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**MGT Capital Investments, Inc. Q4 2017 Earnings Call
April 4, 2018**

Rob Lowrey, Chief Financial Officer, Treasurer & Secretary: Good afternoon and welcome to the fourth quarter 2017 MGT Capital Investments, Inc. Investor Update Call. Joining me on the call is Robert Ladd, MGT's President and Chief Executive Officer and Steve Schaeffer, MGT's President of Crypto-Capital Strategies. The agenda for today's call is for Mr. Ladd and Mr. Schaeffer to give an overview of the Company and status of its cryptocurrency business. I will then follow with financial highlights of the Company's operating results of the three months and twelve months ended December 31, 2017. Following my presentation, we will address questions we received from our shareholders and then conclude the call.

Prior to starting the call, I would like to state the following forward-looking information.

All information set forth in this Investor Update Call, except historical and factual information, represents forward-looking statements. This includes all statements about the Company's plans, beliefs, estimates and expectations. These statements are based on current estimates and projections, which involve certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements.

These risks and uncertainties include issues related to: rapidly changing technology and evolving standards in the industries in which the Company and its subsidiaries operate; the ability to obtain sufficient funding to continue operations, maintain adequate cash flow, license and sign new agreements; the unpredictable nature of consumer preferences; and other factors set forth in the Company's most recently filed annual report.

Call participants are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof. Call participants should carefully review the risks and uncertainties described in other documents that the Company files from time to time with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K, for a complete discussion of forward-looking statements and risk factors faced by our business.

With that said, I will now turn the call over to Mr. Ladd for an overview of the Company.

Rob Ladd, Chief Executive Officer: Thank you, Rob. The list of our accomplishments actually begins with Rob Lowrey, who joined the Company as CFO about a month ago. Rob is an experienced executive with a tremendous amount of small cap public company experience, set on a foundation as a CPA for 10 plus years with Ernst & Young. I think any Company would be proud to attract a seasoned financial executive like Rob, and we welcome him.

We have come a long way over the past year with improvements across the board.

With respect to the many legal assaults against MGT, I am very happy to report that the Securities Class Action was dismissed with prejudice (meaning it cannot be refiled), and no appeal was filed. I am also happy to the baseless defamation case brought by a prior investor was dismissed. This same investor filed a meritless breach of contract lawsuit that had two of three of its claims dismissed, while the third is the subject of a motion to reconsider. The negative impact of being a defendant is profound in terms of legal expenditures, diversion of attention and public image. We cannot expect that our resounding wins will remedy that image immediately, but at least management distraction will be reduced.

As we reported, balance sheet metrics were the strongest in the Company's history, with respect to cash levels and lack of debt. We also ended 2017 with (at least) a multi-year high of \$12 million in equity book value. On the income statement side, we reported \$3.1 million in revenues (up 10 fold from 2016), while holding our cash expenses flat at approximately \$5.5 million, equating to net cash used by operations of \$2.4 million in 2017, a sizable improvement over 2016.

We also refocused and streamlined the Company into a pure-play cryptocurrency mining operation, ending the costs and diversions of the cybersecurity business. As part of this transformation, our relationship with John McAfee ended. We currently have just under 5,000 fully owned Bitmain Antminer S9 miners and another 2,000 S9 miners owned by outside investors, but managed by MGT. We also have successfully moved our equipment and mining operations to a newly built out facility in northern Sweden.

I would like to close by stating that the employees, Executive Team, Officers and Directors of MGT thank shareholders for their support. I will now turn the mic over to Steve Schaeffer to report on our mining activities.

Steve Schaeffer, President - Crypto-Capital Strategies: Thank you, Rob. Bitcoin mining revenue was \$1.9 million in the fourth quarter and \$3.1 million for the year. All revenues were earned in our Washington facility. In Q1 2018, we began our transition of our mining assets from WA. State to northern Sweden. We made this transition primarily due to the lack of adequate electric power in Washington. We successfully located and entered into a contract with a hosting center that we believe fits our needs in as far as physical size, as well as having the abundance of power available to the location. We have agreed with the hosting center to make available up to 25MW to MGT in a single location where we currently have our mining hardware housed. This transition presented many unique challenges and as a result, we missed our stated goal of having all of our hardware operational by end of first quarter of 2018. This shortfall was principally due to 2 factors.

First was weather, northern Europe as well as the North Atlantic basin suffered through a historically tough winter this year. The weather impeded our ability to get hardware shipped in a timely fashion to the Norbotten province of Sweden where snowstorms were constant, coupled with sub-zero temperatures making it difficult for our hosting partner to execute on buildout timeframes. The weather also made for delays in freight forwarders to deliver our hardware shipped to Sweden. Many shipments simply had to wait for the storms to subside and allow for safe passage to the north. Lastly, the difficult conditions delayed the local power company in their efforts to dig through frozen and ice-covered grounds to run primary feeders from the ultra-high voltage substation to our location.

Secondly, we experienced a steep learning curve with the customs clearing authorities in Sweden. We lost about 3 weeks in January working to get our hardware cleared for delivery to our location.

We are confident that we have learned how to best deal with the challenges of weather and how to best build out our facilities to mitigate weather related downtimes. We also have established relationships with local Swedish logistics firms to better handle our customs clearing and freight forwarding activities. We expect this to improve our deployment efficiency.

Some things we have accomplished to get ahead on future expansion. The Location has been built out internally to facilitate approximately 22k miners in the future. The Power to this location is potentially 40Mw thereby 22k is a perfect fit for the total power potential of this location. Currently, we have over 3,000 miners in operation with a planned ramp up in the month of April 2018. The Local power company has estimated April 16th as date to power up 3 new 4 Mw transformers. At that time, we estimate we will turn on another 3,800 miners that are been preprogrammed, racked and are fully ready to turn on. With these transformers activated, power

at the location will be in excess of what is required to power up all 6825 bitcoin miners and the 50 GPU rigs we currently own or operate.

Personal comments and thoughts, I feel strongly that our move to Sweden has resulted in a much better current operating situation and has positioned us for much greater future expansion possibilities. I know of many miners in Washington that are trying to liquidate mining inventories due to extended buildout times from the local Power Utility Districts. Projects that were scheduled for December 2017 completion may not execute the engineering buildouts until June 2018 or beyond. Surely, we believe we would have suffered that same fate if not for the move to Sweden. Lastly, I would like to express how excited I am right now as Q2 is looking to be where we put some material rubber to the road with our mining operations. The massive infrastructure we have put in place, will allow for efficient expansion, and I believe Q2 revenues will reflect that progress. I will now turn the call over to Mr. Lowrey.

Rob Lowrey, Chief Financial Officer, Treasurer & Secretary: Thank you, Steve. Revenue for the fourth quarter of 2017 was \$1.9 million and was derived from our Bitcoin mining operations. Cost of revenues were \$748 thousand, resulting in gross profit of \$1.2 million. Operating expenses during the fourth quarter were \$6.1 million, resulting in an operating loss for the quarter of \$5.0 million.

The Company experienced significant non-cash non-operating expenses totaling \$19.1 million during the fourth quarter from our financing activities primarily related to our convertible debt and warrant instruments. Of the \$19.1 million, \$4.6 million related to accretion of debt discount, and \$14.5 million related to inducement expense. The inducement expense resulted from issuing incremental shares of common stock, above the stated conversion rate, to induce the holders to convert their debt and warrants to common stock. The Company took this measure to become debt free at the end of 2017.

Net loss attributable to common shareholders was \$23.8 million for the fourth quarter of 2017. Contributing to net loss were significant non-cash expenses, including (1) \$19.1 million of debt discount accretion and inducement expense mentioned earlier, (2) \$602 thousand of depreciation and amortization expense, and (3) \$4.7 million of stock compensation expense. Now for an overview of the annual results for 2017.

Revenue for the year ended December 31, 2017 was \$3.1 million which was derived from our Bitcoin mining operations, compared to \$313 thousand in 2016. The increase is a result of our increased mining capacity through the acquisition of more mining machines during 2017. Cost of revenues were \$1.5 million, resulting in gross profit of \$1.6 million, compared to gross margin of \$104 thousand in 2016. Operating expenses during 2017 were \$23.2 million, resulting in an operating loss for the year of \$21.6 million, compared to an operating loss of \$20.2 million in 2016.

As in Q4, the Company experienced significant non-cash non-operating expenses totaling \$25.9 million during the 2017 from our financing activities primarily related to our convertible debt instruments. Of the \$25.9 million, \$5.6 million related to accretion of debt discount, and \$20.3 million related to inducement expense. Net loss attributable to common shareholders was \$50.4 million for 2017, compared to a loss of \$24.8 million in 2016. Contributing to net loss were significant non-cash expenses, including (1) \$25.9 million of debt discount accretion and inducement expense mentioned earlier, (2) \$1.1 million of depreciation and amortization expense, and (3) \$16.6 million of stock compensation expense.

From a balance sheet perspective, the Company reported \$9.5 million in cash and cash equivalents as of December 31, 2017 and property and equipment of \$3.1 million, consisting mostly of cryptocurrency mining machines. As of year-end, the Company was debt free and had working capital \$8.8 million.

I will now turn the call over to Grace Livingston, Vice President of Communications to address shareholder questions.

Grace Livingston, Vice President of Communications: Thanks Rob. I will ask questions we received from our shareholders. We will not be able to address all questions sent in by our shareholders, however we will try answer most of them. Mr. Ladd, Mr. Schaeffer and Mr. Lowrey will provide the answers.

How many S9s do we own?

Steve Schaeffer, President - Crypto-Capital Strategies: At March 30, 2018, we own approximately 4,700 machines and operate about 2,100 miners pursuant to our management agreements.

Grace Livingston, Vice President of Communications: How many are operational?

Steve Schaeffer, President - Crypto-Capital Strategies: As of March 30, 2018, about 3,000 machines were operational. We anticipate an additional 3,800 miners to be powered up in the month of April as the local power company activates 3 new transformers as scheduled.

Grace Livingston, Vice President of Communications: What is electric cost in Sweden? (/Kwh)

Steve Schaeffer, President - Crypto-Capital Strategies: We do not disclose the details of our power supply and hosting agreements. We keep these contracts strictly confidential.

Grace Livingston, Vice President of Communications: What is the capacity of the Sweden location beyond the 22,000-miner capacity of the first building already disclosed?

Steve Schaeffer, President - Crypto-Capital Strategies: The facility in Sweden has a 40-megawatt capacity which adequately accommodates 22,000 machines. We have well established relationships with many hosting partners and we believe future power needs can be met to facilitate growth.

Grace Livingston, Vice President of Communications: What are the 1, 3, and 5-year goals for bitcoin mining capacity?

Steve Schaeffer, President - Crypto-Capital Strategies: MGT's strategy is to continue to expand its cryptocurrency mining operations and reduce costs by utilizing more efficient service providers. The Company's immediate focus is to grow free cash flow with a debt-free balance sheet. Our longer-term objective is focused towards vertical integration of our cryptocurrency mining business as well as diversification into other areas of the rapidly emerging Blockchain and cryptocurrency industry.

Grace Livingston, Vice President of Communications: What is the total contracted capacity for power and how many miners can that power support?

Steve Schaeffer, President - Crypto-Capital Strategies: We currently have an agreement in place for 15mW, but plan to have access up to 40mW in the current facility and access to more power internationally.

Grace Livingston, Vice President of Communications: Will there be another location for the next phase of mining expansion?

Steve Schaeffer, President - Crypto-Capital Strategies: The Company's current strategy is to evaluate new locations as they (1) become available, (2) meet the Company's operating needs and structure and, (3) provide the means to conduct efficient operations

Grace Livingston, Vice President of Communications: Per the 10K there are currently 500 btc mining rigs in WA as of the end of March, can you give us an estimate of how many working rigs (Q4 average) it took to produce the \$1.9 mil revenue recognized in Q4?

Steve Schaeffer, President - Crypto-Capital Strategies: There were on average 843 S9 miners in operation during the fourth quarter.

Grace Livingston, Vice President of Communications: How is stock-based compensation calculated?

Rob Lowrey, Chief Financial Officer, Treasurer & Secretary: Stock based compensation is determined in three different scenarios. One, restricted stock issued to employees and directors. The fair value of a restricted stock award is equal to the fair market value of a share of the Company's common stock on the grant date. Such fair value is normally expensed over the vesting period of the stock grant on a straight-line basis. Two, Restricted stock issued to consultants and third parties. The Company determines the fair value of the stock-based payment as either the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more readily determinable. Three, stock option expense. The fair value of an option award is estimated on the date of grant using the Black-Scholes option valuation model.

Grace Livingston, Vice President of Communications: Please provide detail on the inducement expense. What holders were given the lower price inducement?

Rob Lowrey, Chief Financial Officer, Treasurer & Secretary: \$20.3 million was recognized as a non-cash inducement expense during 2017. The inducement expense resulted from issuing incremental shares of common stock, above the stated conversion rate, to induce the holders to convert their debt and warrants to common stock. The Company took this measure to become debt free at the end of 2017. The expense is roughly calculated as the total value of the shares when issued.

Grace Livingston, Vice President of Communications: Please describe your hedging strategy against bitcoin prices fluctuations. What are the types of hedges you are using? What is the revenue sensitivity incorporating hedges? What is the net cost of hedging?

Rob Lowrey, Chief Financial Officer, Treasurer & Secretary: We have not implemented a formal hedging strategy against bitcoin price fluctuations. To minimize the impact of price fluctuations, we typically monetize bitcoin shortly after they are earned.

Grace Livingston, Vice President of Communications: What current and future (2018, 2019, 2020) bitcoin and blockchain market expectations drove the pivot to full mining and what are these expectations based upon?

Rob Ladd, Chief Executive Officer: The long term attractiveness of the returns in crypto mining—specifically bitcoin, especially when participating with large capacity.

Grace Livingston, Vice President of Communications: Once all the bitcoin is mined, what happens to the business model to the company at that point? Will the company remain as profitable? Is there a date to where all the bitcoin will be mined?

Rob Ladd, Chief Executive Officer: It is estimated the last bitcoin to be mined will occur in the year 2140, based upon the original white paper from Satoshi. The total number of bitcoins will never exceed 21 million, and to date, approximately 16.9 million have been mined.

Grace Livingston, Vice President of Communications: Given current share price and BTC price, has this changed MGT's plans for uplist for NASDAQ?

Rob Ladd, Chief Executive Officer: No. Management still plans to apply for up-listing to NASDAQ.

Rob Lowrey, Chief Financial Officer, Treasurer & Secretary: This concludes are prepared comments for the fourth quarter 2017 Investor Update Call. Thank you to all participants that dialed in and to the shareholders that sent in questions