

## HIVE Digital Technologies Ltd.

(formerly, HIVE Blockchain Technologies Ltd.)

Management's Discussion and Analysis of Financial Condition and Results of Operations

Period ended June 30, 2023

(Expressed in US Dollars unless otherwise indicated)



The following discussion is management's assessment and analysis of the results of operations, cash flows and financial condition of HIVE Digital Technologies Ltd. ("HIVE" or the "Company") on a consolidated basis for the three months ended June 30, 2023, and should be read in conjunction with the accompanying unaudited condensed interim consolidated financial statements and related notes for the three months ended June 30, 2023.

These documents and additional information regarding the business of the Company are available on the System for Electronic Document Analysis and Retrieval ("SEDAR+") at [www.sedarplus.ca](http://www.sedarplus.ca), the Electronic Data Gathering, Analysis and Retrieval ("EDGAR") system maintained by the Securities and Exchange Commission (the "SEC") at [www.sec.gov/EDGAR](http://www.sec.gov/EDGAR) and the Company's website at [www.hivedigitaltechnologies.com](http://www.hivedigitaltechnologies.com). The preparation of financial data is in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and all figures are reported in United States dollars unless otherwise indicated.

This Management's Discussion & Analysis contains information up to and including August 10, 2023.

### BUSINESS OVERVIEW

HIVE Digital Technologies Ltd. is a growth-oriented company listed on the TSX Venture Exchange ("TSXV") and the NASDAQ Capital Markets Exchange ("NASDAQ"). Our primary business is operating data centers, the computing power of which is used for high performance computing ("HPC") and the mining of cryptocurrencies. Because the Company substantially holds Bitcoin and monetizes (or converts into Bitcoin) other cryptocurrencies that it derives from its mining operations, we view the Company as a bridge between the Bitcoin blockchain sector and traditional capital markets. Our cryptocurrency assets provide shareholders with exposure to the operating margins of digital currency mining as well as a portfolio of Bitcoin.

HIVE operates state-of-the-art "green" energy-powered data center facilities in Canada, Sweden, and Iceland. Our references to "green" energy are to our energy agreements with producers of hydroelectric power in Sweden and Canada, and hosting agreements with suppliers in Iceland where the hosting facilities are powered by hydroelectric or geothermal power. Our facilities in each of these locations mainly produce newly minted Bitcoin continuously in the cloud. One of our key objectives in locating our facilities where they are is to avoid using energy derived from fossil fuels. Our facilities are connected to local power grids that are controlled by local authorities. As a result, we do not control the sourcing of our power, which may include energy from any source on the grid. However, the close proximity of our facilities to hydroelectric and geothermal based power generating plants, makes it highly probable that most or all of the energy we use for our data centers is coming from those hydroelectric and geothermal plants, which is the basis for our saying that our operations are "green."

Our major data centers are:

Sites	Approx. Hash Rate	Approx. MW Utilized	MW Capacity Available
New Brunswick, Canada owned facility	1,700 PH/s	60.0 MW	70.0 MW
Quebec, Canada leased facility	720 PH/s	30.0 MW	30.0 MW
Boden, Sweden leased facility	630 PH/s*	26.0 MW*	32.0 MW
Robertsfors, Sweden leased facility	80 PH/s	4.0 MW	4.0 MW
Notviken, Sweden leased facility	35 PH/s	1.5 MW	1.5 MW
Keflavik, Iceland hosted facility	250 PH/s	8.0 MW	8.0 MW
Blönduós, Iceland hosted facility	100 PH/s	5.0 MW	5.0 MW

\* 6.5 MW are GPUs which produce approximately 170 PH/s of Bitcoin mining capacity, 19 MW are ASICs which produce 466 PH/s of Bitcoin mining capacity and the remainder of the energy used is for cooling and operations.

Currently, the majority of our data center power is being utilized by HIVE to generate mining rewards that are paid in Bitcoin and occasionally other crypto currencies that we convert into Bitcoin. We retain our Bitcoin in segregated, secure storage wallets with Fireblocks Inc. ("Fireblocks"), a third-party provider that specializes in

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secure crypto storage. See "DIGITAL CURRENCY AND RISK MANAGEMENT" below. We have not pledged or staked our Bitcoin assets as collateral against debt or other obligations of any kind. Our Bitcoin is not stored on any exchange. Our Bitcoin is never "staked" for mining purposes (see definition of "Proof-of-Stake" below) or loaned to any third party.

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.

### FINANCIAL SUMMARY

	Three months ended June 30,	
	2023	2022
Total revenue	\$ 23,565,143	\$ 44,178,526
Net loss	(16,251,116)	(116,026,798)
Gross operating margin (1)	7,980,295	27,016,775
Basic loss per share	\$ (0.19)	\$ (1.41)
Digital assets mined - BTC	834	821

<sup>1</sup> Non-IFRS measure. A reconciliation to its nearest IFRS measures is provided under "Reconciliations of Non-IFRS Financial Performance Measures" below.

The Company is a reporting issuer in each of the Provinces and Territories of Canada and is a reporting issuer under the Securities Exchange Act of 1934 in the United States. The Company's shares are listed for trading on the TSXV, under the symbol "HIVE.V", as well as on the NASDAQ Capital Market under "HIVE" and on the Open Market of the Frankfurt Stock Exchange under the symbol "HBFA.F". The Company's head office is located at Suite 855, 789 West Pender Street, Vancouver, BC, V6C 1H2, and the Company's registered office is located at Suite 2500, 700 West Georgia Street, Vancouver, BC, V7Y 1B3.

### DEFINED TERMS

<b>ASIC:</b>	An ASIC (application-specific integrated circuit) is a microchip designed for a special application, such as a particular kind of transmission protocol or a hand-held computer. In the context of digital currency mining ASICs have been designed to solve specific hashing algorithms efficiently, including for Bitcoin mining.
<b>Bitcoin or BTC:</b>	Bitcoin refers to the native token of the Bitcoin network which utilizes the SHA-256 algorithm. Bitcoin is a peer-to-peer payment system and the digital currency of the same name which uses open source cryptography to control the creation and transfer of such digital currency.
<b>Bitcoin Network:</b>	The network of computers running the software protocol underlying Bitcoin and which network maintains the database of Bitcoin ownership and facilitates the transfer of Bitcoin among parties.
<b>Blockchain:</b>	A Blockchain is an immutable, decentralized public transaction ledger which records transactions, such as financial transactions in cryptocurrency, in chronological order. Bitcoin and Ethereum are the largest examples of a public blockchain.
<b>BuzzMiner:</b>	A Bitcoin mining system developed by HIVE, using the Intel BlockScale ASIC, manufactured by an ODM which HIVE engaged, using aspects of the Intel Reference Design, with various improvements and optimizations and features implemented by HIVE (and unique to HIVE's BuzzMiner) including custom API calls, a software layer, operating modes at different ASIC frequencies, allowing HIVE to mine from 110 TH/s to 130 TH/s at different efficiencies, along with demand response functionality.
<b>Ether or ETH or Ethereum:</b>	Ether, ETH or Ethereum refers to the native token of the Ethereum Network which utilizes the ethash algorithm. Ethereum is a global, open-source platform for decentralized applications. Ethereum, ETH and Ether are used interchangeably to refer to the cryptocurrency.



<b>Ethereum Classic:</b>	Ethereum Classic refers to the native token of the Ethereum Classic Network.
<b>GPU:</b>	A GPU or Graphics Processing Unit, is a programmable logic chip (processor) specialized for display functions. GPUs have proven to be efficient at solving digital currency hashing algorithms.
<b>Hashrate:</b>	Hashrate is a measure of mining power whereby the expected revenue from mining is directly proportional to a miner's hashrate normalized by the total hashrate of the network.
<b>Mining:</b>	Mining refers to the provision of computing capacity (or hashing power) to secure a distributed network by creating, verifying, publishing and propagating blocks in the blockchain in exchange for rewards and fees denominated in the native token of that network (i.e. Bitcoin or Ethereum, as applicable) for each block generated.
<b>Merge or Ethereum Merge:</b>	The Merge refers to the shift in the Ethereum Blockchain from proof-of-work consensus to proof-of-stake consensus as of September 15, 2022.
<b>Network Difficulty or Difficulty:</b>	Network difficulty is a measure of how difficult it is to find a hash below a given target.
<b>Proof-of-Work:</b>	Under proof-of-work consensus, miners performing computational work on the network update the ledger; miners are incentivized to protect the network and put forth valid transactions because they must invest in hardware and electricity for the opportunity to mine coins on the network. The success of a miner's business relies on the value of the currency remaining above the cost to create a coin.
<b>Proof-of-Stake:</b>	Under proof-of-stake consensus stakers who have sufficiently large coin balances 'staked' on the network update the ledger; stakers are incentivized to protect the network and put forth valid transactions because they are heavily invested in the network's currency.
<b>Revaluation of Digital Currencies:</b>	Refers to the recognition of fair value adjustments to digital currency holdings based on available market prices at a point in time.
<b>SHA-256:</b>	SHA-256 is a cryptographic Hash Algorithm. A cryptographic hash is a kind of 'signature' for a text or a data file. SHA-256 generates an almost-unique 256-bit (32-byte) signature for a text. The most well-known cryptocurrencies that utilize the SHA-256 algorithm are Bitcoin and Bitcoin Cash.

## **OUTLOOK**

### **Operations**

In addition to our cryptocurrency mining operations, the Company has continued its efforts to upgrade and expand its facilities to enable HIVE to offer HPC to companies in the gaming, artificial intelligence and graphics rendering industries.

In late calendar 2022 and early 2023, in light of hikes in energy prices in Europe and relatively low Bitcoin prices, we found that energy re-sale opportunities in some circumstances provided better returns than using the energy for mining operations. During these times, the Company engaged in re-selling a portion of the electric power it received from a national energy utility company in Sweden, pursuant to electric power supply agreements in place to achieve these higher returns.

### **COVID-19 and Upgrade Program**

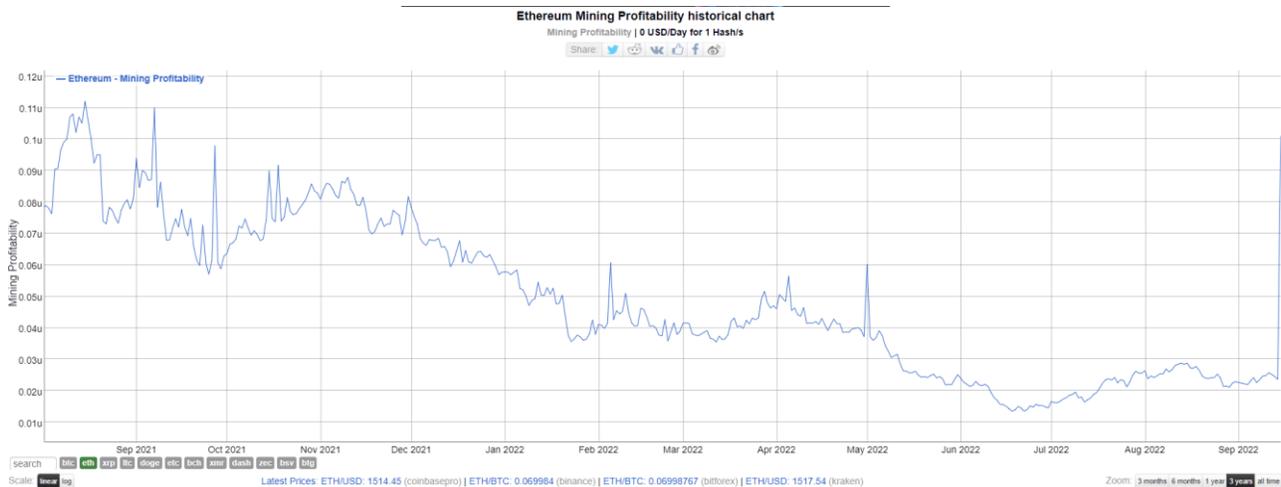
As the urgency of the impact of the COVID-19 virus has diminished, HIVE nonetheless maintains preparedness. At any time, HIVE can implement various measures to protect its employees and partners and prevent disruption to operations, in each case in alignment with local governments as well as national and international agency recommendations. These measures may include ceasing non-essential travel and having employees work remotely where possible. During the COVID pandemic, the Company was able to maintain normal uptime of its cryptocurrency mining operations and its data centers, as well as its supply chain, with only minimal disruption. The Company operates with a lean administrative structure and has few employees,

as cryptocurrency mining is not a human capital-intensive industry. The Company's data centers are located in sparsely populated areas near the Arctic Circle in Europe, in rural Quebec and in New Brunswick near the border of Maine. Most management operations can be accomplished remotely, and any necessary equipment maintenance can be achieved by minimal staff utilizing personal protective equipment and maintaining physical distancing. The Company continues to caution that current global uncertainty with respect to the spread of the COVID-19 virus and emerging variants and its effect on the broader global economy may have a significant negative effect on the Company. While the future impact of the COVID-19 virus on the Company remains unknown, another rapid spread of the COVID-19 virus and its variants could have a material adverse effect on global economic activity and could result in volatility and disruption to global supply chains, operations, mobility of people and the financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to the Company..

### **The Russian Invasion of Ukraine**

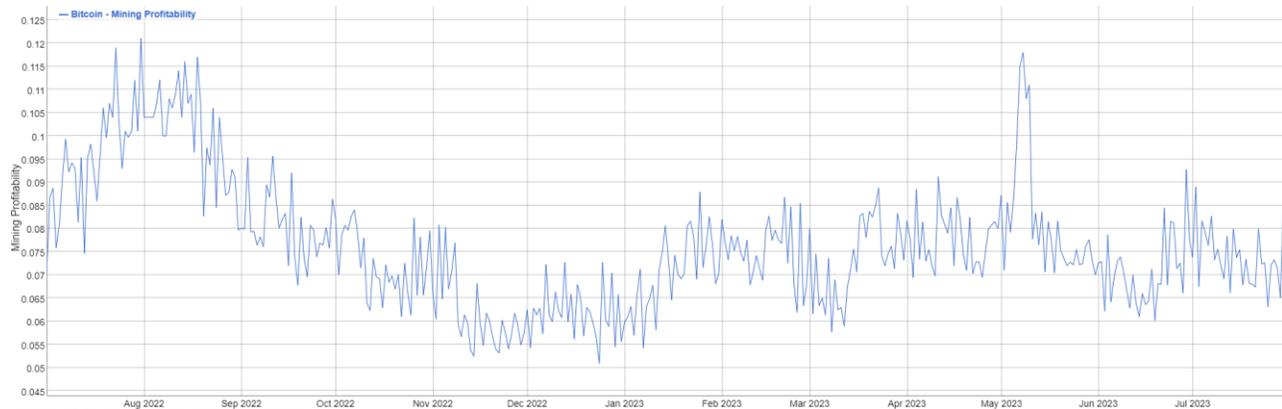
On February 24, 2022, Russia invaded Ukraine. In Europe, natural gas is a primary source of energy for homes and industry. Prior to the war, in 2020, Russia accounted for around 29% of crude oil and 43% of natural gas imports into the EU. While it is impossible to predict what affect the war in Ukraine could have on the Company's operations in Sweden, our energy pricing is currently buffered partially by the ability to enter into forward energy agreements for the purchase of electricity. These energy hedging contracts allow HIVE to have a contract to purchase a fixed quantity of power ("MW"), for a fixed period of time (number of months). As a result, if the index spot price increases, HIVE can rely on a previously agreed upon fixed energy price to operate its digital asset mining operations. Furthermore, HIVE monitors the hashrate economics of its operations to distill our earnings in dollars per megawatt-hour ("MWhr") from digital asset mining. Under certain circumstances, it may be more profitable for HIVE to sell back to the grid its energy rights (since HIVE receives the proceeds of energy sold at index spot pricing, with the cost being the fixed price from the energy hedged contract). Under such circumstances, HIVE may elect to do so in favour of mining digital assets. Our Swedish data centers utilizes approximately 37.5 MW of renewable hydroelectric energy, which represents approximately 25% of our global overall utilization of hydroelectric and geothermal energy.

**Ethereum Mining Industry Revenues of U.S. dollars per Day for each 1 Megahash per second of computing power:**  
**August 1, 2021 – September 15, 2022**



Source: [bitinfocharts.com](https://bitinfocharts.com)

- HIVE's Ethereum mining using proof-of-work consensus ceased as of September 15, 2022, when the "Merge" took place and Ethereum shifted to proof-of-stake consensus, and consequently, revenues from Ethereum mining ceased as of that date. Leading up to this date, Ethereum mining economics were consistent between the \$0.02 per Megahash per day to \$0.03 per Megahash per day range. Since then a portion of our GPU based machines were repurposed to use a unique algorithm to optimize profitability in mining altcoins, which are paid out in Bitcoin. After the Ethereum Merge, the Company's fleet of GPU based machines were producing an equivalent of 350 PH/s to 400 PH/s of Bitcoin mining capacity. This is in addition to the Bitcoin mining capacity from HIVE's ASIC fleet. Therefore approximately 25 MW of HIVE's GPU based operating capacity was receiving payout in Bitcoin. Currently, HIVE is operating approximately 6.5MW of Nvidia GPUs to mine with approximately 170 PH/s of Bitcoin mining capacity.
- Using an optimization algorithm, HIVE is able to more profitably mine an assortment of coins with its GPU fleet, than if it was only mining a single coin (such as Ethereum Classic). The assortment of coins which HIVE mines using its GPU fleet varies over time and is chosen on the basis of profit optimization. As a consequence of the Company's technical advancements, we believe HIVE has a competitive edge in generating revenue from GPU machine based operations. As of August 2023, HIVE's fleet of Nvidia GPU are generating approximately \$60-80/MWHR using a profit-switching algorithm, mining the most profitable alt-coin, from which HIVE is then paid in Bitcoin.
- Going forward, HIVE is transitioning its GPU based fleet to cloud and high performance computing.

**Bitcoin Mining Industry Revenues of U.S. dollars per Day for each 1 Terahash per second of computing power:****July 1, 2022 – July 30, 2023**

Source: bitinfocharts.com

- Bitcoin mining economics were steadily within a bearish range of approximately \$0.06 to \$0.09 per Terahash per second (“TH/s”) per day during the quarter (April to June 2023), with the Bitcoin price starting in the \$28,000 range in early April then rallying to over \$30,000 by mid April, and staying mostly range bound until a drop to \$25,000 range in mid-June. Bitcoin then recovered to above \$30,000 before the end of the quarter June 30, 2023. As of August 2023, Bitcoin has been in the \$29,000 range mostly. However, increases in Bitcoin price was matched by increases in the mining difficulty, where we saw an all-time high of 52 trillion (“T”) in late June 2023, followed by another all-time high of 54T in mid July 2023. This has kept the Bitcoin mining hash price range in the \$0.06 to \$0.09 per TH/s per day range for most of this quarter. Notably however, we saw a rally to over \$0.10 per TH/s per day during May 2023, as a result of the demand for Ordinals and BRC-20 tokens, which increased Bitcoin network transaction fees. As of August 2023, Bitcoin mining economics have been mostly range bound to \$0.06 to \$0.08 per TH/s per day.
- We note, the break-even operating cost for miners depends on the electricity price as well as machine efficiencies, which have seen improvements with newer generation mining machines. For example, at the Difficulty of 52.3 T seen in June 2023 and a Bitcoin price of \$30,000, an ASIC miner that has an efficiency of 30 Joules per Terahash (“J/TH”) can be expected to generate mining revenues of approximately \$0.10 per kWh approximately, establishing the breakeven operating cost. Under the same Difficulty and Bitcoin price, a miner that contains an ASIC with an efficiency of 40 J/TH can be expected to generate revenues of approximately \$0.075 per kWh. Therefore, as long as the operating costs of a miner in this example are below \$0.075 per kWh, the miner is profitable. When there is enough downward pressure on profitability, it is generally the case that miners with higher electricity or operating costs and/or miners operating machines with lower efficiency with a higher breakeven price, will be not be able to operate profitably, and these miners may pause their operations, causing the network hashrate and the difficulty to decrease.



The average monthly Bitcoin market data from April 2023 to June 2023 was as follows:

Bitcoin	April 2023	May 2023	June 2023	Average YTD F2024
Average price	\$ 28,854	\$ 27,458	\$ 28,954	\$ 28,422
Average daily difficulty (in millions)	48,016,072	48,875,463	52,120,789	49,670,775

Sources: *Coinmarketcap.com, Glassnode.com, Blockchain.com*

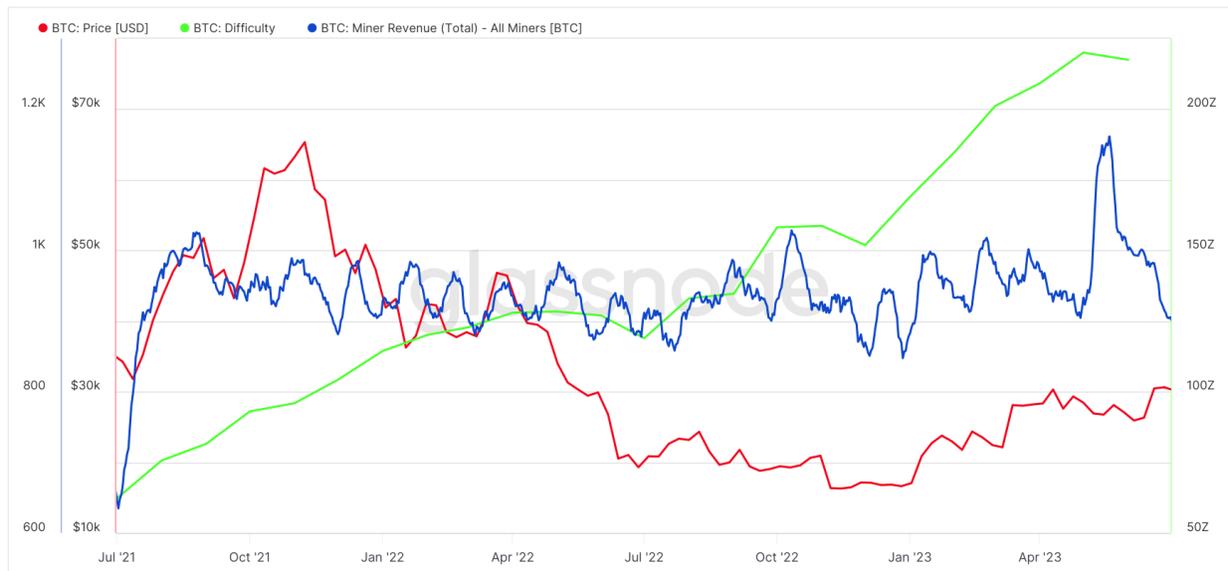
The average monthly Bitcoin market data from April 2022 to March 2023 was as follows:

Bitcoin	April 2022	May 2022	June 2022	July 2022	August 2022	September 2022	
Average price	\$ 41,435	\$ 31,713	\$ 24,384	\$ 21,539	\$ 22,366	\$ 19,805	
Average daily difficulty (in millions)	28,561,641	30,502,528	29,992,443	28,752,118	28,365,699	31,533,645	
Bitcoin	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	Average F2023
Average price	\$ 19,651	\$ 17,601	\$ 16,950	\$ 20,251	\$ 23,299	\$ 25,055	\$ 23,671
Average daily difficulty (in millions)	34,809,688	36,843,488	35,063,080	36,279,360	39,902,165	44,321,920	33,743,981

Sources: *Coinmarketcap.com, Glassnode.com, Blockchain.com*

For reference, the following chart shows Bitcoin price vs Bitcoin miners' revenues (in Bitcoin block rewards and transaction fees) vs block difficulty\* for the 24-month period from July 2021 to June 2023:

Bitcoin: Price (USD) vs. Mining Difficulty vs. Total Miner Revenue



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Source: *Glassnode.com*

\* Block Difficulty - 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 2024.

After the Spring 2024 halving event, the total number of Bitcoins available to miners per day will fall from 900 to 450 per day. HIVE is preparing for this by upgrading and expanding our fleet of miners.

### **Industry subject to evolving regulatory and tax landscape**

Both the regulatory and tax landscape for digital companies is evolving. The changing regulatory landscape applies to sectors that are based on blockchain, distributed ledgers, technology and the mining, use, sale and holding of tokens, or digital currencies, and the blockchain technology networks that support them.

Operating in an emerging industry, the Company must adapt to significant changes in regulatory, tax and industry rules and guidelines and obtain regulatory and tax advice from external global experts. In addition, regulations and the rules, rates, interpretations, and practices related to taxes, including consumption taxes such as value added taxes ("VAT"), are constantly changing.

The Company's headquarters are in Vancouver, British Columbia, Canada and as such the Company is subject to the jurisdiction of the laws of the Province of British Columbia and the federal laws of Canada. The Company intends to manage its data centers and trading operations from Bermuda in order to simplify tax expectations.

The Company also has assets in a variety of other countries and is subject to changes in political conditions and regulations within these markets. Changes, if any, in policies or shifts in political attitude could adversely affect the Company's operations or profitability. See "The Russian Invasion of Ukraine" above.

Operations may be affected in varying degrees by government regulations and decisions with respect to, but not limited to, restrictions on price controls, currency remittance, income and consumption taxes, foreign investment, maintenance of claims, environmental legislation, land use, electricity use and safety. Additionally, cryptocurrency prices are highly volatile, can fluctuate substantially and are affected by numerous factors beyond the Company's control, including hacking, demand, inflation, expectations with respect to the rate of inflation, and global or regional political or economic events.

On-going and future regulatory or tax changes, actions or decisions may alter the nature of an investment in the Company or restrict the use of cryptocurrencies in a manner that adversely affects the Company's operations. The effect of any future regulatory change on the Company or any cryptocurrency that the Company may mine is impossible to predict, but such change could be substantial and adverse.

For example, governments may in the future curtail or outlaw the acquisition, use or redemption of cryptocurrencies. Governments may also take regulatory action that may increase the cost and/or subject cryptocurrency companies to additional regulation or prohibit or severely restrict the right to acquire, own, hold, sell, use or trade cryptocurrencies or to exchange cryptocurrencies for fiat currency. By extension, similar actions by other governments, may result in the restriction of the acquisition, ownership, holding, selling, use or trading in the Company's common shares. Such a restriction could result in the Company needing to liquidate its cryptocurrency inventory at unfavorable prices and may adversely affect the Company's shareholders.

The Company believes the present attitude towards blockchain technology, and the digital currency mining industry is increasingly unfavourable in many countries, but conditions may change. Operations may be affected in varying degrees by government regulation with respect to restrictions on production, price controls, export controls, foreign exchange controls, income and other taxes, and environmental legislation.

The Company's wholly owned subsidiaries located in Sweden (Bikupa Datacenter AB ("Bikupa") and Bikupa Datacenter 2 AB ("Bikupa 2")) received decision notice of assessments ("the decision(s)"), on December 28, 2022 and February 14, 2023 for Bikupa and Bikupa 2 respectively, from the Swedish Tax Authority in connection with the application of VAT and its ability to recover input VAT against certain equipment and other charges in a total amount of SEK 337.9 million or approximately \$32.4 million. The assessments covered the period December 2020 to June 2022 for Bikupa, and the period April 2021 to June 2022 for Bikupa 2, expressing the intent to reject the recovery of all the VAT for the periods under assessment.

The Company has filed a formal appeal in connection with the Bikupa decision on February 9, 2023; however, there can be no guarantee that the Company will achieve a favourable outcome in its appeal. A formal appeal for Bikupa 2 in relation to the February 14, 2023 decision was filed on March 10, 2023 by the Company. The

Company has engaged an independent legal firm in Sweden that has expertise in these matters to assist in the appeal process. The Company does not believe that the decisions have merit because in our opinion and those of our independent advisors, the decisions are not compatible with the current applicable law and therefore the amount claimed to be owed by the Company is not probable. According to general principles regarding the placement of the burden of proof, it is up to the Swedish Tax Agency to provide sufficient evidence in support of its decisions. In our opinion, the Swedish Tax Agency has not substantiated their claim. We are not aware of any precedent cases, authoritative literature, or other statement that support the Swedish Tax Agency's position.

It is not yet known when these disputes will be resolved; the due process following appeals and the court ruling could extend well beyond a year. Furthermore, given that the industry is rapidly developing, there can be no guarantee that changes to the laws or policies of Sweden will not have a negative impact on the Company's tax position with respect to the eligibility of the claimed VAT.

If the Company is unsuccessful in its appeals, the full amount could be payable including other items such as penalties and interest that may continue to accrue. The Company will continue to assess these matters.

In the spring budget of 2023, the Swedish Parliament abolished the reduced energy tax for datacenters, effective as of July 1, 2023. As a result of this decision, it is expected that the Company's cost of energy at its HIVE Sweden Facility will increase by 0.29 Swedish Krona ("SEK") per kWh. Prior to the effective date of the abolishment of the energy tax reduction, HIVE's cost of energy at the HIVE Sweden Facility was approximately 0.30 to 0.50 SEK per kWh. Revenues from HIVE's operations at these facilities typically ranges from 0.80 to 1.00 SEK per kWh. The HIVE Sweden Facility currently represents approximately 24% of the Company's global production of Bitcoin per day. Even with this change, we feel that the HIVE Sweden Facility has undertaken positive actions to reduce the negative impact through the supplemental power pricing arrangement that was entered into in order to fix 18 MW of electricity consumption for the months of January through March 2023 at a set price, as well as 25 MW for the period of April through June 2023, 24 MW for the period July through September 2023, and 18 MW for the period of October through December 2023, at set prices. These set prices allow the facility to operate profitably in today's market economics, at times when other facilities who buy all their energy at spot prices may otherwise be unprofitable. The Company has been exploring, and will continue to explore strategies for minimizing the impact.

On February 4, 2022, the Canadian Department of Finance released for public comment a set of draft legislative proposals to implement certain tax measures. These tax measures include restricting the ability of cryptocurrency mining companies to claim back the consumption taxes they incur on purchases of goods and services made in Canada and imports into Canada. The Company expects that the restriction on the Company's ability to claim back its consumption taxes, namely the Goods and Services Tax and Harmonized Sales Tax, which apply at combined rates from 5% to 15.0% on the cost of goods and services, could significantly add to the Company's ongoing operating costs and the costs of its capital expenditures and imports into Canada. The measures obtained royal assent on June 22, 2023, and at this time, the Company is still assessing how such proposals, once effective (as presented or as may be amended) may impact the Company's operations.

## **INTEL SUPPLY AGREEMENT**

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On March 7, 2022, the Company entered into a Supply Agreement with Intel Corporation for the purchase of its new generation of application specific integrated circuits ("ASICs") designed specifically for processing SHA-256 cryptographic hash functions and associated software, known as Intel's "Blockscale".

The Company has also entered into a manufacturing agreement with an original design manufacturer ("ODM") that has expertise in electronics manufacturing and experience manufacturing integrated systems for Intel. The ODM integrated Intel's Blockscale ASICs into an air-cooled Bitcoin mining system. The Company's engineering team drew on its expertise in hardware and software implementation and worked closely with Intel and the ODM partner on the systems integration. The majority of these miners have been delivered and the remaining units are expected to be delivered in the coming quarter. This target reflects a revised hashrate from previous estimates, as the Company has adjusted capital allocation targets for the interim period, focusing on near term growth.

Intel has since discontinued the Blocksale chip program.

## **CONVERTIBLE DEBENTURE**

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On January 12, 2021, the Company closed its non-brokered private placement of unsecured debentures (the "Debentures"), for aggregate gross proceeds of \$15,000,000 with U.S. Global Investors, Inc. ("U.S. Global"). The Executive Chairman of the Company is a director, officer and controlling shareholder of U.S. Global, but the transaction was exempt from the formal valuation and minority approval requirements in Multilateral Instrument 61-10 *Protection of Minority Holders in Special Transactions*, because the fair market value of the transaction did not exceed 25% of the Company's market capitalization.

The Debentures will mature on the date that is 60 months from the date of issuance, bearing interest at a rate of 8% per annum. The Debentures were issued at par, with each Debenture being redeemable by HIVE at any time, and convertible at the option of the holder into common shares (each, a "Share") in the capital of the Company at a conversion price of C\$15.00 per Share. Interest is payable monthly, and principal is payable quarterly. In addition, U.S. Global was issued 5 million common share purchase warrants (the "January 2021 Warrants"). Each five whole January 2021 Warrants entitles U.S. Global to acquire one common Share at an exercise price of C\$15.00 per Share for a period of three years from closing. The Company has been paying down this debt on a quarterly basis and the total debt as of period ended June 30, 2023 is \$7.6 million.

## **AT-THE-MARKET EQUITY PROGRAM**

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On September 2, 2022, the Company entered into an equity distribution agreement ("2022 Equity Distribution Agreement") with H.C. Wainwright & Co., LLC. Under the 2022 Equity Distribution Agreement, the Company was provided the option to sell up to \$100 million of common shares in the capital of the Company at their discretion (the "2022 ATM Equity Program"). The 2022 Equity Distribution Agreement was terminated as of February 6, 2023.

For the year ended March 31, 2023, the Company issued 1,306,476 common shares (the "2022 ATM Shares") pursuant to the 2022 ATM Equity Program for gross proceeds of \$3,941,736. The 2022 ATM Shares were sold at prevailing market prices, for an average price per ATM Share of C\$4.01. Pursuant to the 2022 Equity Distribution Agreement, a cash commission of \$119,983 on the aggregate gross proceeds raised was paid to the agent in connection with its services under the 2022 Equity Distribution Agreement.

The Company is using the net proceeds from the 2022 Equity Distribution Agreement for the purchase of data center equipment, strategic investments especially in building BTC assets on our balance sheet and ended the March 31, 2023, period with 2,332 BTC, and general working capital.

On May 10, 2023, the Company entered into an equity distribution agreement ("2023 Equity Distribution Agreement") with Stifel GMP and Canaccord Genuity Corp. Under the 2023 Equity Distribution Agreement, the Company may, from time to time, sell up to \$100 million of common shares in the capital of the Company (the "2023 ATM Equity Program").

For the period ended June 30, 2023, the Company issued 534,400 common shares (the "2023 ATM Shares") pursuant to the 2023 ATM Equity Program for gross proceeds of C\$2,685,303 (\$2,026,951). The 2023 ATM shares were sold at prevailing market prices, for an average price per 2023 ATM Share of C\$4.92. Pursuant to the 2023 Equity Distribution Agreement, a cash commission of \$60,901 on the aggregate gross proceeds raised was paid to the agent in connection with its services under the 2023 Equity Distribution Agreement. In addition, the Company incurred \$125,131 in fees related to its 2023 ATM Equity Program.

The Company is using the net proceeds from the 2023 Equity Distribution Agreement for the purchase of data center equipment, strategic investments especially in building BTC assets on our balance sheet and ended the June 30, 2023, period with 1,957 BTC, and general working capital.

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Expressed in US Dollars unless otherwise indicated

**SHARE CONSOLIDATION**

On May 24, 2022, the Company underwent a consolidation of the Common Shares (the "Consolidation") on the basis of five pre-consolidation Common Shares for one post-consolidation Common Share. Unless otherwise stated, all references to Common Shares in this MD&A are to post-Consolidation Common Shares.

**CONSOLIDATED RESULTS OF OPERATIONS ON A QUARTERLY BASIS**

	Q1 2024	Q4 2023 Revised	Q3 2023 Revised	Q2 2023 Revised	Q1 2023 Revised
Revenue from digital currency mining	\$ 23,344,086	\$ 17,994,688	\$ 14,318,711	\$ 29,596,579	\$ 44,178,526
Other revenue	221,057	228,714	-	-	-
	23,565,143	18,223,402	14,318,711	29,596,579	44,178,526
Operating and maintenance	(15,584,848)	(14,198,665)	(10,702,734)	(13,656,022)	(17,161,751)
Depreciation	(16,482,986)	(11,315,486)	(20,339,869)	(24,322,657)	(25,752,181)
	(8,502,691)	(7,290,749)	(16,723,892)	(8,382,100)	1,264,594
Gross operating margin	7,980,295	4,024,737	3,615,977	15,940,557	27,016,775
Gross operating margin % (1)	34%	22%	25%	54%	61%
Gross margin %	(36%)	(40%)	(117%)	(28%)	3%
Revaluation of digital currencies (2)	-	23,272,772	(5,997,397)	(2,355,177)	(70,699,828)
(Loss) gain on sale of digital currencies	(575,186)	5,263,835	(3,447,982)	3,548,962	(22,300,418)
General and administrative	(2,766,838)	(3,392,301)	(3,249,241)	(3,235,958)	(3,365,316)
Foreign exchange gain (loss)	1,444,797	(4,205,884)	2,016,130	7,091,390	(3,656,510)
Share based compensation	(1,972,791)	(2,921,580)	(2,555,494)	(1,947,912)	(953,362)
Unrealized loss on investments	(664,864)	(2,675,244)	(1,072,985)	(1,000,600)	(8,683,081)
Change in fair value of derivative liability	(142,880)	(389,655)	714,966	(192,150)	4,371,195
Impairment of equipment	-	1,007,154	(38,843,658)	(26,236,544)	(6,336,558)
Impairment of deposits	-	-	(22,653,287)	-	(4,678,000)
(Loss) gain on sale of mining assets	(266,847)	(117,996)	(1,292,039)	15,401	-
Other (expenses) income	(110,504)	(380,754)	239,852	-	-
Finance expense	(879,312)	(773,665)	(1,004,023)	(938,697)	(989,514)
Tax (expense) recovery	(1,814,000)	(831,000)	411,000	131,000	-
Net (loss) income from continuing operations	\$ (16,251,116)	\$ 6,564,933	\$ (93,458,050)	\$ (33,502,385)	\$ (116,026,798)
EBITDA (1)	\$ 2,925,182	\$ 19,485,084	\$ (72,525,158)	\$ (8,372,031)	\$ (89,285,103)
Adjusted EBITDA (1)	\$ 5,307,700	\$ (1,365,611)	\$ (1,898,249)	\$ 22,344,351	\$ (10,988,550)

(1) Non-IFRS measure. A reconciliation to its nearest IFRS measures is provided under "Reconciliations of Non-IFRS Financial Performance Measures" below.

(2) Revaluation is calculated as the change in value (gain or loss) on the coin inventory. When coins are sold, the net difference between the proceeds and the carrying value of the digital currency (including the revaluation), is recorded as a gain (loss) on the sale of digital currencies.


**CONSOLIDATED RESULTS OF OPERATIONS ON A PERIOD END BASIS**

	<b>Three months ended June 30,</b>	
	<b>2023</b>	2022 Revised
Revenue from digital currency mining	\$ 23,344,086	\$ 44,178,526
Other revenue	221,057	-
	<u>23,565,143</u>	<u>44,178,526</u>
Operating and maintenance	(15,584,848)	(17,161,751)
Depreciation	(16,482,986)	(25,752,181)
	<u>(8,502,691)</u>	<u>1,264,594</u>
Gross operating margin	7,980,295	27,016,775
Gross operating margin % (1)	34%	61%
Gross margin %	(36%)	3%
Revaluation of digital currencies (2)	-	(70,699,828)
Loss on sale of digital currencies	(575,186)	(22,300,418)
General and administrative	(2,766,838)	(3,365,316)
Foreign exchange gain	1,444,797	(3,656,510)
Share based compensation	(1,972,791)	(953,362)
Unrealized loss on investments	(664,864)	(8,683,081)
Change in fair value of derivative liability	(142,880)	4,371,195
Impairment of equipment	-	(6,336,558)
Impairment of deposits	-	(4,678,000)
Loss on sale of mining assets	(266,847)	-
Other expenses	(110,504)	-
Finance expense	(879,312)	(989,514)
Tax expense	(1,814,000)	-
Net loss from continuing operations	<u>\$ (16,251,116)</u>	<u>\$ (116,026,798)</u>

(1) Non-IFRS measure. A reconciliation to its nearest IFRS measures is provided under "Reconciliations of Non-IFRS Financial Performance Measures" below.

(2) Revaluation is calculated as the change in value (gain or loss) on the coin inventory. When coins are sold, the net difference between the proceeds and the carrying value of the digital currency (including the revaluation), is recorded as a gain (loss) on the sale of digital currencies.

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**RESULTS FOR THREE MONTHS ENDED JUNE 30, 2023 COMPARED TO THREE MONTHS ENDED JUNE 30, 2022**

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**Revenue:**

- Revenue from digital currency mining and other revenue was \$23.6 million for the current period compared to \$44.2 million in the prior period. The decrease was primarily driven by the Company's digital asset mining revenue, where the Company mined 834 BTC and nil ETH and generated \$23.3 million compared to 821 BTC and 7,675 ETH in the comparative prior period and generated \$44.2 million. The main reasons for the decrease were our cessation of Ether mining following the Merge on September 15, 2022, and a decline in the price of Bitcoin during the period and increased network difficulty as compared with the prior period.
- The Company's HPC business contributed \$0.2 million compared to \$nil in the prior period.

**Cost of sales:**

- Operating and maintenance costs were \$15.6 million for the current period compared to \$17.2 million in the prior period. These costs consist of fees paid to suppliers including local electricity providers, as well as service providers to operate our data centers which includes daily monitoring and maintenance and all other costs directly related to the maintenance and operation of the data center equipment. The main reason for the decrease is due to curtailments at the New Brunswick, Canada data center at management's discretion to mitigate high energy prices and cost recovery from balancing the grid during the period.
- Depreciation is \$16.5 million for the current period compared to \$25.7 million in the prior period. Depreciation is mainly related to the Company's data center equipment and right of use assets. The decrease is mainly attributed to the impairment taken on plant and equipment during the interim periods in the previous fiscal year of \$70.4 million resulting in a lower fixed asset base in the current period to depreciate, net of additions in the current period. The impairment was taken to reflect a decline in market value of certain computing assets due to the rapid evolution of this technology.

**Gross operating margin and gross margin:**

- The gross operating margin was \$7.9 million in the current period compared to \$27.0 million in the prior period. Gross operating margin is directly impacted by digital currency prices and network difficulties as this impacts revenue from mining operations. The decrease is mainly attributed to the decrease in Bitcoin price and increase in the Bitcoin network difficulty versus the prior year, combined with the Company not mining Ether since the merge on September 15, 2022.
- The gross margin was a loss of \$8.5 million in the current period compared to a profit of \$1.3 million in the comparative prior period. The decrease is mainly due to lower revenue from mining operations net of the decrease in operating and maintenance, and depreciation expenses as discussed above.

**Revaluation of digital currencies:**

- The Company did not record any non-cash gain or loss related to the quarterly revaluation of its portfolio of digital currencies in the consolidated statements of profit or loss as a result of an increase in the price of Bitcoin.

**Loss on sale of digital currencies:**

- The Company sold digital currencies and received proceeds of \$33.5 million during the current period and the Company recorded a loss on sale of \$0.6 million in relation to the sale of digital currencies with a cost base of \$34.1 million compared to proceeds of \$34.5 million and recognizing loss on sale of \$22.3 million with a cost base of \$56.8 million in the prior period.

***Other items:***

- General and administrative expenses were \$2.8 million in the current period compared to \$3.4 million in the prior period. Office and administrative expenses decreased by \$0.5 million, advisory and consulting expenses decreased by \$0.1 million, and management fees, salaries and wages decreased by \$0.1 million, which was offset by increases in marketing expenses by \$0.1 million.
- Foreign exchange gain was \$1.4 million in the current period compared to a loss of \$3.7 million in the prior period due to the movement in exchange rates. The Company operates in multiple jurisdictions and is exposed to foreign currency fluctuations.
- Share based compensation expense was \$2.0 million in relation to the options and restricted share units vested in the period compared to \$1.0 million in the prior comparative period mainly as a result of restricted share unit grants made in the prior fiscal year.
- Unrealized loss on investments was \$0.7 million compared to an unrealized loss of \$8.7 million in the prior period. The Company holds a number of non-material investments some of which are traded in the active markets which fluctuate from time to time in value. The Company has not purchased or sold any investment holdings in the current period.
- Change in fair value of derivative liability was a loss of \$0.1 million compared to gain of \$4.4 million in the prior period. The derivative component is re-valued each reporting period using the Black-Scholes option pricing model. The main reason for the change is due to the decrease in the Company's stock price at the prior comparative period end compared to the current period.
- Impairment of equipment was \$nil in the current period compared \$6.3 million in the prior period. During the prior fiscal year, as digital currency price declined and the ETH merger occurred, the Company determined that these factors were indicators of impairment. The Company performed impairment assessments during the prior fiscal year using both the value in use and fair value less costs to dispose models to determine the recoverable value and as a result recorded impairment on its equipment.
- Impairment of deposits was \$nil in the current period compared \$4.7 million in the prior period. The impairment on deposits are based on the counterparty risk of delivery, efficiency of machines expected use of the machines and the expected quantity and quality of the equipment to be received
- Loss on disposal of mining equipment was \$0.3 million compared to \$nil on disposal of mining equipment in the prior period.
- Finance expense was \$0.9 million in the current period compared to \$1.0 million in the prior period. This includes interest and accretion on the convertible debt, interest on lease liabilities and loans payable.
- Tax expense was \$1.8 million in the current period compared to \$nil in the prior period. The main reason for the increase is due to the limited tax attributes available as they have been utilized in prior periods.

## CONSOLIDATED BALANCE SHEET

The following is a summary of key balance sheet items:

	June 30, 2023	March 31, 2023
Cash	\$ 4,519,855	\$ 4,372,837
Amounts receivable and prepaids	8,967,346	9,353,875
Investments	2,231,807	2,866,181
Digital currencies	59,547,361	65,899,449
Plant and equipment	86,058,372	87,228,302
Long term receivable	5,973,323	5,814,779
Deposits, net of provision	10,697,280	9,541,822
Right of use asset	10,375,258	10,973,183
Intangible assets	-	67,119
<b>TOTAL ASSETS</b>	<b>\$ 188,370,602</b>	<b>\$ 196,117,547</b>
Accounts payable and accrued liabilities	\$ 8,617,613	\$ 9,353,631
Current portion of convertible loan - liability component	\$ 1,277,460	\$ 1,174,397
Current portion of lease liability	2,344,867	2,330,341
Term loan	6,867,816	7,138,945
Loans payable	1,335,000	1,224,102
Current income tax liability	3,678,283	1,846,102
Convertible loan - liability component	3,193,469	3,554,287
Convertible loan - derivative component	624,878	481,998
Loans payable	11,400,539	11,853,946
Lease liability	7,450,158	8,138,067
Deferred tax liability	-	206,000
<b>TOTAL LIABILITIES</b>	<b>\$ 46,790,083</b>	<b>\$ 47,301,816</b>

### **Cash**

- Cash as at June 30, 2023, was \$4.5 million, an increase of \$0.1 million from the prior year. Refer to the Liquidity and Capital Resources section below for details on changes in cash.

### **Amounts receivable and prepaids**

- Amounts receivable and prepaids decreased by \$0.4 million from the prior year mainly due to decrease in sales tax receivables as part of normal course of operations.

### **Investments**

- The Company holds a number of non-material investments some of which are traded in active markets. As a result, these non-material investments fluctuate in value from time to time. Investments decreased by \$0.6 million from the prior year mainly due to a mark to market on these investments. The Company has not purchased or sold any investment holdings in the current period.

### **Digital currencies**

- Digital currencies at June 30, 2023 mainly consisted of 1,957 Bitcoin (March 31, 2023 – 2,332). The decrease in digital currencies was mainly due to a lower BTC HODL position at period end.

### **Plant and equipment**

- Plant and equipment decreased by \$1.2 million mainly due to depreciation of \$16.5 million offset by the additions during the period.

***Long term receivable***

- Long term receivable consists of value added tax receivables and a receivable on the sale of a subsidiary. These value added tax receivables are related to an ongoing value added review process and increased as a result of regular filings done with the tax authorities.

***Deposits***

- Deposits mainly consist of equipment deposits and increased by \$1.2 million due to advance amounts paid for mining equipment net of the receipt of equipment during the period.

***Right of use assets***

- Right of use assets decreased by \$0.6 million mainly due to depreciation expense.

***Intangible assets***

- The Company's intangible assets is \$nil at period end. The decrease is due to depreciation expense of \$0.1 million.

***Accounts payable and accrued liabilities***

- Accounts payable and accrued liabilities decreased by \$0.7 million mainly due to the timing of payments to vendors.

***Term loan***

- As part of the Atlantic acquisition the Company acquired a term loan. The facility bears interest at 3.33% per annum and has a maturity date of June 30, 2024. The term loan decreased by \$0.3 million as a result of the repayment of principal amounts during the period.
- The term loan has financial ratios and minimum tangible asset covenants that must be maintained by HIVE Atlantic Datacentres Ltd. As at June 30, 2023 the covenant to maintain a ratio of total debt to tangible net worth equal to or less than 2:1 was not met. The outstanding balance is presented as a currently liability as at June 30, 2023. The lender has not requested early repayment of the loan as of the date when these financial statements were approved by the Board of Directors. The term loan includes an unlimited guarantee from the Company.

***Current income tax liability***

- The Company's current income tax liability increased by \$1.8 million as a result of taxable income in its operations in Sweden, Iceland and Canada after the use of its tax attributes within those jurisdictions.

***Convertible loan***

- The convertible loan liability component decreased by \$0.3 million as a result of repayments toward the principal portion of the loan during the period.
- The convertible loan derivative component is re-valued each reporting period using the Black-Scholes option pricing model. The main reason for the increase of \$0.2 million has been due to the change in the Company's stock price at period end compared to the prior year. The Company has been repaying the principal portion of the convertible loan amount quarterly.

***Loans payable***

- The Company incurred a loan as part of the sale of the net assets of Boden Technologies AB. The loan facility bears interest at the Swedish government borrowing rate plus 1% per annum and has a maturity date of December 31, 2035. The decrease of \$0.4 million is due to a foreign exchange gain on the loan amount as result of fluctuation of currencies, net of interest accrual for the period.

***Lease liability***

- The lease liabilities decreased by \$0.7 million mainly as result of lease payments made during the period.

***Deferred tax liability***

- The Company's deferred tax liability at June 30, 2023 remained unchanged from the prior year.


**SUMMARY OF QUARTERLY RESULTS**

The following tables summarize the Company's financial information for the last eight quarters in accordance with IFRS:

	Q1 2024	Revised Q4 2023	Revised Q3 2023	Revised Q2 2023
	\$	\$	\$	\$
Revenue	23,565,143	18,223,402	14,318,711	29,596,579
Net (loss) income	(16,251,116)	6,564,933	(93,458,050)	(33,502,385)
Basic (loss) income per share	(0.19)	0.08	(1.14)	(0.41)
Diluted (loss) income per share	(0.19)	0.08	(1.14)	(0.41)

	Revised Q1 2023	Q4 2022	Revised Q3 2022	Revised Q2 2022
	\$	\$	\$	\$
Revenue	44,178,526	49,783,515	68,844,789	53,573,052
Net (loss) income	(116,026,798)	(33,971,684)	51,192,586	38,927,566
Basic (loss) income per share	(1.41)	(0.43)	0.66	0.51
Diluted (loss) income per share	(1.41)	(0.43)	0.62	0.49

**LIQUIDITY AND CAPITAL RESOURCES**

The Company commenced earning revenue from digital currency mining in mid-September 2017. The Company is reliant on external financing to take advantage of growth opportunities while preserving its cryptocurrency assets. The Company's ability to continue as a going concern is dependent on the Company's ability to efficiently mine and liquidate digital currencies.

As at June 30, 2023, the Company had a working capital balance of \$51.1 million (March 31, 2023 – \$59.4 million) and has sufficient cash to fund its current operating and administrative costs.

The net change in the Company's cash position as at June 30, 2023 as compared to March 31, 2023 was an increase of \$0.1 million as a result of the following cash flows:

- Cash provided by operating activities of \$16.2 million;
- Cash used in investing activities of \$16.0 million related to the purchase of equipment, and deposits on equipment; and
- Cash used in financing activities of \$1.9 million for lease and debt payment offset by funds raised of \$1.8 million from share issuances.

As at June 30, 2023, the contractual maturities of financial and other liabilities, including estimated interest payments, are as follows:

	Contractual cash flows				
	within 1 year	1 to 3 years	3 to 5 years	5+ years	
Accounts payable	\$ 6,564,881	\$ 6,564,881	\$ -	\$ -	\$ -
Term loan	6,867,816	6,867,816	-	-	-
Convertible loan	8,438,103	3,526,888	4,911,215	-	-
Lease commitments	10,960,574	2,838,125	5,520,332	2,602,117	-
Loans payable and interest	15,133,077	1,334,887	3,834,276	2,414,199	7,549,715
<b>Total</b>	<b>\$ 47,964,451</b>	<b>\$ 21,132,597</b>	<b>\$ 14,265,823</b>	<b>\$ 5,016,316</b>	<b>\$ 7,549,715</b>

**HIVE Digital Technologies Ltd.**

(formerly, HIVE Blockchain Technologies Ltd.)

**Management's Discussion and Analysis of Financial Condition and Results of Operations****Period ended June 30, 2023****Expressed in US Dollars unless otherwise indicated****DIVIDENDS**

The Company has never paid dividends. Payment of any future dividends, if any, will be at the discretion of the Company's Board of Directors after taking into account many factors, including operating results, financial condition, and current and anticipated cash needs. All of the common shares in the capital of Company will be entitled to an equal share in any dividends declared and paid on a per share basis.

**OFF-BALANCE SHEET ARRANGEMENTS**

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

**OUTSTANDING SHARE DATA**

At June 30, 2023 and at the date of this report, the following securities were outstanding:

Total Outstanding as of:	June 30, 2023	Date of this report:	Exercise price range:
Shares outstanding	84,722,011	85,562,411	
Restricted Share Units	1,913,630	1,903,130	
Stock options	2,873,415	3,480,915	C\$1.35 - C\$25.35
Warrants	3,323,727	3,023,727	C\$15.00 - C\$30.00

**RECONCILIATIONS OF NON-IFRS FINANCIAL PERFORMANCE MEASURES**

The Company has presented certain non-IFRS measures in this document. The Company believes that these measures, while not a substitute for measures of performance prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

*Gross Operating Margin*

The Company believes that, in addition to conventional measures prepared in accordance with IFRS, it is helpful to investors to use the gross operating margin to evaluate the Company's performance and its ability to generate cash flows and service debt. The gross operating margin is defined as total revenue less direct cash costs, being operating and maintenance costs. Accordingly, this measure does not have a standard meaning and is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Gross mining margin is directly impacted by Bitcoin price and Bitcoin network Difficulty (which are both publicly available statistics). The Difficulty is an integer value that is proportional to the number of hashes required to solve a block. Revenue is directly proportional to Bitcoin price, and inversely proportional to Difficulty.

The following table provides illustration of the calculation of the gross operating margin for the last five quarters:

Calculation of Gross Operating Margin:	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Revenue (1)	\$ 23,565,143	\$ 18,223,402	\$ 14,318,711	\$ 29,596,579	\$ 44,178,526
Less:					
Operating and maintenance costs:	(15,584,848)	(14,198,665)	(10,702,734)	(13,656,022)	(17,161,751)
<b>Gross Operating Margin</b>	<b>\$ 7,980,295</b>	<b>\$ 4,024,737</b>	<b>\$ 3,615,977</b>	<b>\$ 15,940,557</b>	<b>\$ 27,016,775</b>
<b>Gross Operating Margin %</b>	<b>34%</b>	<b>22%</b>	<b>25%</b>	<b>54%</b>	<b>61%</b>

(1) As presented on the statements of income (loss) and comprehensive income (loss).

**HIVE Digital Technologies Ltd.**

(formerly, HIVE Blockchain Technologies Ltd.)

**Management's Discussion and Analysis of Financial Condition and Results of Operations****Period ended June 30, 2023****Expressed in US Dollars unless otherwise indicated***EBITDA & Adjusted EBITDA*

The Company uses EBITDA and Adjusted EBITDA as a metric that is useful for assessing its operating performance on a cash basis before the impact of non-cash items and acquisition related activities.

EBITDA is net income or loss from operations, as reported in profit and loss, before finance income and expense, tax and depreciation and amortization.

Adjusted EBITDA is EBITDA adjusted for by removing other non-cash items, including share-based compensation, non-cash effect of the revaluation of digital currencies and one-time transactions.

The following table provides illustration of the calculation of EBITDA and Adjusted EBITDA for the last five quarters:

Calculation of EBITDA & Adjusted EBITDA:	Q1 F2024	Revised Q4 F2023	Revised Q3 F2023	Revised Q2 F2023	Revised Q1 F2023
<b>Net (loss) income (1)</b>	(16,251,116)	6,564,933	(93,458,050)	(33,502,385)	(116,026,798)
<i>Add the impact of the following:</i>					
Finance expense	879,312	773,665	1,004,023	938,697	989,514
Depreciation	16,482,986	11,315,486	20,339,869	24,322,657	25,752,181
Tax expense (recovery)	1,814,000	831,000	(411,000)	(131,000)	-
<b>EBITDA</b>	<b>2,925,182</b>	<b>19,485,084</b>	<b>(72,525,158)</b>	<b>(8,372,031)</b>	<b>(89,285,103)</b>
Revaluation of digital currencies	-	(23,272,772)	5,997,397	2,355,177	70,699,828
Revaluation of derivative liability	142,880	389,655	(714,966)	192,150	(4,371,195)
Impairment of equipment	-	(1,007,154)	38,843,658	26,236,544	6,336,558
Impairment of deposits	-	-	22,653,287	-	4,678,000
Loss (gain) on sale of mining assets	266,847	117,996	1,292,039	(15,401)	-
Share-based compensation	1,972,791	2,921,580	2,555,494	1,947,912	953,362
<b>Adjusted EBITDA</b>	<b>5,307,700</b>	<b>(1,365,611)</b>	<b>(1,898,249)</b>	<b>22,344,351</b>	<b>(10,988,550)</b>

(1) As presented on the statements of income (loss) and comprehensive income (loss).

**RELATED PARTY TRANSACTIONS**

The Company entered into the following related party transactions not otherwise disclosed in these consolidated financial statements:

- a) As at June 30, 2023, the Company had \$2,559 (March 31, 2023 - \$11,778) due to officers for the reimbursement of expenses included in accounts payable and accrued liabilities.
- b) As at June 30, 2023, the Company had \$nil (March 31, 2023 - \$nil) due to a company controlled by a director of the Company included in accounts payable and accrued liabilities. For the period ended June 30, 2023, the Company paid \$79,668 (June 30, 2022 - \$96,558) to this company for marketing services.

**Key Management Compensation**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

For the period ended June 30, 2023, key management compensation includes salaries and wages paid to key management personnel and directors of \$261,216 (June 30, 2022 - \$225,972) and share-based payments of \$1,546,972 (June 30, 2022 - \$312,891).

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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The Company has prepared the consolidated financial statements in accordance with IFRS. Significant accounting policies are described in Note 2 of the Company's financial statements as at and for the year ended March 31, 2023.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

The Company's significant judgements are detailed in Note 3 to the consolidated financial statements for the year ended March 31, 2023, and include: functional currency, digital currencies accounting, and assessment of transactions as an asset acquisition or business combination.

## FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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The Company is exposed, in varying degrees, to a variety of financial related risks. The fair value of the Company's financial instruments, including cash, amounts receivable and accounts payable approximates their carrying value due to their short-term nature. The type of risk exposure and the way in which such exposure is managed is provided in Note 24 to the consolidated financial statements for the year ended March 31, 2023.

## DIGITAL CURRENCY AND RISK MANAGEMENT

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Digital currencies are measured using level two fair values, determined by taking the rate from quoted price from the exchanges which the Company most frequently uses, with no adjustment.

Digital currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. The profitability of the Company is directly related to the current and future market price of coins; in addition, the Company may not be able liquidate its inventory of digital currency at its desired price if required. A decline in the market prices for coins could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its coin sales or future mining of digital currencies.

Digital currencies have a limited history and their fair value historically has been very volatile. Historical performance of digital currencies is not indicative of their future price performance. The Company's digital currencies currently consist of Bitcoin, and Ethereum Classic. The table below shows the impact for every 5% variance in the price of each of these digital currencies on the Company's earnings before tax, based on their closing prices as at June 30, 2023.

	Impact of 5% variance in price	
Bitcoin	\$	2,966,996
Ethereum Classic		5,826

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**RISKS AND UNCERTAINTIES**

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The Company faces multiple risks that are related to both the general cryptocurrency business as well as the Company's business model. The risk factors described below summarize and supplement the risk factors contained in the Company's continuous disclosure filings including its annual information form for the year ended March 31, 2023, and this MD&A, all of which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the SEC's EDGAR system at [www.SEC.gov/EDGAR](http://www.SEC.gov/EDGAR), and should be read in conjunction with the more detailed risk factors outlined therein. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with its operations. Additional risks and uncertainties not presently known to the Company, or that are currently deemed immaterial, may also impair operations. If any such risks occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected.

The Company is exposed to risk related to the volatility/momentum pricing of any digital currency mined by the Company and held in inventory. Wide fluctuations in price, speculation, negative media coverage (highlighting for example, financial scandals related to crypto exchanges, regulatory actions and lawsuits against industry participants) and downward pricing may adversely affect investor confidence, and ultimately, the value of the Company's digital currency inventory which may have a material adverse effect on the Company, including an adverse effect on the Company's profitability from current operations. The Company currently holds Bitcoin primarily. Other coins that we mine using our GPU-based systems yield mining rewards in those crypto currencies, however, those coins are regularly exchanged for Bitcoin. As a result, the Company is more exposed to volatility in the Bitcoin market.

The Company may also be exposed to volatility in the cryptocurrency industry generally, including in sectors of the crypto industry that do not directly apply to the Company's mining business but that are integral to the cryptocurrency industry as a whole. Negative developments in any aspect of the crypto industry, including trading platforms, individual coins and exposure of scams, appear to affect the market perception of the industry as a whole. As a result, the value of our stock and our Bitcoin assets may be subject to greater volatility stemming from industry developments not directly related to our mining business.

Regulatory action, particularly in the United States, may negatively affect the value of Bitcoin, which is the focus of our mining operations. Enforcement actions by the SEC or other regulators against trading platforms and exchanges may indirectly negatively affect the Company if these actions have the effect of limiting access to Bitcoin.

The Company is also at risk due to the volatility of network hashrates (and lag between network hashrate and underlying cryptocurrency pricing), which may have an adverse effect on the Company's costs of mining.

A key factor in the Company's profitability of its mining operations is the cost of electricity in the regions where the Company has mining operations. Energy costs generally are subject to government regulation, natural occurrences (including weather) and local supply and demand for energy. The availability and pricing of energy may be negatively affected by governmental or regulatory changes in energy policies in the countries and Provinces where we operate. In addition, the Company is exposed to negative impacts of changes in tax policy, such as, but not limited to, being precluded from claiming back input taxes or other specific taxes imposed on cryptocurrency mining, as well as risks of losing any existing energy rebates or tax rebates across all jurisdictions.

In particular, the Russian invasion Ukraine which began on February 24, 2022, is affecting the supply of oil and natural gas in Europe. Natural gas is a primary source of energy for homes and industry in Europe. Prior to the war, in 2020, Russia accounted for around 29% of crude oil and 43% of natural gas imports into the EU. While it is impossible to predict what affect the war in Ukraine could have on the Company's operations in Sweden, our energy pricing is currently buffered partially by our ability to enter into forward energy agreements for the purchase of electricity. Our Swedish operation utilizes approximately 37.5 MW of renewable hydroelectric energy, which represents approximately 25% of our global overall utilization of hydroelectric and geothermal energy.

As a measure of security against hackers, the Company holds its Bitcoin in segregated, secure storage wallets, maintained by Fireblocks, a leading provider of crypto asset secure storage and management, which specializes in securely storing crypto currencies. HIVE has not pledged or staked our Bitcoin assets as collateral against debt or other obligations of any kind. HIVE's Bitcoin is not stored on any exchange. HIVE's Bitcoin is never "staked" for mining purposes (See our definition of "Proof-of-Stake") or loaned to any third party.

Notwithstanding our proactive arrangements to protect our Bitcoin from hackers, there is no guarantee that our security measures, or the security measures of Fireblocks, will be effective. The Company may not be able to access or liquidate its digital currency inventory at economic values, or, if one or more such storage solutions failed or was compromised, at all. In addition, due to the relative newness of the cryptocurrency industry and the regulatory environment in which conventional financial service providers operate, the Company may have restricted access to services available to more mainstream businesses (for example, banking services). The general acceptance and use of digital currencies may never gain widespread or significant acceptance in the broader financial services industry, which may materially adversely affect the value of the Company's digital currency inventory and the Company's long-term prospects.

The Company was negatively impacted by the Ethereum Merge on September 15, 2022 (the "Merge"), when Ethereum shifted from a "proof-of-work" mining protocol to a "proof-of-stake" blockchain. Since that date, the Company has ceased mining Ethereum and has liquidated its Ethereum holdings. While it appears unlikely that the Bitcoin blockchain, which is central to our business, could be modified in a fashion similar to the Merge, there is no assurance that subsequent technology or innovations will not negatively affect the Bitcoin blockchain or the profitability of mining Bitcoin.

There is also a risk that the Company could be negative affected by a Bitcoin halving event. Halving is a process designed to control the overall supply and reduce the risk of inflation in Bitcoin. At a predetermined block, the mining reward is cut in half. The Bitcoin blockchain has undergone three halvings since its inception. Most recently, in May 2020, the Bitcoin Block Reward decreased from 12.5 to 6.25 BTC per block and, consequently, the number of new Bitcoin issued to miners as a subsidy decreased to 900 per day, excluding transaction fees. While halvings may thus have a significant negative short- to medium-term impact on miners such as the Company, it is expected that market variables of Bitcoin price will adjust over time to ensure that mining remains profitable. The period of market normalization after the next BTC Halving to incentivizing profitability levels is unknown. A Bitcoin halving is scheduled to occur once every 210,000 blocks, or roughly every four years, until the total amount of Bitcoin rewards issued reaches 21 million, which is expected to occur around 2140. The next Bitcoin halving is expected to occur in April 2024. While Bitcoin prices have had a history of price fluctuations around Bitcoin halvings, there is no guarantee that the price change will be favorable or would compensate for the reduction in mining reward. If Bitcoin price and difficulty do not maintain or continue their trend of adjusting to pre-Bitcoin halving profitability levels over time, or the period of market normalization after the Bitcoin halving to pre-Bitcoin halving profitability levels is too long, there is a risk that the Bitcoin halving will render the Company unprofitable for a sustained time period such that it could be unable to continue as a going concern.

The Company also faces risk relating to the impact of the timing and exchange rate fluctuations resulting from the remittance and receipt back of value added taxes where applicable, as well as risks related to the imposition and quantum of value added taxes in jurisdictions where the Company operates. Due to the newness of the industry, there exists the possibility that the tax treatment of digital currencies becomes less favourable, which could have a material adverse effect on the Company.

The Company may be required to sell its digital currency inventory (principally Bitcoin) in order to pay for its ongoing expenses. In particular, such expenses could include contractual obligations for equipment purchases and the cost of maintaining the Company's facilities. Such sales of our cryptocurrency assets may not be available at economic values. The sale of our digital currency assets to pay expenses may reduce the attractiveness of the Company as an investment, which would negatively impact our share price.

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those in cryptocurrency-focused businesses and those considered development stage companies (such as the Company), have experienced wide fluctuations

in price. The market price of the Company's common shares ranged from C\$1.36 to C\$7.53 on the TSXV from May 24, 2022 (the date of the Company's 1:5 stock split) to March 31, 2023. The market price of the Company's common shares fluctuates significantly in response to a number of factors, most of which the Company cannot control and many of which have not necessarily been related to the operating performance, underlying asset values or prospects of the Company.

Given the relative novelty of digital currency mining and associated businesses as compared with traditional industry sectors, historical data required by insurance carriers and designers of insurance products is insufficient. As a result, insurance covering crypto assets is generally not available, or uneconomical for the Company to obtain. Consequently, we may have inadequate insurance coverage as compared to companies in traditional long-standing industries. While the Company takes measures to mitigate against losses of physical equipment, facility damage and mined digital currency held in inventory, our insurance may be inadequate to cover such losses, especially the loss of digital currency. In particular, we may be unduly exposed to loss as a result of cybercrime (hacking).

In terms of regulatory risks, governments may take action in the future that prohibit or restrict the right to acquire, own, hold, sell, use, mine or trade digital currencies or exchange digital currencies for fiat currency. Such restrictions, while impossible to predict, could result in the Company liquidating its digital currencies inventory at unfavorable prices or constricting its mining operations or even relocating its operations to friendlier jurisdictions which may entail additional security risks. The Company may liquidate a portion of its digital currency inventory, partially, to mitigate the aforementioned risk.

The Company also has risks associated with the continually evolving tax and regulatory environments in the countries where we operate, as described more fully under the heading "Industry subject to evolving regulatory and tax landscape" in the "Outlook" section above. Any final decisions by tax or regulatory agencies with jurisdiction over the Company may have a material adverse impact on the Company's financial position and operations.

Some jurisdictions have taken steps to limit or disallow entirely the use of fossil fuels to generate energy for cryptocurrency mining. Some jurisdictions have indicated that in the event their electrical grids are over-taxed by demand for electricity, allocation of power to cryptocurrency mining would be one of the first allocations to be curtailed or eliminated during periods of high demand. While the Company's facilities are located in jurisdictions that have historically been friendly to crypto mining, there is no assurance that such policies will continue. We note an increased preponderance of anti-crypto and anti-crypto-mining sentiment in many jurisdictions. In particular, the political environment in some jurisdictions may be subject to change as aging electrical grids are called upon to carry more electricity to meet seasonal demands and evolving demands related to the growth in electric vehicles increase in significance.

To the extent that cryptocurrency exchanges or other trading venues are involved in fraud or experience security failures or other operational issues, this could result in a reduction in cryptocurrency prices. Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, derivatives and other currencies. For example, during the past three years, several cryptocurrency exchanges have been closed due to fraud, business failure or security breaches. For instance, in November of 2022, FTX Trading Ltd. ("FTX"), one of the largest crypto exchanges in the operation at the time, abruptly ceased operations following a report by CoinDesk highlighting potential leverage and solvency concerns involving FTX-affiliated trading firm Alameda Research. FTX's collapse shook the volatile crypto market, which lost billions in value at the time, falling below a \$1 trillion valuation. By November 11, 2022, FTX's CEO stepped down and the company filed for bankruptcy. The entire collapse, in which FTX went from having a value estimated at \$32 billion to bankruptcy, took place over only a ten-day period. The collapse of FTX has had a wide impact on cryptocurrency markets, with comparisons made to the Enron Corporation scandal and Madoff investment scandal. The FTX collapse has been described by United States prosecutors as "one of the biggest financial frauds in American history". More recently, the SEC has sued Coinbase alleging that Coinbase is operating an unregistered securities exchange; the outcome of this lawsuit is pending and its impact on the cryptocurrency industry is not yet known.



Also, in early 2019, the QuadrigaCX trading platform (“Quadriga”) abruptly ceased operations, which the Ontario Securities Commission attributed largely to fraudulent activity of its co-founder and CEO, Gerald Cotten. Quadriga subsequently filed for creditor protection. Clients of Quadriga were owed approximately an aggregate of \$215 million and only approximately \$46 million was recovered to pay such clients.

In many of these instances, the customers of the closed exchanges are not compensated or made whole for the partial or complete losses of their account balances. While smaller exchanges are less likely to have the infrastructure and capitalization that provide larger exchanges with additional stability, larger exchanges may be more likely to be appealing targets for hackers and “malware” (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information, or gain access to private computer systems) and may be more likely to be targets of regulatory enforcement action.

The Company cautions that global uncertainty with respect to the COVID-19 virus and its effect on the broader global economy continues to be a concern. In particular, as a result of the uncertainty surrounding the impact of COVID-19 on global supply chains, including increased shipping costs and delays in obtaining equipment from China, the Company faces risks that the Company’s program to update and expand the Company’s ASIC equipment and build out its planned GPU fleet (See “Subsequent Events” below) will not be completed and delivered as currently anticipated. Further, while the precise impact of the COVID-19 virus on the Company remains unknown, future rapid spread of the COVID-19 virus may have a material adverse effect on global economic activity and could result in volatility and disruption to global supply chains, operations, mobility of people and the financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to the Company.

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## **CAUTION REGARDING FORWARD LOOKING INFORMATION**

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This Management Discussion and Analysis contains certain “forward-looking information” within the meaning of Canadian and United States securities legislation. Forward-looking information is based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made, and they involve a number of risks and uncertainties. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Forward-looking information in this Management Discussion and Analysis includes information about the Company’s use and profitability of the Company’s computing power; plans for growth and scaling up strategies; the Company’s strategic partnerships; the cost of energy in each of the jurisdictions where we conduct mining operations; potential and existing regulation of the availability of electricity; potential regulatory developments, expected enhancements in the efficiency of the Company’s ASIC mining operations; planned implementation of high performance computing services; the Company’s strategy to acquire, develop and operate data centers and potential alternative computing services; expected mining capacity; the Company’s plans to manage its data centers and trading operations from Bermuda; the value of the Company’s digital currency inventory; the business goals and objectives of the Company, and other forward-looking information including but not limited to information concerning the intentions, plans and future actions of the Company.

The forward-looking information in this Management Discussion and Analysis reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. In connection with the forward-looking information contained in this Management Discussion and Analysis, the Company has made assumptions about the expected delivery time for ASIC equipment; historical prices of digital currencies; electricity pricing; the ability of the Company to mine digital currencies in an environment consistent with historical prices; and that there will be no regulation or law that will prevent the Company from operating its business as it currently is operated. The Company has also assumed that no significant events occur outside of the Company’s normal course of business. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

This Management Discussion and Analysis also contains a “financial outlook” in the form of gross operating margins, which are intended to provide additional information only and may not be an appropriate or accurate predictions of future performance and should not be used as such. The gross operating margins disclosed in this Management Discussion and Analysis are based upon management’s best estimates but are inherently speculative and there is no guarantee that such assumptions and estimates will prove to be correct.

Risk factors that could cause future results to differ materially from those anticipated in these forward-looking statements and financial outlook are described in the “Risk Factors” section contained in this Management Discussion and Analysis, and the Risk Factors contained the Company’s various filings on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) and EDGAR ([www.sec.gov/EDGAR](http://www.sec.gov/EDGAR)). Readers are cautioned not to place undue reliance on forward-looking information or financial outlook, which speak only as of the date hereof or thereof. We undertake no obligation to publicly release the results of any revisions to forward-looking information or financial outlook that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events except as required by law.

## **MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

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In connection with National Instrument (“NI”) 52-109 (Certification of Disclosure in Issuer’s Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Full Certificate in accordance with Form 52-109F1 with respect to the financial information contained in the audited annual financial statements and respective accompanying Management’s Discussion and Analysis.

### **Evaluation of Disclosure Controls and Procedures**

Positive changes were made in the Company’s design of internal controls over financial reporting during the year ended March 31, 2023, that have materially affected, or are reasonably likely to materially affect, the Company’s internal controls over financial reporting. As a result of the Company hiring an additional member to its internal accounting department during this past quarter, making two new members hired in the last year, the Company has been able to perform regular reconciliations and review of complex accounting and financial reporting issues.

### **Inherent Limitations of the Effectiveness of Internal Control**

Due to inherent limitations in all controls systems, a control system can provide only reasonable, not absolute, assurance that the objective of the control system is met and may not prevent or detect misstatements or instances of fraud. Management’s estimates may be incorrect, or assumptions about future events may be incorrect, resulting in varying results. Additionally, controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people or by Management override.

Additional information relating to the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on EDGAR at [www.sec.gov/EDGAR](http://www.sec.gov/EDGAR).

## **FURTHER INFORMATION**

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Additional information relating to the Company, including filings that the Company has made and may make in the future with applicable securities authorities, may be found on or through SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), EDGAR at [www.sec.gov/EDGAR](http://www.sec.gov/EDGAR) or the Company’s website at [www.hivedigitaltechnologies.com](http://www.hivedigitaltechnologies.com). Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of Company’s securities and securities authorized for issuance under equity compensation plans, is also contained in the Company’s most recent management information circular for the most recent annual meeting of Shareholders of the Company. In addition to press releases, securities filings and public conference calls and webcasts, the Company intends to use its investor relations page on its website as a means of disclosing material information to its investors and others and for complying with its disclosure obligations under applicable securities laws. Accordingly, investors and others should monitor the website in addition to following the Company’s press

releases, securities filings, and public conference calls and webcasts. This list may be updated from time to time.

## **SUBSEQUENT EVENTS**

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### **Change of Name**

As of July 12, 2023, the Company changed its name from HIVE Blockchain Technologies Ltd to HIVE Digital Technologies Ltd. The change represents HIVE's evolving focus on revenue opportunities made possible by HIVE's large inventory of Nvidia Graphics Processing Unit ("GPU") cards in combination with emerging technologies, including artificial intelligence ("AI"), machine learning, advanced data analysis and high-performance computing.

While HIVE expects to maintain a strong presence in Bitcoin mining, going forward HIVE will diversify its business by utilizing its 38,000 GPU-based cards to build systems that can provide computational power on a massive scale. In addition, the Company will branch out into the rental of GPU server clusters via marketplaces and the development of a new service to be known as HIVE Cloud. This cloud service will empower users with access to a virtual instance of a single GPU, a bare-metal server equipped with up to 10 GPUs, or even clusters of multiple servers to provide an array of computing power. HIVE Cloud will be directed at small and medium-sized businesses as an efficient and cost-effective alternative that offers substantial savings in comparison to the major cloud service providers.

### **Other Subsequent Events**

Subsequent to June 30, 2023, the Company issued 10,500 common shares under the RSU plan upon the exercise of restricted share units.

Subsequent to June 30, 2023, the Company issued 12,500 common shares for proceeds of C\$70,750 (\$53,500) pursuant to the exercise of 12,500 options at a price of C\$5.66 per option.

Subsequent to June 30, 2023, the Company 817,400 common shares (the "2023 ATM Shares") pursuant to the 2023 ATM Equity Program for gross proceeds of C\$6,171,030 (\$4,676,046). The 2023 ATM shares were sold at prevailing market prices, for an average price per 2023 ATM Share of C\$7.55. Pursuant to the 2023 Equity Distribution Agreement, a cash commission of \$140,281 on the aggregate gross proceeds raised was paid to the agent in connection with its services under the 2023 Equity Distribution Agreement.

On July 6, 2023, the Company granted 620,000 stock options to employees and officers with an exercise price of C\$6.86 per share and an expiry date of July 6, 2028, which fully vest on July 24, 2023.