



RESEARCH UPDATE

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Market Statistics

Price	\$ 3.95
52 week Range	\$1.36 - \$6.60
Daily Vol (3-mo. average)	463,070
Market Cap (\$M):	\$ 339.5
Enterprise Value (\$M):	\$ 364.7
Shares Outstanding: (M)	87.6
Float (M)	87.4
Public Ownership	82.9%
Institutional Ownership	16.8%

Financial Summary

Cash (\$)	\$ 4.54
Cash/Share	\$ 0.05
Debt (\$)	\$ 32.4
Equity (\$)	\$ 122.9
Equity/Share	\$ 1.43

FYE: Mar	2023	2024 E	2025 E
(in \$M)			
Rev	\$106.3	\$125.4	\$200.8
Chng %	-50%	18%	60%
Adj - EBITDA	\$23.2	\$25.6	\$57.3
EPS	\$ (2.85)	\$ (0.69)	\$ (0.15)
EV/R	3.4x	2.9x	1.8x
EV/EBITDA	15.7x	14.2x	6.4x



Company Description

HIVE Digital Technologies is a leading data center owner and operator. The company's infrastructure includes over 100 megawatts of Bitcoin mining and fast-growing GPU cloud business powered by its industrial-grade NVIDIA GPUs. HIVE trades on the Nasdaq and TSX Venture Exchanges, under the ticker symbol HIVE, and on the Frankfurt Stock Exchange under the ticker YO0.F. The company's facilities are strategically located near clean, low-cost energy sources such as hydroelectric and geothermal plants.

HIVE DIGITAL TECHNOLOGIES LTD. (TSXV: HIVE)

Company Updates

Preparing for the Halving: With the impending halving of Bitcoin expected in April of 2024, HIVE has been taking deliberate steps to prepare itself. In the last 12 months the Company has purchased 29,000 new generation ASIC machines. The Company has recently purchased 9,800 Bitmain S19k Pro miners to replace 38 J/TH ASIC machines with 22 J/TH ASICs, greatly improving efficiency. This is already being seen as the Company recently hit its interim goal of 4.0 EH/s.

Repurposed GPUs: HIVE began repurposing its GPU fleet following the ETH Merge. In 2Q23 HIVE announced that GPUs would be used for cloud computing services supporting artificial intelligence (AI). With how GPU intensive AI applications are, this GPU allocation gives investors direct exposure to AI. Using approximately 400 GPUs out of the ~38,000 available, HIVE saw a very successful beta test. Since the completion of this beta, the Company is generating ~\$250,000 per month from GPUs as of November, with the goal to generate \$250,000 per day.

Name Change as Industry Evolves: In July, the Company changed its name from "HIVE Blockchain Technologies" to "HIVE Digital Technologies". This adjustment was made to more fully capture the potential that HIVE sees in the market to not only take advantage of the possibilities provided by mining Bitcoin, but also to use its GPU units to drive stable revenues in the high performance computing (HPC) segment, specifically around AI.

Leader in Bitcoin Mining: We estimate the Company is generating over 9.2 Bitcoin per day, which translates to \$331,200 revenue in crypto every day using October spot prices. This is amplified by the high operating efficiency that the Company has of approximately 67.5 BTC mined per EH as of October 2023, among the most efficient BTC/EH in the industry. As of October 31, 2023, the Company had a combined BTC mining hashrate of 3.94 EH/s, comprised of 3.81 EH/s from ASIC Mining and 0.13 EH/s from GPU BTC Mining.

ESG Oriented: The Company has a green and clean energy focus that includes hydroelectric and geothermal energy that powers its mining facilities. The Company operates green energy-powered data center facilities in Canada, Sweden, and Iceland. 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 strategically positioned to take advantage of its recent ASIC purchases at attractive prices. We believe a near term catalyst could be if the Fed pivots to a more dovish stance and/or the BlackRock and Fidelity ETFs gain approval from the SEC.

Valuation: We are valuing HIVE based on our 2024 estimates. Due to price volatility, our assumptions use the trailing 30-day average BTC price of \$36,000.

EV/EBITDA: Applying an EV/EBITDA range of 10.5x to 11.5x, with a midpoint of 11.0x, results in a price range of \$2.78 to \$3.08, with a midpoint of \$2.93.

EV/Revenues: Applying an EV/Revenue range of 3.0x to 4.0x, with a midpoint of 3.5x, results in a price range of \$4.02 to \$5.46, with a midpoint of \$4.74.

EV/Exahash: Applying an EV/EH range of 100x to 150x, with a midpoint of 125x, results in a price range of \$4.22 to \$6.50, with a midpoint of \$5.36.

Business Overview

HIVE Digital Technologies is a Canadian-based sustainable Bitcoin mining Company with mining facilities in Canada, Sweden, and Iceland. As HIVE has expanded and upgraded its Bitcoin mining fleet, the Company has become one of the most efficient miners. 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. By combining its expertise in Bitcoin mining and data center operations, HIVE is also fueling the advancement of Web3, AI and HPC by actively participating in the decentralized digital economy.

Exhibit 1: HIVE by the Numbers



Source: Company Reports

Per the most recent MD&A as of September 30, 2023, 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 with an aggregate operating hashrate of approximately 1,900 petahashes per second (PH/s), utilizing approximately 65 megawatts (MW) of power capacity with available capacity of 70 MW.
- 2) A Bitcoin mining operation at a leased facility in Quebec, Canada with an aggregate operating hashrate of approximately 1,050 PH/s, utilizing approximately 34.5 MW power.
- 3) In Sweden, a leased facility equipped with power capacity of 32 MW, of which 6.0 MW are GPUs which produce the equivalent of 130 PH/s of Bitcoin mining capacity, 19.5 MW are ASICs which produce 550 PH/s of Bitcoin mining capacity, and the remainder is cooling and operations. Additionally in Sweden, HIVE has a 4 MW leased facility which produces 85 PH/s and another 1.5 MW leased facility which produce 35 PH/s.
- 4) In Iceland, HIVE has an 8 MW hosted data center which produces 250 PH/s and another 5 MW hosted facility which produce 100 PH/s.

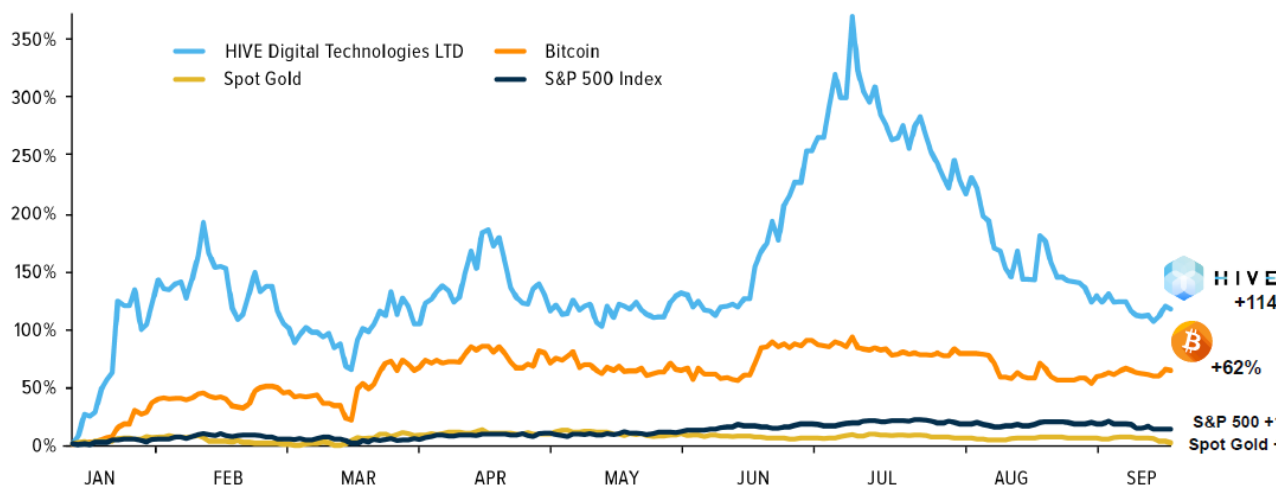
All the mining power is utilized by HIVE to generate mining rewards that are paid in Bitcoin and generally retained in secure storage.

HIVE demonstrated its adaptability in 2021 by executing numerous collaborations and agreements to expand its business. HIVE joined the NVIDIA Partner Network and made \$66M of industrial grade GPU card purchases, in addition making ASIC purchases from top vendors like Bitmain, MicroBT, and Canaan, which has greatly enhanced its BTC mining capacity.

Overall, HIVE has made substantial efforts to scale its business and targets 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 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: YTD HIVE Performance Through September 29, 2023



Past performance is no guarantee of future results. Source: Bloomberg, 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 hashrate and the BTC and other altcoin global network hashrates.

The Company generates revenue from mining Bitcoin using ASICs and GPUs. During the quarter that ended September 2023, the Company generated \$22.5 million in mining revenue. At September 30, 2023, the Company held 1,738 BTC and total digital currencies worth \$46.9 million along with cash of \$4.5 million in hand.

Exhibit 3: Digital Currencies

	September 30, 2023		March 31, 2023	
Bitcoin	\$	46,707	\$	65,772
Ethereum Classic		94		117
Other coins		89		10
Total	\$	46,890	\$	65,899

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 centers.

Exhibit 4: Gross Mining Margin Q/Q Stats

Calculation of Gross Operating Margin:	Q2 2024		Q1 2024		Q4 2023		Q3 2023		Q2 2023
Revenue (1)	\$	22,767	\$	23,565	\$	18,224	\$	14,318	\$ 29,597
Less:									
Operating and maintenance costs:		(18,134)		(15,585)		(14,198)		(10,703)	(13,656)
Gross Operating Margin	\$	4,633	\$	7,980	\$	4,026	\$	3,615	\$ 15,941
Gross Operating Margin %		20%		34%		22%		25%	54%

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 depreciation + power + any other corporate expenses). The hashrate of the network, the cost of miners (and associated depreciation), the cost of Bitcoin, and the block reward are the major variables. HIVE focuses largely on increasing hashrate and reducing electricity costs to achieve a lower breakeven BTC price and higher profitability.

Multiple Growth Drivers for HIVE

Increasing Mining Capacity & Growing Hashrate:

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

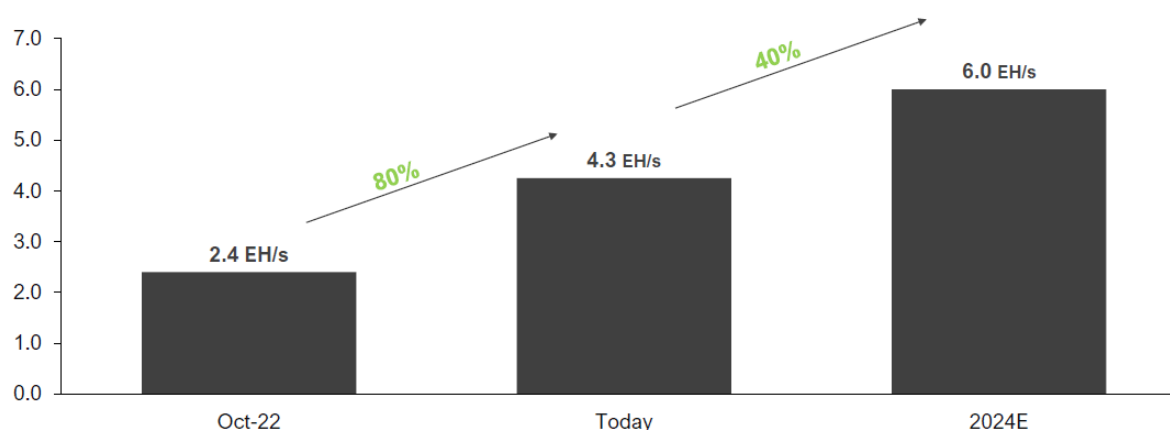
HIVE entered an at-the-market (“ATM”) equity offering agreement in 3Q22 to sell up to \$100 million of Company shares to support the growth of its mining operations. For the year ended March 31, 2023, the Company issued 1,306,476 common shares for gross proceeds of \$3,941,736. The proceeds will be used 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.

As of May 11, 2023, the Company entered a new ATM Equity Program with Stifel GMP and Canaccord Genuity Corp. This is an impressive milestone for HIVE as the backing of two large independent brokers in Canada and the US lays runway for HIVE’s continued growth. This financing is expected to be used to grow HIVE’s Exahash rate to 6.0.

Exhibit 5: Growth Outlook

October 2022 through 2024 Projection

HIVE’s Hashrate Growth Profile



Source: Company Reports

Key Data Points:

- As of October 31, 2023, HIVE operates 3.81 EH/s in BTC equivalent mining capacity from ASIC mining operations and 0.13 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 hashrate from its GPU fleet equivalent to approximately 130 PH/s (or 0.13 EH/s). We expect HIVE will operate at approximately 6.0 EH/s in BTC equivalent hashrate by year end 2024 (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 147.5 MW. 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:

In October, HIVE produced an average of 8.6 Bitcoin per day from ASIC and GPU production for a total of 265.9 Bitcoin produced in October.

Exhibit 6: Efficiency Analysis

Self Mining - October 2023														
	argo	BIT DEER	BIT DIGITAL	Bitfarms	Chargick	Chargick	Chargick	Chargick	Chargick	Chargick	Chargick	Chargick	Chargick	Chargick
Oct. 31, 2023 Total EH/s	2.8	7.2	2.0	6.3	10	7.2	15.1	1.0	4.0	2.6	5.6	23.1	11.7	0.5
Monthly Operational EH/s	2.8	7.2	2.0	5.9	9.8	7.0	15.0	0.9	3.9	2.6	5.6	19.2	11.3	0.5
Bitcoin Self Mined	143	462	112	398	633	428	910	59	266	112	376	1,202	458	36
Current Bitcoin Hold	21	0	551	760	2,311	516	N/K	462	N/K	9,113	0	13,396	7,345	38
Oct. 30, Hold (\$M)	\$0.7	\$0.0	\$46.8	\$26.3	\$80.1	\$17.9	\$0.0	\$16.0	\$0.0	\$35.9	\$0.0	\$464.4	\$254.6	\$1.3
Bitcoin Sold	149	482	422	341	562	466	977	66	N/K	365	426	800	440	33
% of Bitcoin Production sold	104%	104%	378%	86%	89%	109%	107%	111%	N/K	326%	113%	67%	96%	92%
Hash rate Utilisation %	74%	93%	79%	93%	91%	86%	87%	87%	96%	62%	97%	90%	57%	96%
Bitcoin mined per 1 EH/s	52.0	64.2	55.0	67.5	64.6	61.1	60.7	67.5	67.5	43.1	67.5	62.2	40.5	67.5
Bitcoin Mined Sep. per day	4.5	16.1	4.3	13.7	21.4	13.9	32.2	1.7	9.0	3.7	13.0	41.4	12.1	11.0
Bitcoin Mined Oct. per day	4.6	14.9	3.6	12.8	20.4	13.8	29.4	1.9	8.6	3.6	12.1	38.8	14.8	10.1
Day on Day change %	1.8%	-7.2%	-17.1%	-6.3%	-4.7%	-0.4%	-8.7%	9.3%	-4.5	-2.4%	-6.7%	-6.3%	22.4%	-3.2%

Source: Anthony Power

2023. The Company has been strategic with its capital allocation to upgrade its fleet at the most economic prices in preparation of the expected April 2024 halving.

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 70 MW, ready for new ASICs to arrive. Lachute has a total capacity of 30 MW. 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 37.5 MW mining plant in Sweden. Hydroelectricity provides power for Sweden's GPU infrastructure.

Lastly, the Company is operating a 10 MW 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 since 2021. 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 miners and GPU's in preparation for expansion across its sites in North America and Europe.

Exhibit 7: Mining Capacity



Source: Company Reports

HIVE announced a supply agreement with Intel Corporation to purchase 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 of these miners have already been delivered, with the remaining expected to be delivered in the coming quarter.

In December 2022 HIVE brought online all 3,570 S19j Pro miners at its 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.

In November 2023 HIVE announced the purchase of an additional 9,800 Bitmain S19k Pro ASIC Miners. This purchase is strategic in nature with the goal to upgrade the remaining 38 J/TH miners into 23 J/TH miners before the halving, which is expected in April of 2024. This increased efficiency coupled with fast delivery will make the new miners' cash flow positive in the near term.

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 its 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 its ASIC equipment over two years and continuing to invest in newer technology-based equipment miners. The Company has roughly 20 employees managing its fleet, generating the highest revenue/employee compared to its peers.

The table from industry analyst Anthony Power in Exhibit 9, 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 was again in the top three of miners in October of 2023 for Bitcoin mined per EH/s, with results having been tabulated by Anthony Power.

Exhibit 8: Utilization Rate Relative to Peers



Source: Anthony Power

Exhibit 9: HIVE Efficiency in BTC Production over Peers

2023 Bitcoin mined per EH/s by month											Performance	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Average	Rank
Bitfarms	110	91	92	81	98	77	76	75	70	67	84	1
HIVE	110	91	91	81	92	77	76	75	70	67	83	2
IrisEnergy	109	90	90	80	92	77	76	75	70	67	83	3
SATO	109	90	91	80	90	75	75	74	69	68	82	4
DMC	110	84	90	80	90	75	75	74	70	67	81	5
CleanSpark	109	87	89	78	91	73	76	72	68	65	80	6
BIT DIGITAL	107	83	96	72	94	67	75	69	64	55	78	7
Marathon	79	72	83	82	83	71	70	70	66	63	74	8
Marathon	96	81	79	50	89	55	84	56	65	63	72	9
Cipher Mining	80	84	76	68	82	54	61	59	59	61	68	10
Argo	67	65	64	58	69	56	49	39	49	52	57	11
RIOT	80	71	66	61	64	44	38	31	34	41	53	12
HUT	75	62	50	51	57	46	45	40	43	43	51	13

Source: Anthony Power @cazenove_uk

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 from 25 MW of GPU mining operations in Ethereum mining, and \$30,000 from these same 25 MW of GPU mining operations, but instead mining alt-coins and then converting to Bitcoin.

Exhibit 10: 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 Q123 for all bitcoin miners & therefore Revenue per MW has also reduced

Source: Stonegate Research

As can be seen, the decrease of revenue is only on 25 MW of capacity operating the GPU fleet/ The HIVE Revenue/MW earned on the rest of the 105 MW 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. In the past, 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. The Company can be expected to utilize this strategy in the future should it be profitable.

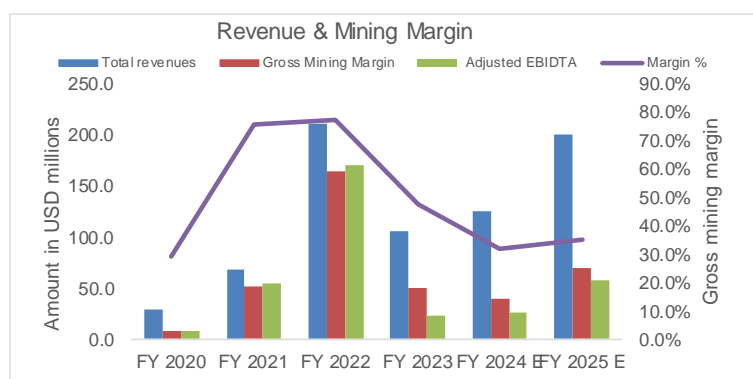
HIVE has also assigned portions of its GPU fleet to launch HIVE Performance Cloud in fiscal 1H24. The Company used approx. 400 GPUs out of a potential ~38,000 units to support AI, machine learning, and graphic applications, an endeavor that is estimated to be 25x more profitable than mining once it reaches scale. Results from the beta test saw a revenue run rate of ~\$1.0m. Since the successful completion of this beta, the Company is generating approximately \$250,000 per month from GPUs.

The next phase of this evolution will involve scaling the usage of HIVE's GPUs to further take advantage of the opportunities offered by AI. The extensive knowledge and track record that HIVE has with GPUs puts the Company in a strong position to benefit from supporting the High Performance Computing segment. This has the potential to create a less volatile, more profitable, base business should HIVE be able to scale this portion of its business. The Company is targeting revenues of \$250,000 per day from GPUs.

Financial Overview

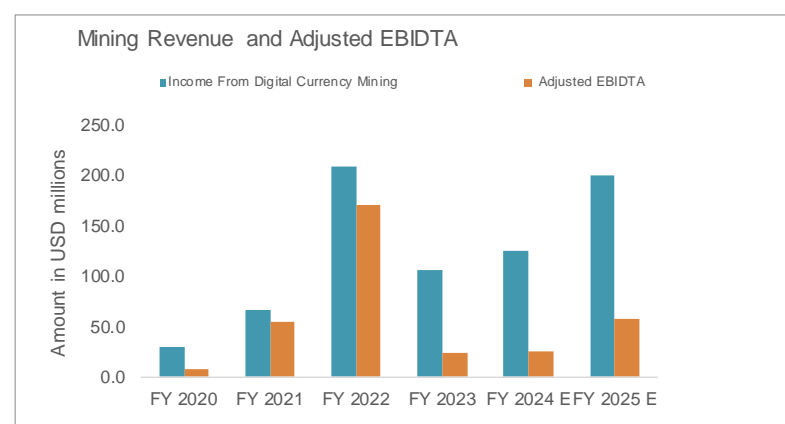
During the quarter ended September 30, 2023, the Company reported revenue of \$22.8 million, down 23.1% from the same quarter the prior year. The company achieved gross mining margin of \$4.6 million for the quarter, a 15% increase over 4Q23 of \$4.0 million, the Company's gross mining margin was 30.3%, versus 53.9% in 2Q23. Adjusted EBITDA was \$(1.5) million.

Exhibit 11: Margin Statistics



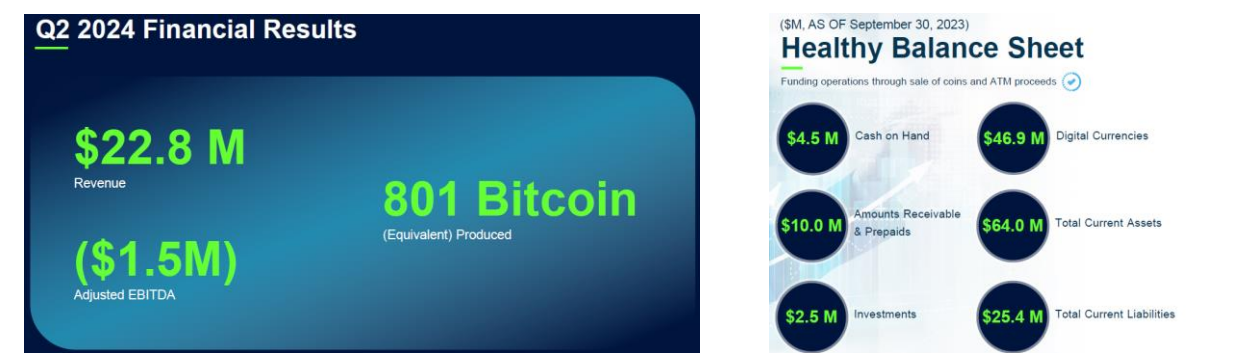
Source: Company Presentation and Stonegate Research

Exhibit 12: Bitcoin Equivalent Mining Statistics



Source: Stonegate Research

Exhibit 13: Balance Sheet Stats



Source: Company Presentation

GP Margins:

We analyzed each of the factors in the following way:

- 1) **Network Difficulty:** Network difficulty factors are a significant variable in the Company's gross profit margins. By the end of October, the Bitcoin network difficulty saw a 9% increase since the start of the month. Despite the increased difficulty, the Company saw consistent Bitcoin production at 265.9 Bitcoin in October of 2023.
- 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 late April of 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 hashrate 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 hashrate 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

HIVE's revenues are closely tied to the price of BTC. We have included a sensitivity analysis in exhibit 14, to determine a potential annual run rate for the next twelve months of revenue and EBTIDA assuming a 35% Gross Mining Margin and a BTC price of \$36,000 (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 2024 multiples to value HIVE as opposed to 2025 multiples.

We are using three methods to value the Company based on our 2024 estimates:

EV/EBITDA: Applying an EV/EBITDA range of 10.5x to 11.5x, with a midpoint of 11.0x, results in a price range of \$2.78 to \$3.08, with a midpoint of \$2.93.

EV/Revenues: Applying an EV/Revenue range of 3.0x to 4.0x, with a midpoint of 3.5x, results in a price range of \$4.02 to \$5.46, with a midpoint of \$4.74.

EV/Exahash: Applying an EV/EH range of 100x to 150x, with a midpoint of 125x, results in a price range of \$4.22 to \$6.50, with a midpoint of \$5.36.

We note that there is significant upside to these valuation results should HIVE capitalize on the potential to use GPUs in the High Performance Computing Segment and/or, as the price of BTC rises.

Exhibit 14: Valuation Summary

Bitcoin Price Sensitivity Analysis						
BTC Price	36,000	25,000	30,000	40,000	45,000	50,000
Revenue NTM (\$m)	117.1	81.6	97.7	130.0	146.1	162.3
EBITDA NTM (\$m)	36.9	21.7	28.6	42.4	49.3	56.2
EBITDA %	32%	27%	29%	33%	34%	35%

**Current 30 day trailing average highlighted*

Comparative Analysis

HIVE Digital Technologies Ltd.
(all figures in USD M, except for per share information)

Company Name	Symbol	Price (1)	EV	MC	ROA	Gross Margin	PH	EV/PH	P/B	EV/Rev (2)			EV/EBITDA (2)		
										2023	2024 E	2025 E	2023	2024 E	2025 E
Core Scientific, Inc.	CORZ.Q	\$ 0.71	1,143	278	-17%	1%	15.0	76.3x	NM	2.4x	1.7x	NM	7.6x	5.1x	NM
Argo Blockchain plc	ARB	\$ 0.16	148	86	-22%	18%	2.8	53.9x	5.3x	3.7x	3.1x	2.1x	18.9x	11.8x	NM
Bitfarms Ltd.	BTF	\$ 2.16	620	641	-6%	7%	5.9	105.2x	1.8x	4.4x	2.7x	1.4x	17.5x	4.7x	2.0x
Hut 8 Corp.	HUT	\$ 9.55	1,131	897	-3%	44%	2.6	435.4x	NM	NM	NM	NM	NM	NM	NM
CleanSpark, Inc.	CLSK	\$ 9.42	1,696	1,709	-13%	44%	9.8	173.1x	2.2x	10.0x	5.2x	6.0x	45.8x	18.8x	28.6x
Marathon Digital Holdings, Inc.	MARA	\$ 15.54	3,684	3,460	-17%	38%	19.3	190.6x	5.9x	10.2x	7.0x	5.5x	30.1x	27.1x	27.6x
Riot Platforms, Inc.	RIOT	\$ 15.01	2,780	3,048	-11%	25%	11.3	245.8x	2.2x	9.4x	6.0x	3.9x	34.8x	18.8x	8.8x
Average Median								182.9x	3.5x	6.7x	4.3x	3.8x	25.8x	14.4x	16.7x
								173.1x	2.2x	6.9x	4.2x	3.9x	24.5x	15.3x	18.2x
Hive Blockchain Technologies	HIVE	\$ 3.95	365	339	-24%	48%	3.94	92.6x	2.2x	3.4x	2.9x	1.8x	15.7x	14.2x	6.4x

(1) Previous day's closing price

(2) Estimates are from Capital IQ for corresponding FY

EV/EBITDA	10.5x	11.0x	11.5x
Adj EBITDA FY24	\$25.60	\$25.60	\$25.60
EV (in \$M)	268.8	281.6	294.5
Net Debt (in \$M)	27.8	27.8	27.8
Equity Value (in \$M)	241.0	253.8	266.6
No of Shares (M)	86.7	86.7	86.7
Per Share Value	\$ 2.78	\$ 2.93	\$ 3.08

EV/EH	100.0x	125.0x	150.0x
Current EH	3.94	3.94	3.94
EV (in \$M)	394.1	492.6	591.1
Net Debt (in \$M)	27.8	27.8	27.8
Equity Value (in \$M)	366.2	464.8	563.3
No of Shares (M)	86.7	86.7	86.7
Per Share Value	\$ 4.22	\$ 5.36	\$ 6.50

EV/Rev	3.0x	3.5x	4.0x
FY 2024 Revenue	\$125.36	\$125.36	\$125.36
EV (in \$M)	376.1	438.8	501.4
Net Debt (in \$M)	27.8	27.8	27.8
Equity Value (in \$M)	348.2	410.9	473.6
No of Shares (M)	86.7	86.7	86.7
Per Share Value	\$ 4.02	\$ 4.74	\$ 5.46

Source: Stonegate Research

BALANCE SHEET

HIVE Digital Technologies Ltd. Consolidated Balance Sheets (\$Ms) Fiscal Year: March										
ASSETS	FY 2020	FY2021	FY 2022	Q1 Jun-22	Q2 Sep-22	Q3 Dec-22	Q4 Mar-23	FY 2023	Q1 Jun-23	Q2 Sep-23
Assets										
Cash	5.1	40.3	5.3	4.0	8.1	8.6	4.4	4.4	4.5	4.5
Amounts receivables and prepaids	9.7	8.8	8.0	7.7	9.2	10.8	9.4	9.4	9.0	10.0
Investments	0.0	1.0	17.0	7.9	6.5	5.5	2.9	2.9	2.2	2.5
Digital Currencies	3.5	57.5	170.0	71.4	64.9	39.0	65.9	65.9	59.5	46.9
Total Current Assets	18.3	107.5	200.3	91.0	88.7	63.9	82.5	82.5	75.3	64.0
Property & Equipment	-	-	177.5	171.2	132.0	93.7	87.2	87.2	86.1	86.7
Net Property & equipment	-	-	177.5	171.2	132.0	93.7	87.2	87.2	86.1	86.7
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	11.0	11.0	10.4	9.6
Deposits	1.9	45.5	59.7	43.7	45.8	15.9	9.5	9.5	10.7	4.0
Investments in sublease	0.2	0.1	0.0	-	-	-	-	0.0	-	-
Goodwill	-	0.6	0.3	0.3	0.2	0.1	0.1	0.1	-	-
Long Term receivables	-	-	1.8	1.8	1.8	4.7	5.8	5.8	6.0	5.7
Other assets	10.8	70.8	74.4	57.0	57.6	31.8	26.4	26.4	27.0	19.3
Total Assets	29.1	178.3	452.3	319.2	278.4	189.4	196.1	196.1	188.4	170.0
LIABILITIES AND SHAREHOLDERS' EQUITY										
Current Liabilities										
Accounts Payable and accrued liabilities	2.1	3.5	12.4	16.3	10.4	9.6	9.4	9.4	8.6	9.2
Loans Payable	2.7	4.4	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.4
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	2.3	2.3	2.3	2.3
Current portion of Term Loan	-	-	9.4	8.8	7.9	7.6	7.1	7.1	6.9	6.4
Current Portion of Convertible Loan - Liability	-	-	-	-	-	-	1.2	1.2	1.3	1.3
Current income tax liability	-	-	0.9	0.9	2.3	1.9	1.8	1.8	3.7	4.6
Total Current Liabilities	7.2	9.9	26.2	29.2	23.7	22.3	23.1	23.1	24.1	25.4
Long Term Liabilities										
Lease Liability	0.8	1.2	10.5	9.3	8.2	8.2	8.1	8.1	7.5	6.7
Convertible Loan - Liability component	-	6.3	5.6	5.4	5.2	5.0	3.6	3.6	3.2	2.8
Convertible loan- derivative component	-	9.4	5.0	0.6	0.8	0.1	0.5	0.5	0.6	0.2
Loans Payable	-	17.1	14.5	13.1	12.0	12.9	11.9	11.9	11.4	11.3
Term Loan	-	-	0.0	-	-	-	-	0.0	-	-
Deferred Tax Liability	-	-	1.5	1.5	-	-	0.2	0.2	0.0	0.6
Total Long Term Liabilities	0.8	34.0	37.1	30.0	26.2	26.2	24.2	24.2	22.7	21.6
Total Liabilities	8.0	43.9	63.2	59.2	49.9	48.5	47.3	47.3	46.8	47.1
Shareholders' Equity										
Share Capital	188.5	259.9	413.7	413.7	414.5	418.6	419.2	419.2	421.1	427.9
Equity reserve	0.0	0.0	12.2	13.2	15.0	16.6	18.9	18.9	20.8	24.6
Accumulated other comprehensive income	5.7	5.2	23.4	10.8	10.2	10.4	7.4	7.4	12.6	7.9
Accumulated deficit (Earnings)	(173.2)	(130.6)	(60.2)	(177.7)	(211.2)	(304.7)	(296.7)	(296.7)	(312.9)	(337.5)
Special Warrants	-	-	-	-	-	-	-	-	-	-
Total Stockholders Equity	21.1	134.5	389.1	260.0	228.5	140.9	148.8	148.8	141.6	122.9
Total Liabilities and Shareholders' Equity	29.1	178.3	452.3	319.2	278.4	189.4	196.1	196.1	188.4	170.0
Ratios										
Liquidity										
Current Ratio	2.5x	10.9x	7.7x	3.1x	3.7x	2.9x	3.6x	3.6x	3.1x	2.5x
Quick Ratio	2.5x	10.9x	7.7x	3.1x	3.7x	2.9x	3.6x	3.6x	3.1x	2.5x
Working Capital	11.09	97.68	174.1	61.7	65.0	41.5	59.4	59.4	51.1	38.5
Leverage										
Net Debt to Equity	-20.7%	-4.7%	7.8%	9.4%	7.9%	20.2%	13.2%	13.2%	12.8%	13.4%
Net Debt to Capital	-26.0%	-4.9%	7.2%	8.6%	7.3%	11.1%	11.7%	11.7%	11.4%	11.9%
Capital Usage- Annualized										
A/R Turns	3.0x	7.7x	26.5x	22.5x	13.8x	5.3x	7.2x	11.4x	10.3x	9.4x
Days Sales Outstanding	121.8	47.3	13.8	16.2	26.4	68.6	50.4	32.1	35.5	38.8
A/P Turnover	9.7x	4.8x	3.8x	1.2x	1.2x	1.1x	6.0x	6.0x	1.7x	2.0x
Days Payables outstanding	37.5	76.6	95.6	305.0	303.9	326.7	60.8	61.3	210.4	187.1

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

HIVE Digital 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 Mar-23	FY 2023	Q1 Jun-23	Q2 Sep-23	Q3 E Dec-23	Q4 E Mar-24	FY 2024 E	Q1 E Jun-24	Q2 E Sep-24	Q3 E Dec-24	Q4 E Mar-25	FY 2025 E
Income From Digital Currency Mining	66.70	209.61	44.18	29.60	14.32	18.22	106.32	23.34	22.51	35.78	43.25	124.89	42.63	51.99	53.07	53.06	200.75
Other Revenue	1.00	1.58	-	-	-	-	-	0.22	0.25	-	-	0.47	-	-	-	-	-
Total revenues	\$ 67.7	\$ 211.2	\$ 44.2	\$ 29.6	\$ 14.3	\$ 18.2	\$ 106.3	\$ 23.6	\$ 22.8	\$ 35.8	\$ 43.2	\$ 125.4	\$ 42.6	\$ 52.0	\$ 53.1	\$ 53.1	\$ 200.8
Operating and mining costs	(16.6)	(47.3)	(17.2)	(13.7)	(10.7)	(14.2)	(55.7)	(15.6)	(18.1)	(23.3)	(28.1)	(85.1)	(27.7)	(33.8)	(34.5)	(34.5)	(130.5)
Gross Mining Margin	51.1	163.9	27.0	15.9	3.6	4.0	50.6	8.0	4.6	12.5	15.1	40.3	14.9	18.2	18.6	18.6	70.3
General and Administrative	(5.1)	(11.0)	(3.4)	(3.2)	(3.2)	(3.4)	(13.2)	(2.8)	(3.6)	(3.3)	(3.3)	(12.9)	(3.3)	(3.3)	(3.3)	(3.3)	(13.0)
Share-based compensation	(1.7)	(6.8)	(1.0)	(1.9)	(2.6)	(2.9)	(8.4)	(2.0)	(4.0)	(4.0)	(4.0)	(14.1)	(2.3)	(2.3)	(2.3)	(2.3)	(9.0)
Depreciation	(10.9)	(67.0)	(25.8)	(24.3)	(20.3)	(11.3)	(81.7)	(16.5)	(16.6)	(15.0)	(15.0)	(63.0)	(15.0)	(15.0)	(15.0)	(15.0)	(60.0)
Operating Income	33.4	79.2	(3.1)	(13.6)	(22.5)	(13.6)	(52.8)	(13.2)	(19.5)	(9.8)	(7.2)	(49.8)	(5.6)	(2.3)	(1.9)	(1.9)	(11.7)
Operating Margin %	49.3%	37.5%	-6.9%	-45.8%	-157.3%	-74.7%	-49.6%	-56.2%	-85.8%	-27.4%	-16.7%	-39.7%	-13.1%	-4.4%	-3.6%	-3.6%	-5.8%
Revaluation of Digital Currencies	24.7	0.0	(72.2)	(2.4)	(6.0)	9.6	(70.9)	-	(0.4)	-	-	(0.4)	-	-	-	-	-
Gain on Sale of Digital Currencies	8.0	0.1	(7.2)	0.0	-	5.4	(1.8)	(0.6)	(2.3)	-	-	(2.8)	-	-	-	-	-
Foreign Exchange	1.3	3.3	(3.7)	7.1	2.0	(4.2)	1.2	1.4	(0.4)	-	-	1.1	-	-	-	-	-
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)	(15.7)	(13.4)	(0.7)	0.0	-	-	(0.6)	-	-	-	-	-
Change in Fair Value of derivative Liability	(0.9)	10.8	-	(0.2)	0.7	4.0	4.5	(0.1)	0.4	-	-	0.3	-	-	-	-	-
Change in Fair Value of Contingent consideration	-	1.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment expenses	-	(13.3)	(11.0)	(26.2)	(61.5)	1.0	(97.7)	-	-	-	-	-	-	-	-	-	-
Gain/ Loss on sale of subsidiary	(23.4)	3.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of mining Assets	-	2.2	-	0.0	(1.3)	(0.1)	(1.4)	(0.3)	0.0	-	-	(0.2)	-	-	-	-	-
Other Income	-	-	-	-	0.2	(0.4)	(0.1)	(0.1)	(0.0)	-	-	(0.1)	-	-	-	-	-
EBIT	43.9	85.9	(101.4)	(36.2)	(89.4)	(5.4)	(232.4)	(13.6)	(22.1)	(9.8)	(7.2)	(52.6)	(5.6)	(2.3)	(1.9)	(1.9)	(11.7)
Finance Expenses	(1.2)	(3.9)	(1.0)	(0.9)	(1.0)	(0.8)	(3.7)	(0.9)	(0.8)	-	-	(1.7)	-	-	-	-	-
Net Income (Loss) before tax	42.7	82.0	(102.4)	(37.2)	(90.4)	(6.2)	(236.1)	(14.4)	(22.9)	(9.8)	(7.2)	(54.3)	(5.6)	(2.3)	(1.9)	(1.9)	(11.7)
Tax Expense	(0.2)	(2.4)	-	0.1	0.4	(0.8)	(0.3)	(1.8)	(1.6)	(1.3)	(0.9)	(5.6)	(0.7)	(0.3)	(0.3)	(0.3)	(1.5)
Net Income (loss) for the period	42.5	79.6	(102.4)	(37.0)	(90.0)	(7.0)	(236.4)	(16.3)	(24.5)	(11.1)	(8.1)	(59.9)	(6.3)	(2.6)	(2.2)	(2.2)	(13.3)
Adjusted EBITDA	55.3	171.0	4.1	\$18.8	\$1.5	(\$1.3)	23.2	\$5.3	(\$1.5)	\$9.2	\$11.8	25.6	11.7	\$14.9	\$15.3	\$15.3	57.3
Basic EPS (loss)	\$ 0.12	\$ 1.02	\$ (1.24)	\$ (0.45)	\$ (1.09)	\$ (0.08)	\$ (2.85)	\$ (0.19)	\$ (0.29)	\$ (0.13)	\$ (0.09)	\$ (0.69)	\$ (0.07)	\$ (0.03)	\$ (0.02)	\$ (0.02)	\$ (0.15)
Diluted EPS (loss)	\$ 0.12	\$ 0.94	\$ (1.24)	\$ (0.45)	\$ (1.09)	\$ (0.08)	\$ (2.85)	\$ (0.19)	\$ (0.29)	\$ (0.13)	\$ (0.09)	\$ (0.69)	\$ (0.07)	\$ (0.03)	\$ (0.02)	\$ (0.02)	\$ (0.15)
Basic shares outstanding	347.1	77.7	82.2	82.3	82.7	82.9	82.9	84.2	85.1	85.9	86.7	86.7	86.9	87.0	87.2	87.4	87.4
Diluted shares outstanding	347.1	84.8	82.2	82.3	82.7	82.9	82.9	84.2	85.1	85.9	86.7	86.7	86.9	87.0	87.2	87.4	87.4
Margin Analysis																	
Gross Margin	75.5%	77.6%	61.2%	53.9%	25.3%	22.1%	47.6%	33.9%	20.3%	35.0%	35.0%	32.1%	35.0%	35.0%	35.0%	35.0%	35.0%
Operating Margin	49.3%	37.5%	-6.9%	-45.8%	-157.3%	-74.7%	-49.6%	-56.2%	-85.8%	-27.4%	-16.7%	-39.7%	-13.1%	-4.4%	-3.6%	-3.6%	-5.8%
EBITDA Margin	81.7%	81.0%	9.3%	63.6%	10.8%	-7.0%	21.8%	22.5%	-6.6%	25.8%	27.4%	20.4%	27.4%	28.7%	28.9%	28.9%	28.5%
Pre-Tax Margin	63.1%	38.8%	-231.7%	-125.6%	-631.5%	-33.9%	-222.1%	-61.3%	-100.8%	-27.4%	-16.7%	-43.3%	-13.1%	-4.4%	-3.6%	-3.6%	-5.8%
Net Income Margin	62.8%	37.7%	-231.7%	-125.1%	-628.6%	-38.4%	-222.4%	-69.0%	-107.8%	-31.0%	-18.8%	-47.8%	-14.8%	-5.0%	-4.1%	-4.1%	-6.6%
Tax Rate	-0.4%	-2.9%	0.0%	-0.4%	-0.5%	13.5%	0.1%	12.6%	7.0%	13.0%	13.0%	10.4%	13.0%	13.0%	13.0%	13.0%	13.0%
Growth Rate Y/Y																	
Total Revenue	131.7%	212.0%	13.3%	-44.8%	-79.2%	-63.4%	-49.7%	-46.7%	-23.1%	149.9%	137.3%	17.9%	80.9%	128.4%	48.3%	22.7%	60.1%
Total cost of revenues	-20.0%	185.1%	175.9%	79.8%	64.0%	-47.2%	17.9%	-9.2%	32.8%	117.3%	98.0%	52.7%	77.8%	86.4%	48.3%	22.7%	53.4%
Selling, General and Administrative	8.5%	113.0%	45.4%	22.9%	13.5%	7.9%	20.9%	-17.8%	10.1%	1.6%	-2.7%	-2.4%	17.5%	-8.8%	-1.5%	-1.5%	0.5%
Depreciation	73.6%	512.7%	273.3%	152.7%	35.7%	-68.1%	21.9%	-36.0%	-31.9%	-26.3%	32.6%	-22.9%	-9.0%	-9.5%	0.0%	0.0%	-4.8%
Operating Income	-1138.9%	137.2%	-114.4%	-142.1%	-152.6%	-20.2%	-166.6%	333.6%	44.0%	-56.4%	-47.0%	-5.6%	-57.9%	-88.2%	-80.4%	-73.3%	-76.4%
Pre-Tax Income	-5230.6%	92.2%	-856.9%	-162.1%	-240.7%	-88.9%	-387.8%	-85.9%	-38.3%	-89.1%	16.8%	-77.0%	-61.3%	-90.0%	-80.4%	-73.3%	-78.4%
Net Income	-5212.4%	87.2%	-856.9%	-161.9%	-240.1%	-87.9%	-396.9%	-84.1%	-33.7%	-87.7%	16.3%	-74.7%	-61.2%	-89.4%	-80.4%	-73.3%	-77.9%
EPS	-1573.1%	735.9%	-3566.0%	-387.5%	-758.0%	-88.7%	-378.5%	-84.5%	-35.9%	-88.1%	11.2%	-75.7%	-62.4%	-89.6%	-80.7%	-73.5%	-78.1%
Share Count- fully diluted	247.1%	-75.6%	-79.2%	-79.5%	-79.9%	-2.3%	-2.3%	2.4%	3.4%	3.8%	4.6%	4.6%	3.1%	2.3%	1.6%	0.8%	0.8%
(1) Excludes 1x items																	
(2) Using applicable tax rate																	

Source: Company Reports, Stonegate Capital Partners estimates

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