtain additional capital on favorable terms to us, or at all, the success, timing and cost of ongoing or future operations, the lengthy and unpredictable nature of the project development, and technology process and businesses in which we currently engage or may engage.
- These risks and uncertainties include, but may not be limited to, those described in our filings with the SEC. Forward-looking statements speak only as of the date of this presentation, and we undertake no obligation to review or update any forward-looking statement except as may be required by applicable law.

Legal Disclosure & Disclaimer



Use of Non-GAAP Financial Measures

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Key Operating Principals

- **Alignment of Interests & Transparency**
Private equity firm owns 31%⁽¹⁾
- **Focus on Return on Invested Capital (ROIC) and Capital Discipline**
- **High Velocity Execution**
Senior Brookstone personnel involved in active executive capacity
- **Long-term Strategy Beyond Crypto**



(1) Calculated as a percent of total basic shares outstanding





Discussion of **market developments**

What it means for our strategy



Our **June 2021 EcoChain** results

Recent Market Developments

Chinese government reinitiates anti-crypto dialogue

This time they act:

- Calling for **shutdown of companies** developing software for cryptocurrency transactions
- Directing bank and payment companies to **stop providing financial services to cryptocurrency entities**
- **Banning cryptocurrency mining** in parts of the country
- Making clear that **crypto is not welcome** in their country



Implications

- Prior to this, **silicon was “dear”**

- Now, with China “unplugging”
 - Customers **want out of contracted chip deliveries**
 - New/lightly used equipment **drops in value**

- Facilities with **open plugs become “dear”**

- What do we have in our **development pipeline?**
 - Sites we are moving to close on, which now **have become “dear”**

- What this means?
 - Many **calls from Asia looking for space/JV partners or looking to sell equipment**
 - Facilities are at a **premium**
 - Equipment prices drop, payback periods improve

The Great Unplugging

Difficulty Level Drops

- **Increases mining profitability** as Chinese miners relocate equipment and slow down delivery of new machines
- All of these **machines will find a new home** and difficulty level will begin to climb again. Estimates vary on timing. Range from 6 to 12 months on when difficulty returns to prior levels

Price Of BTC

- BTC prices **could remain under pressure** as Chinese miners sell a portion of their holdings to finance moving and new facility cost. Pressure could remain into next year

Price Of Equipment

- Price of S19 or equivalent drops. **Payback periods shorten** to 7-9 months
- Price of second and third generation equipment drops to **3-5 month payback**
- We believe at these payback periods the relatively **small premium for cutting-edge technology is now justified**

Implication for Equipment Purchases



Given much more reasonable payback period, **moving to purchase \$19 equivalent equipment**

- Much **higher power density allows for more hashrate per MW** than our previous plan
- **Longevity and higher residual value** are also factors
- We are **buying hashrate at an excellent price** and with the higher power density our facilities have the opportunity to potentially generate additional cash flow

We have purchased **EQUIPMENT for delivery July-September** and continue to average into the market and make commitment for delivery into our facilities for Q3 and Q4 ramp-up

Reviewing Performance

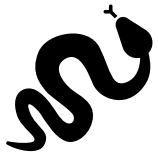


Facility Developments



TNT

We continue to optimize equipment mix at this mature facility



Anaconda

Site preparation and construction commenced

- On target for **energizing in September** and **fully deploying equipment in October**. Financial results ramp accordingly
- Team **aggressively managing supply chain bottlenecks**



Python

Waiting for TVA approval to close purchase. Have **constructive engagement** with TVA

- Interim operating understanding to allow EcoChain to use facility on economic terms that **mirror proposed transaction**
- We are placing equipment in the facility as the sellers' hosting customers roll off

Disclaimer

Use of Estimates in Monthly Presentations

Numbers presented BEFORE the release of Form 10-Q for second quarter ended June 30th, 2021, are monthly estimates and subject to change upon final accounting adjustments and entries. These monthly estimates are presented as an illustration of management's review of key metrics that help in understanding the performance of the Company. Readers are strongly encouraged to review this presentation in connection with the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2021, and the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

Combined EcoChain versus Illustration



Contribution Margin beats Illustration for Q2 2021 **by \$363k (41%)⁽¹⁾**

(\$ in 000s) (Unaudited)

	Q2 2021		Change
	Estimate	Illustration ⁽²⁾	
Revenue	1,656	1,291	365
Electricity/Direct Costs*	324	232	92
Overhead Costs	72	162	(90)
Adjusted Cost of Cryptocurrency Revenue** (Non-GAAP)	\$396	\$394	\$2
Contribution Margin (Non-GAAP)	\$1,260	\$897	\$363
Contribution %	76.1%	69.5%	

*Includes Electricity and Hosting costs

**Excludes Depreciation and R&D Expenses

(1) Illustration released on May 13, 2021

(2) Illustration at BTC price of \$45,000

Key Operating Metrics:	Estimate	Illustration ^(A)	Change
MW Deployed	3.34	3.55	(0.21)
Hashrate (SHA-256, PH/s)	21.77	39.37	(17.60)
Hashrate (Scrypt, GH/s)	221.90	-	N/A
Hashrate (GPU, GH/s)	-	61.30	N/A
Average BTC Price	46,498	45,000	1,498

(A) Illustration released on May 13, 2021

The illustrative presentation can be accessed [here](#)

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Combined EcoChain Non-GAAP Flash



(\$ in 000s) (Unaudited)

	Jan 21	Feb 21	Mar 21	Actual Q1 21	Estimate Apr 21	Estimate May 21	Estimate Jun 21	Estimate Q2 21
Revenue	294	339	362	995	560	618	478	1,656
Electricity/Direct Costs*	42	58	44	143	96	107	121	324
Overhead Costs	38	48	22	109	24	24	24	72
Adjusted Cost of Cryptocurrency Revenue** (Non-GAAP)	\$80	\$106	\$66	\$252	\$120	\$131	\$145	\$396
Contribution Margin (Non-GAAP)	\$214	\$233	\$296	\$743	\$440	\$488	\$333	\$1,261
Contribution %	72.8%	68.7%	81.8%	74.8%	78.6%	78.9%	69.6%	76.1%

*Includes Electricity and Hosting costs

**Excludes Depreciation and R&D Expenses

Key Operating Metrics:	Jan 21	Feb 21	Mar 21	Q1 21 ⁽¹⁾	Apr 21	May 21	Jun 21	Q2 21 ⁽²⁾
MW Deployed	1.56	1.64	1.68	1.63	3.34	3.27	3.42	3.34
Hashrate (SHA-256, PH/s)	N/A	N/A	N/A	N/A	21.01	23.67	20.62	21.77
Hashrate (Scrypt, GH/s)	0.00	0.00	0.00	0.00	237.70	204.00	224.00	221.90
Avg. BTC Price	34,703	46,307	54,998	45,336	57,207	46,443	35,845	46,498
BTC Equivalent Mined	8.47	7.33	6.58	7.46	9.79	13.31	13.34	12.15

(1) Average of January 2021 - March 2021

(2) Average of April 2021 - June 2021

An important note on power costs

- Power cost reflects Python running at 100% uptime, a premium cost /kwh versus 83% discounted rate of \$2.3 cents
- Running at 100% uptime and paying premium for electricity is incrementally profitable.
 - At 83% uptime, power cost per kwh would drop by about 55%.
 - Would result in less BTC revenue but much higher margin percentage.
 - Marginal cost of mining BTC would drop significantly, putting the company in a great position for any potential crypto winter

TNT Site Level Non-GAAP Flash



(\$ in 000s) (Unaudited)

	Jan 21	Feb 21	Mar 21	Actual Q1 21	Estimate Apr 21	Estimate May 21	Estimate Jun 21	Estimate Q2 21
Revenue	263	306	322	891	361	356	271	988
Electricity/Direct Costs*	34	51	36	121	46	43	44	133
Overhead Costs	32	47	22	101	23	24	24	71
Adjusted Cost of Cryptocurrency Revenue** (Non-GAAP)	\$66	\$98	\$58	\$222	\$69	\$67	\$68	\$205
Contribution Margin (Non-GAAP)	\$197	\$207	\$264	\$669	\$292	\$289	\$203	\$784
Contribution %	74.9%	67.6%	82.0%	75.0%	80.9%	81.2%	74.8%	79.4%

*Includes Electricity and Hosting costs

**Excludes Depreciation and R&D Expenses

Key Operating Metrics:	Jan 21	Feb 21	Mar 21	Q1 21 ⁽¹⁾	Apr 21	May 21	Jun 21	Q2 21 ⁽²⁾
MW Deployed	1.56	1.64	1.68	1.63	1.73	1.76	1.80	1.76
Hashrate (SHA-256, PH/s) ⁽³⁾	N/A	N/A	N/A	N/A	8.79	9.50	7.78	8.69
Avg. BTC Price	34,703	46,307	54,998	45,336	57,207	46,443	35,845	46,498
BTC Equivalent Mined	7.59	6.60	5.85	6.68	6.32	7.66	7.55	7.18

(1) Average of January 2021 - March 2021

(2) Average of April 2021 - June 2021

(3) We did not track the Hashrate for the first quarter

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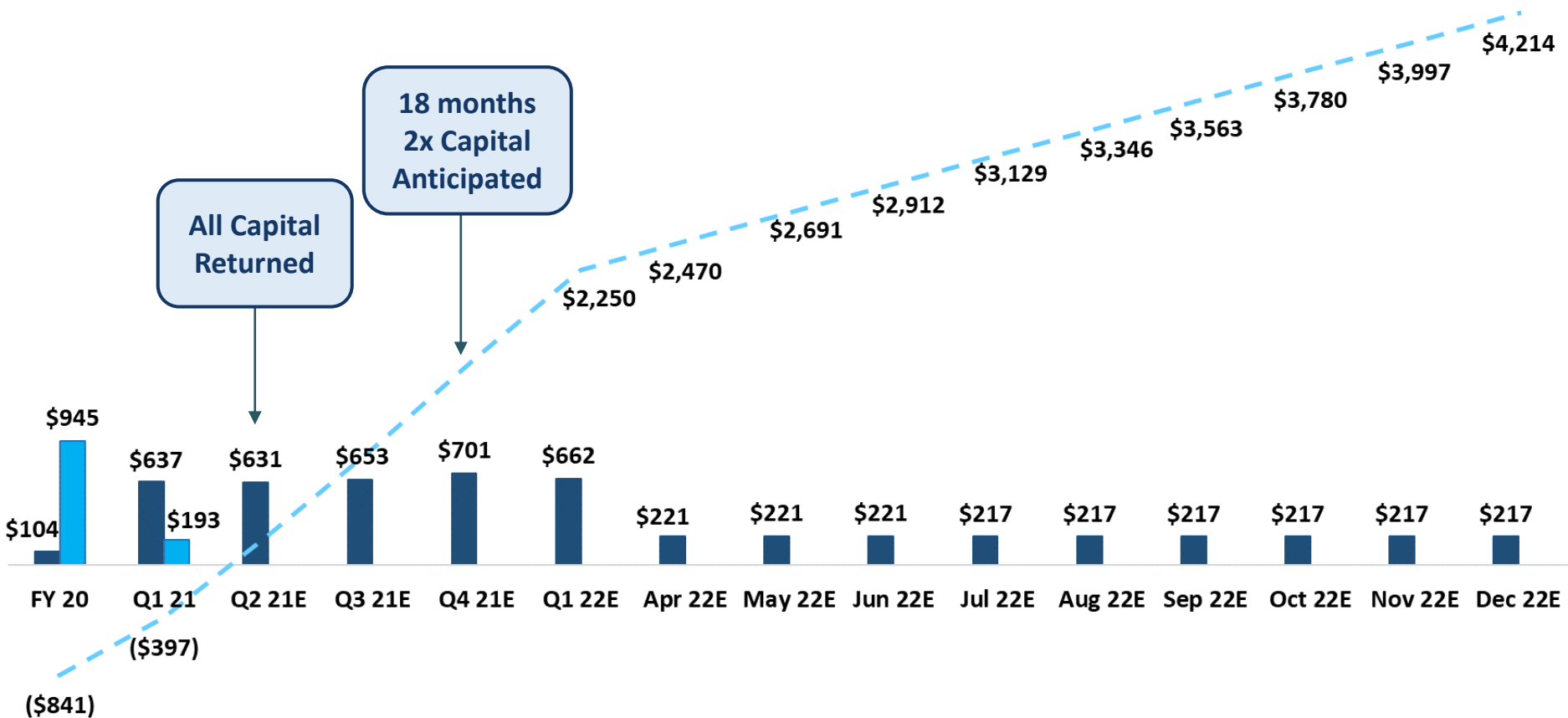
TNT: Strong Return on Capital Inv.



Strong returns generated through careful acquisition and management

(\$ in 000s)

■ EBITDA Contribution ■ CapEx - - Cumulative CF



Python Site Level Non-GAAP Flash



(\$ in 000s) (Unaudited)

	Jan 21	Feb 21	Mar 21	Actual Q1 21	Estimate Apr 21	Estimate May 21	Estimate Jun 21	Estimate Q2 21
Revenue	30	34	40	104	199	262	207	668
Electricity/Direct Costs*	8	7	8	23	50	63	77	190
Overhead Costs	0	0	0	0	0	0	0	0
Adjusted Cost of Cryptocurrency Revenue** (Non-GAAP)	\$8	\$7	\$8	\$23	\$50	\$63	\$77	\$190
Contribution Margin (Non-GAAP)	\$22	\$27	\$32	\$81	\$149	\$199	\$130	\$478
Contribution %	73.3%	79.4%	80.0%	77.9%	74.9%	75.8%	62.9%	71.5%

*Includes Electricity and Hosting costs

**Excludes Depreciation and R&D Expenses

Key Operating Metrics:	Jan 21	Feb 21	Mar 21	Q1 21	Apr 21	May 21	Jun 21	Q2 21 ⁽¹⁾
MW Deployed	0.00	0.00	0.00	0.00	1.61	1.51	1.62	1.58
Hashrate (SHA-256, PH/s)	0.00	0.00	0.00	0.00	12.22	14.17	12.84	13.08
Hashrate (Scrypt, GH/s)	0.00	0.00	0.00	0.00	237.70	204.00	224.00	221.90
Avg. BTC Price	34,703	46,307	54,998	45,336	57,207	46,443	35,845	46,498
BTC Equivalent Mined	0.88	0.72	0.73	0.78	3.48	5.65	5.79	4.97

(1) Average of April 2021 - June 2021

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 Scrypt Litecoin miners which are hosted at the Python site prior to close.

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Given **several important initiatives** we are working on which could significantly **affect the Company's earning potential**, we would prefer to make our best efforts to complete them **before releasing our next revision of the illustration**



Subject to change, it is our thinking that this illustration is best to be revisited and **updated some time in August**

Appendix

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

Reconciliation of Non-GAAP Results (Q1 2021)

Reconciliation from Cost of Cryptocurrency Revenue to Adjusted Cost of Revenue (Non-GAAP)

Q1 2021

(\$ in 000s) (Unaudited)

	EcoChain				EcoChain	MTII	Corporate	Consolidated
	TNT	Python	Anaconda	Corporate				
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	\$7	\$0	\$328	\$0	\$0	\$328
Cost of revenue (GAAP)	\$290	\$31	\$7	\$0	\$328	\$452	\$0	\$780
Depreciation	68	8	0	0	76	17	0	93
Adjusted Non-GAAP Cost of Revenue**	\$222	\$23	\$7	\$0	\$252	\$435	\$0	\$687

*Includes Hosting costs

**Excluding Depreciation and R&D Expenses

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Reconciliation of Non-GAAP Results (Q1 2021)

Reconciliation from Revenue and Cost of Revenue to Contribution Margin (Non-GAAP)

Q1 2021

(\$ in 000s) (Unaudited)

	EcoChain				EcoChain	MTII	Corporate	Consolidated
	TNT	Python	Anaconda	Corporate				
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
Cost of cryptocurrency revenue (GAAP)	290	31	7	0	328	0	0	328
Cost of revenue (GAAP)	\$290	\$31	\$7	\$0	\$328	\$452	\$0	\$780
Depreciation	68	8	0	0	76	17	0	93
Contribution Margin (Non-GAAP)*	\$669	\$81	(\$7)	\$0	\$743	\$902	\$0	\$1,645

*Excludes R&D Expenses, SG&A Expenses

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Reconciliation of Non-GAAP Results (Q2 2021)

Reconciliation from Cost of Cryptocurrency Revenue to Adjusted Cost of Revenue (Non-GAAP)

Q2 2021

(\$ in 000s) (Unaudited)

	EcoChain				EcoChain	MTII	Corporate	Consolidated
	TNT	Python	Anaconda	Corporate				
Product revenue (GAAP)	\$0	\$0	\$0	\$0	\$0	\$1,645	\$0	\$1,645
Cryptocurrency revenue (GAAP)	\$988	\$668	\$0	\$0	\$1,656	\$0	\$0	\$1,656
Cost of product revenue (GAAP)	0	0	0	0	0	602	0	602
<u>Cost of cryptocurrency revenue (GAAP):</u>								
Electricity/Direct costs*	133	191	0	0	324	0	0	324
Overhead costs	146	74	1	0	221	0	0	221
Total cost of cryptocurrency revenue (GAAP)	\$279	\$265	\$1	\$0	\$545	\$0	\$0	\$545
Cost of revenue (GAAP)	\$279	\$265	\$1	\$0	\$545	\$602	\$0	\$1,147
Depreciation	74	74	0	0	148	11	0	159
Adjusted Non-GAAP Cost of Revenue**	\$205	\$190	\$1	\$0	\$396	\$591	\$0	\$987

*Includes Hosting costs

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Reconciliation of Non-GAAP Results (Q2 2021)

Reconciliation from Revenue and Cost of Revenue to Contribution Margin (Non-GAAP)

Q2 2021

(\$ in 000s) (Unaudited)

	EcoChain				EcoChain	MTII	Corporate	Consolidated
	TNT	Python	Anaconda	Corporate				
Product revenue (GAAP)	\$0	\$0	\$0	\$0	\$0	\$1,645	\$0	\$1,645
Cryptocurrency revenue (GAAP)	\$988	\$668	\$0	\$0	\$1,656	\$0	\$0	\$1,656
Cost of product revenue (GAAP)	0	0	0	0	0	602	0	602
Cost of cryptocurrency revenue (GAAP)	279	265	1	0	545	0	0	545
Cost of revenue (GAAP)	\$279	\$265	\$1	\$0	\$545	\$602	\$0	\$1,147
Depreciation	74	74	0	0	148	11	0	159
Contribution Margin (Non-GAAP)*	\$784	\$478	(\$1)	\$0	\$1,260	\$1,054	\$0	\$2,314

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