



Merkle

Tree

Financials & Valuation
2023

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AGENDA

01 Financial Projections

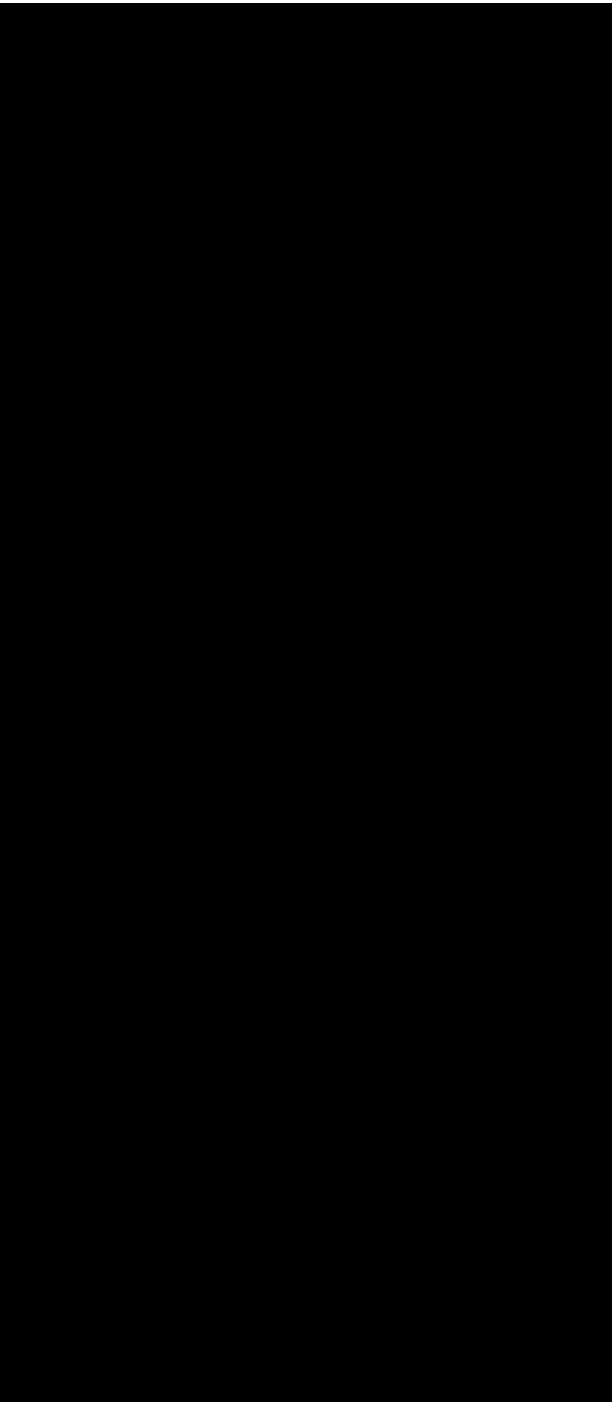
- Assumptions (Part 1-3)
- Quarterly Financial Projections (Part 1-3)
- Yearly Financial Projections
 - Optimistic Scenario
 - Linear Pessimistic Scenario
 - Historical 5-Year Scenario



Financial Projections



ASSUMPTIONS - PART 1



General assumptions

Beginning analysis date	1-Jul-23
Corporate tax rate (Argentina)	25%
Investment funds raised	\$ 12,000,000
Initial facility costs	\$ 2,750,000
Minimum BTC dividend payout	25%
Loan & Visa revenue annual dividend	25%

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ASSUMPTIONS - PART 2

Mining rig assumptions

Whatsminer M30 cost	\$2,550				
Annual TH/s/BTC ratio decrease	2.0%				
	FY2024	FY2025	FY2026	FY2027	FY2028
TH/BTC ratio	0.0000034	0.00000333	0.00000327	0.00000320	0.00000314
	Existing Facility	New Facility	Total		
Starting # of mining rigs	1.000	2.500	3.500		
Year 2 # of mining rigs	2.000	3.500	5.500		
Monthly increase for first 12 months	83	83	166		
Year 2 Q3 - Year 5 # of mining rigs	3.000	3.500	6.500		
Monthly increase for next 6 months	167	-	167		
Hash capacity (TH/s) per mining rig	100	100			
Power consumption per mining rig per hour (watts)	3.800	3.800			
Power cost per KW	\$ 0.07	\$ 0.01			
Replacement frequency:	% of total mining rigs	# of mining rigs	Replacement		
Period	replaced (end of year)	replaced during year	cost		
FY2024	3.0%	105	\$ 267,750		
FY2025	5.0%	300	\$ 765,000		
FY2026	7.0%	455	\$ 1,160,250		
FY2027	9.0%	585	\$ 1,491,750		
FY2028	11.0%	715	\$ 1,823,250		

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ASSUMPTIONS - PART 3

Crypto loan revenue

BTC dividend loan ratio	40.0%
Merkle Tree origination fee	2.0%
SDM origination fee	1.5%

Visa transaction revenue

Average monthly volume of balance on cards (%)	75.0%
Merkle Tree share of transaction fees	0.7%

Farm costs

Annual farm cost increase	\$ 10,000
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	FY2024	FY2025	FY2026	FY2027	FY2028
Monthly farm cost - existing facility	\$20,000	\$20,833	\$21,667	\$22,500	\$23,333
Monthly farm cost - new facility	\$20,000	\$20,833	\$21,667	\$22,500	\$23,333
Total monthly farm costs	\$40,000	\$41,667	\$43,333	\$45,000	\$46,667

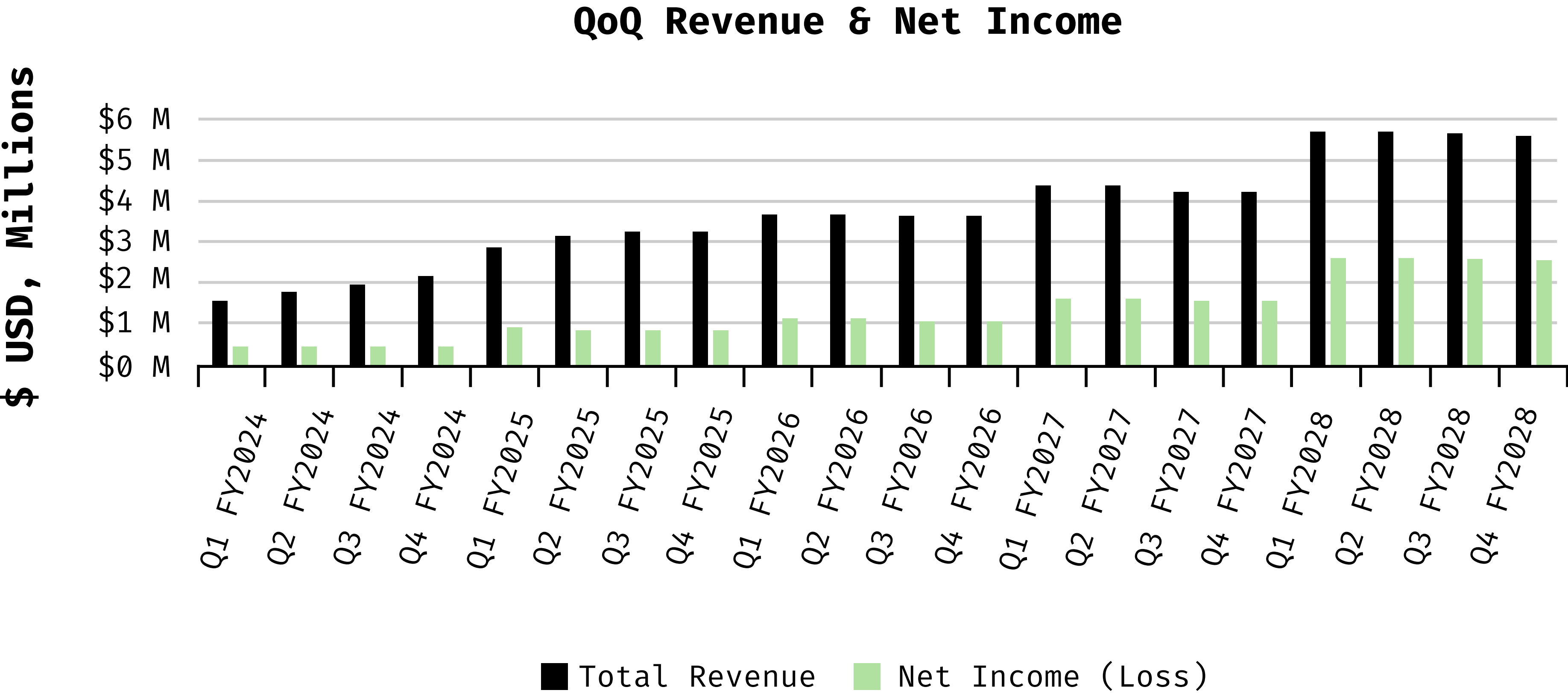
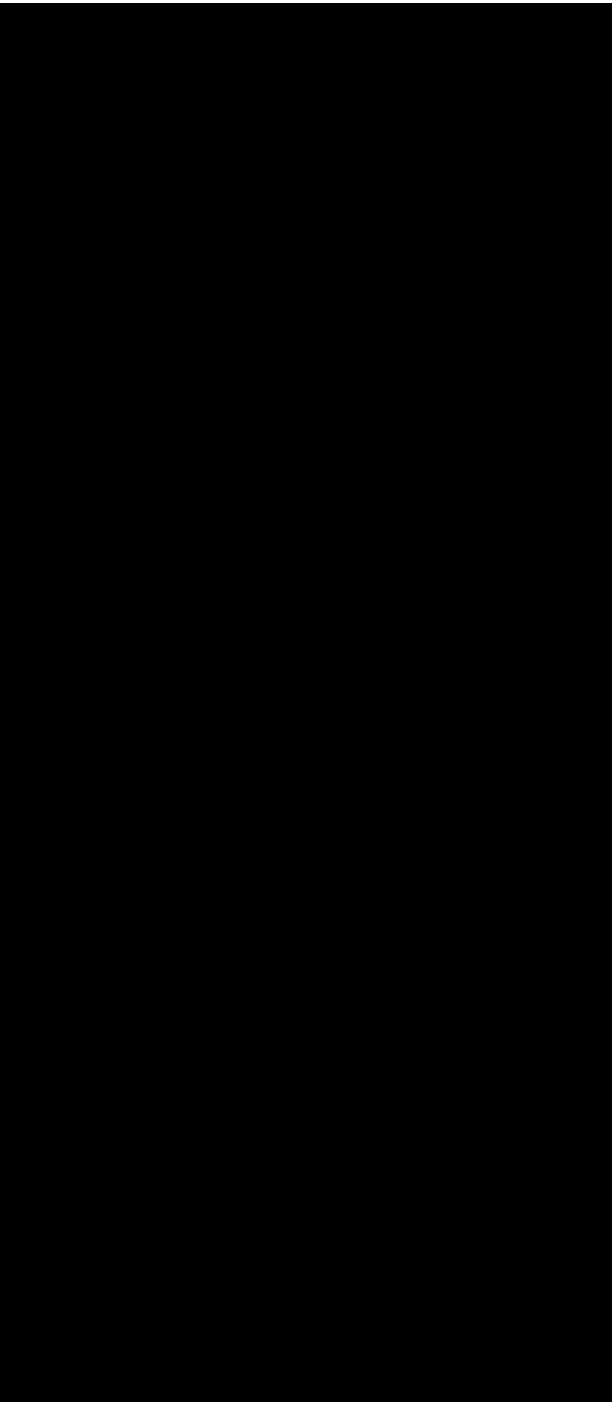
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QUARTERLY FINANCIAL PROJECTIONS - PART 1

	FY2024				FY2025				FY2026				FY2027				FY2028			
BTC Mining:	Q1 FY2024	Q2 FY2024	Q3 FY2024	Q4 FY2024	Q1 FY2025	Q2 FY2025	Q3 FY2025	Q4 FY2025	Q1 FY2026	Q2 FY2026	Q3 FY2026	Q4 FY2026	Q1 FY2027	Q2 FY2027	Q3 FY2027	Q4 FY2027	Q1 FY2028	Q2 FY2028	Q3 FY2028	Q4 FY2028
BTC Mining																				
BTC mined	11.,62	130.25	144.24	159.65	173.66	189.08	194.92	197.09	195.27	195.27	191.02	193.15	191.36	191.36	187.20	189,28	187.54	187.54	185.50	185.50
Less: Daily BTC dividend	-28.65	-32.56	-36.06	-39.91	-43.42	-47.27	-48.73	-49.27	-48.82	-48.82	-47.76	-48.29	-47.84	-47.84	-46.80	-47,32	-46.88	-46.88	-46.37	-46.37
Less: Annual BTC dividend for loan & Visa revenue	-	-	-	-0.36	-	-	-	-0.51	-	-	-	-0.52	-	-	-	-0,51	-	-	-	-0.50
Net BTC	85.96	97.69	108.18	119.37	130.25	141.81	146.19	147.31	146.45	146.45	143.27	144.34	143.52	143.52	140.40	141,45	140.65	140.65	139.12	138.62
Income Statement:																				
BTC mined (\$)	\$2,063,089	\$2,344,499	\$2,596,361	\$2,873,707	\$3,820,582	\$4,159,679	\$4,288,284	\$4,335,932	\$4,881,713	\$4,881,713	\$4,775,589	\$4,828,651	\$5,740,895	\$5,740,895	\$5,616,093	\$5,678,494	\$7,501.436	\$7,501,436	\$7,419,898	\$7,419,898
Less: BTC dividend (\$)	-\$515,772	-\$586,125	-\$649,090	-\$718,427	-\$955,146	-\$1,039,920	-\$1,072,071	-\$1,083,983	-\$1,220,428	-\$1,220,428	-\$1,193,897	-\$1,207,163	-\$1,435,224	-\$1,435,224	-\$1,404,023	-\$1,419,623	-\$1.875.359	-\$1,875,359	-\$1,854,975	-\$1,854,975
Less: Annual BTC dividend for loan & Visa revenue	\$0	\$ 0	\$0	-\$6,552	\$0	\$0	\$0	-\$11,114	\$0	\$ 0	\$ 0	-\$12,990	\$0	\$0	\$0	-\$15,278	\$0	\$0	\$0	-\$20,018
Net BTC revenue	\$1,547,317	\$1,758,374	\$1,947,271	\$2,148,728	\$2,865,437	\$3,119,760	\$3,216,213	\$3,240,835	\$3,661,285	\$3,661,285	\$3,581,692	\$3,608,498	\$4,305,671	\$4,305,671	\$4,212,069	\$4,243,592	\$5.626.077	\$5,626,077	\$5,564,924	\$5,544,905
Crypto loan fee revenue	\$4,126	\$4,689	\$5,193	\$5,747	\$7,705	\$8,319	\$8,577	\$8,672	\$9,864	\$9,763	\$9,551	\$9,657	\$11,606	\$11,482	\$11,232	\$11,357	\$15.166	\$15,003	\$14,840	\$14,840
Visa transaction fee revenue	\$1,238	\$1,557	\$1,734	\$1,923	\$2,582	\$2,779	\$2,890	\$2,931	\$3,338	\$3,292	\$ 3,230	\$3,265	\$3,927	\$3,871	\$3,799	\$3,839	\$5.132	\$5,058	\$5,015	\$5,020
Total Revenue	\$1,552,681	\$1,764,620	\$1,954,197	\$2,156,399	\$2,875,724	\$3,130,858	\$3,227,679	\$3,252,438	\$3,674,487	\$3,674,340	\$3,594,473	\$3,621,420	\$4,321,205	\$4,321,024	\$4,227,101	\$4,258,788	\$5.646.374	\$5,646,138	\$5,584,779	\$5,564,765
Growth QoQ (%)	N/A	14%	11%	10%	33%	9%	3%	1%	13%	0%	-2%	1%	19%	0%	-2%	1%	33%	0%	-1%	0%
Cost of Sales																				
Power costs	\$852,195	\$1,019,937	\$1,174,171	\$1,339,491	\$1,565,338	\$1,860,655	\$2,010,960	\$2,033,304	\$2,055,648	\$2,055,648	\$2,010,960	\$2.033.304	\$2,055,648	\$2,055,648	\$2,010,960	\$2,033,304	\$2,055,648	\$2,055,648	\$2,033,304	\$2,033,304
Total Cost of Sales	\$852,195	\$1,019,937	\$1,174,171	\$1,339,491	\$1,565,338	\$1,860,655	\$2,010,960	\$2,033,304	\$2,055,648	\$2,055,648	\$2,010,960	\$2,033,304	\$2.055.648	\$2,055,648	\$2,010,960	\$2,033,304	\$2,055,648	\$2,055,648	\$2,033,304	\$2,033,304
Gross Profit	\$700,486	\$744,683	\$780,027	\$816,908	\$1,310,386	\$1,270,203	\$1,216,719	\$1,219,134	\$1,618,839	\$1,618,692	\$1,583,513	\$1,588,116	\$2.265.557	\$2,265,376	\$2,216,141	\$2,225,484	\$3,590,726	\$3,590,490	\$3,551,475	\$3,531,461
Operating Expenses																				
Farm costs	\$120,000	\$120,000	\$120,000	\$120,000	\$125,000	\$125,000	\$125,000	\$125,000	\$ 130.000	\$130,000	\$130,000	\$130,000	\$135,000	\$135,000	\$135,000	\$135,000	\$140,000	\$140,000	\$140,000	\$140,000
Total Operating Expenses	\$120,000	\$120,000	\$120.000	\$120,000	\$125,000	\$125,000	\$125,000	\$125,000	\$ 130.000	\$130,000	\$130,000	\$130,000	\$135,000	\$135,000	\$135,000	\$135,000	\$140,000	\$140,000	\$140,000	\$140,000
EBT	\$580,486	\$624,683	\$660,027	\$696,908	\$1,185,386	\$1,145,203	\$1,091,719	\$1,094,134	\$ 1.488.839	\$1,488,692	\$1,453,513	\$1,458,116	\$2,130,557	\$2,130,376	\$2,081,141	\$2,090,484	\$3,450,726	\$3,450,490	\$3,411,475	\$3,391,461
Income Taxes	145,122	156,171	165,007	174,227	296,347	286,301	272,930	273,534	372.210	372,173	363,378	364,529	532,639	532,594	520,285	522,621	862,682	862,622	852,869	847.,865
Net Income (Loss) before amortization & additional BTC dividend payments	\$435,365	\$468,513	\$495,020	\$522,681	\$889,040	\$858,902	\$818,789	\$820,601	\$ 1.116.629	\$1,116,519	\$1,090,135	\$1,093,587	\$1,597,918	\$1,597,782	\$1,560,855	\$1,567,863	\$2,588,045	\$2,587,867	\$2,558,606	\$2,543,596
Margin %	28%	27%	25%	24%	31%	27%	25%	25%	30%	30%	30%	30%	37%	37%	37%	37%	46%	46%	46%	46%



QUARTERLY FINANCIAL PROJECTIONS - PART 2



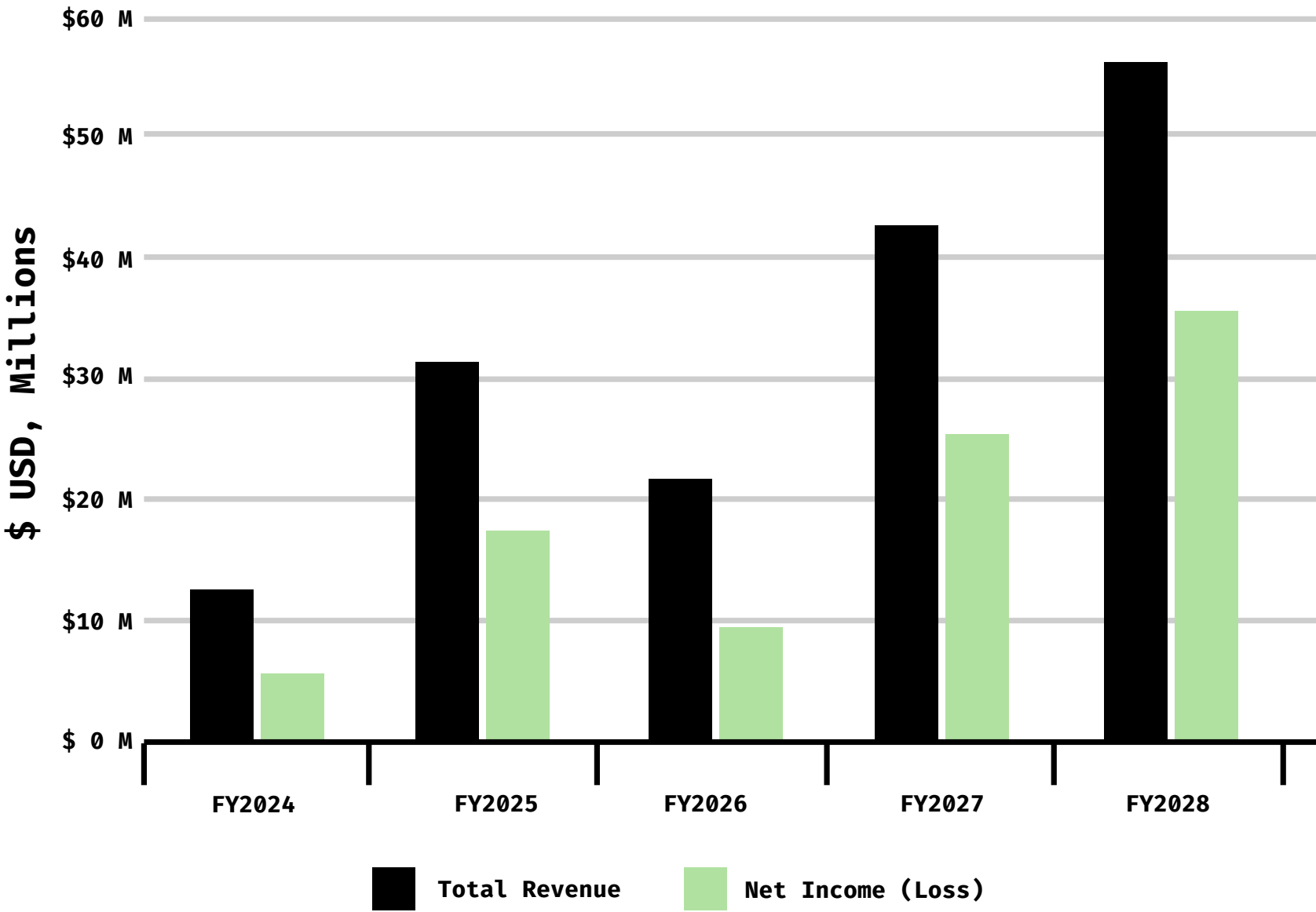
Yearly Financial Projections: Optimistic Scenario

BTC Mining:	FY2024	FY2025	FY2026	FY2027	FY2028
BTC Mining					
BTC mined	548.76	754.75	774.71	759.21	746.07
Less: Daily BTC dividend	-137.19	-188.69	-193.68	-189.80	-186.52
Less: Annual BTC dividend for loan & Visa revenue	-0.36	-0.51	-0.52	-0.51	-0.50
Net BTC	411.20	565.56	580.51	568.90	559.05

Income Statement:

Revenue	FY2024	FY2025	FY2026	FY2027	FY2028
BTC mined (\$)	\$16,462,759	\$41,511,194	\$28,664,146	\$56,940,940	\$74,606,671
Less: BTC dividend (\$)	-\$4,115,690	-\$10,377,798	-\$7,166,037	-\$14,235,235	-\$18,651,668
Less: Annual BTC dividend for loan & Visa revenue	-\$10,920	-\$27,784	-\$19,225	-\$38,196	-\$50,046
Net BTC revenue	\$12,336,149	\$31,105,611	\$21,478,884	\$42,667,509	\$55,904,957
Crypto loan fee revenue	\$32,926	\$83,183	\$57,478	\$114,194	\$149,621
Visa transaction fee revenue	\$10,755	\$27,955	\$19,424	\$38,591	\$50,563
Total Revenue	\$12,379,830	\$31,216,749	\$21,555,786	\$42,820,293	\$56,105,141
Growth QoQ (%)	N/A	152%	-31%	99%	31%
Cost of Sales					
Power costs	\$4,385,793	\$7,470,257	\$8,155,560	\$8,155,560	\$8,177,904
Total Cost of Sales	\$4,385,793	\$7,470,257	\$8,155,560	\$8,155,560	\$8,177,904
Gross Profit	\$7,994,036	\$23,746,492	\$13,400,226	\$34,664,733	\$47,927,237
Operating Expenses					
Farm costs	\$480,000	\$500,000	\$520,000	\$540,000	\$560,000
Total Operating Expenses	\$480,000	\$500,000	\$520,000	\$540,000	\$560,000
EBT	\$7,514,036	\$23,246,492	\$12,880,226	\$34,124,733	\$47,367,237
Income Taxes	\$1,878,509	\$5,811,623	\$3,220,057	\$8,531,183	\$11,841,809
Net Income (Loss) before amortization & additional BTC dividend payments	\$5,635,527	\$17,434,869	\$9,660,170	\$25,593,550	\$35,525,428
Margin %	46%	56%	45%	60%	63%

YoY Revenue & Net Income



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Yearly Financial Projections: Linear Pessimistic Scenario

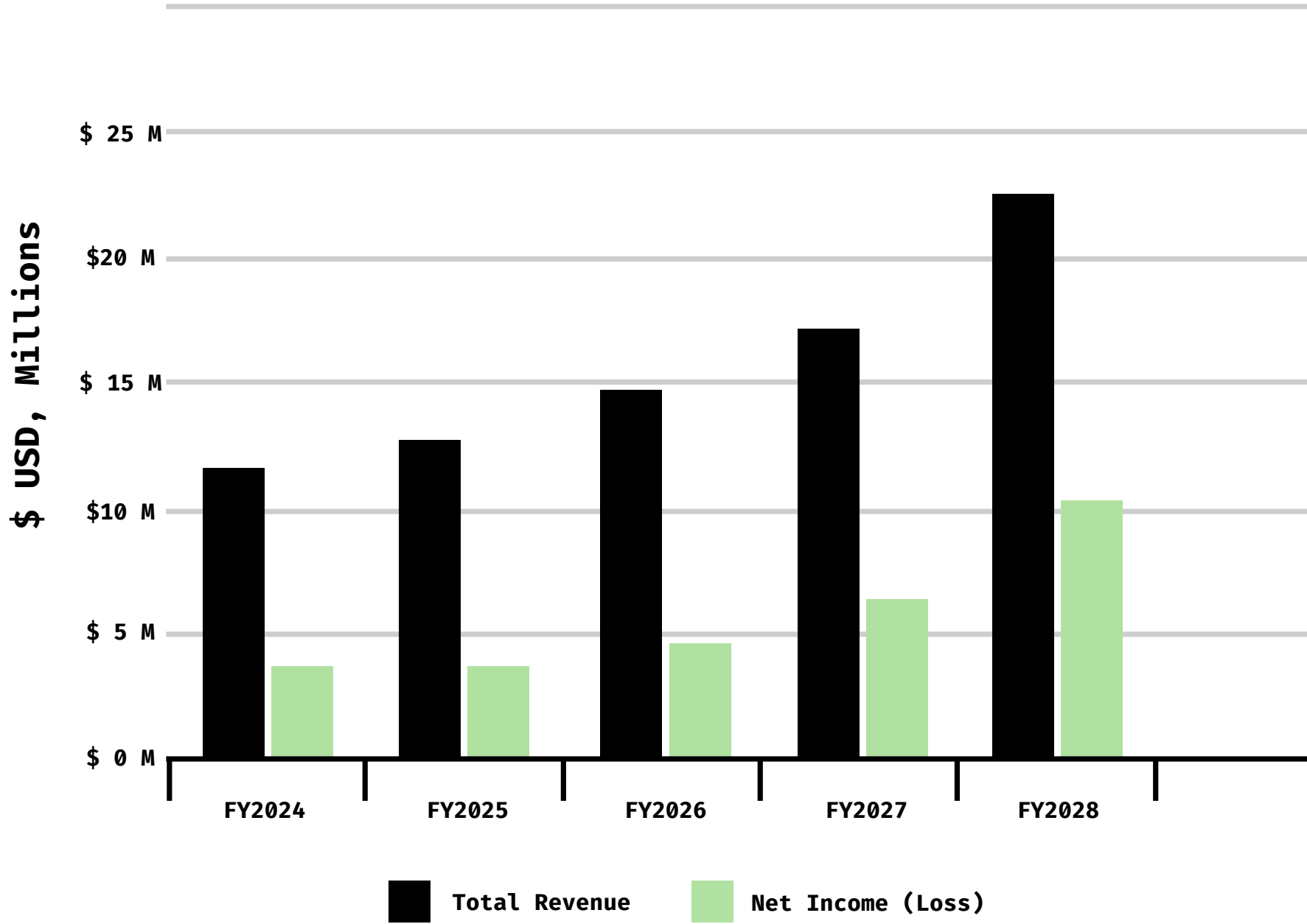
BTC Mining:

BTC Mining	FY2024	FY2025	FY2026	FY2027	FY2028
BTC mined	548.76	754.75	774.71	759.21	746.07
Less: Daily BTC dividend	-137.19	-188.69	-193.68	-189.80	-186.52
Less: Annual BTC dividend for loan & Visa revenue	-0.36	-0.51	-0.52	-0.51	-0.50
Net BTC	411.20	565.56	580.51	568.90	559.05

Income Statement:

Revenue	FY2024	FY2025	FY2026	FY2027	FY2028
BTC mined (\$)	\$ 9,877,656	\$16,604,478	\$19,367,667	\$22,776,376	\$,29,842,668
Less: BTC dividend (\$)	-\$2,469,414	-\$4,151,119	-\$4,841,917	-\$5,694,094	-\$7,460,667
Less: Annual BTC dividend for loan & Visa revenue	-\$6,552	-\$11,114	-\$12,990	-\$15,278	-\$20,018
Net BTC revenue	\$7,401,690	\$12,442,244	\$14,512,760	\$17,067,003	\$22,361,983
Crypto loan fee revenue	\$19,755	\$33,273	\$38,836	\$45,677	\$59,848
Visa transaction fee revenue	\$6,453	\$11,182	\$13,124	\$15,436	\$20,225
Total Revenue	\$7,427,898	\$12,486,699	\$,14,564,720	\$17,128,117	\$22,442,056
Growth QoQ (%)	N/A	68%	17%	18%	31%
Cost of Sales					
Power costs	\$4,385,793	\$7,470,257	\$8,155,560	\$8,155,560	\$8,177,904
Total Cost of Sales	\$4,385,793	\$7,470,257	\$8,155,560	\$8,155,560	\$8,177,904
Gross Profit	\$3,042,105	\$5,016,443	\$6,409,160	\$8,972,557	\$14,264,152
Operating Expenses					
Farm costs	\$480,000	\$500,000	\$520,000	\$540,000	\$560,000
Total Operating Expenses	\$480,000	\$500,000	\$520,000	\$540,000	\$560,000
EBT	\$2,562,105	\$4,516,443	\$5,889,160	\$8,432,557	\$13,704,152
Income Taxes	\$ 640.526	\$1,129,111	\$1,472,290	\$2,108,139	\$3,426,038
Net Income (Loss) before amortization & additional BTC dividend payments	\$1,921,578	\$3,387,332	\$4,416,870	\$6,324,418	\$10,278,114
Margin %	26%	27%	30%	37%	46%

YoY Revenue & Net Income



Yearly Financial Projections: Historical 5-Year Scenario

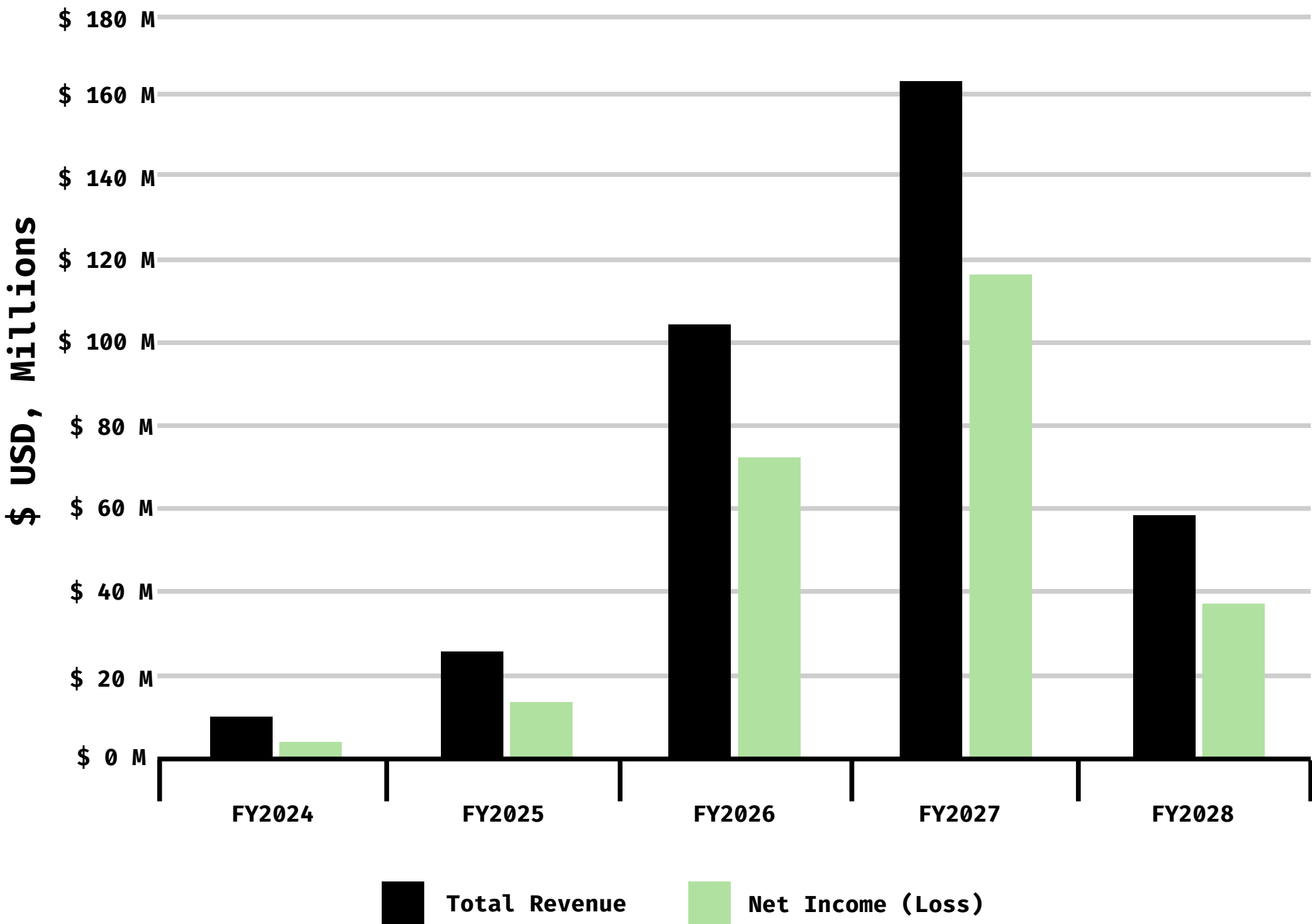
BTC Mining:

BTC Mining	FY2024	FY2025	FY2026	FY2027	FY2028
BTC mined	472.87	471.58	471.58	471.58	472.87
Less: Daily BTC dividend	- 118.22	- 117.90	- 117.90	- 117.90	- 118.22
Less: Annual BTC dividend for loan & Visa revenue	- 0.31	- 0.32	- 0.32	- 0.32	- 0.32
Net BTC	354.34	353.37	353.37	353.37	354.34

Income Statement:

Revenue	FY2024	FY2025	FY2026	FY2027	FY2028
BTC mined (\$)	\$12,718,230	\$33,620,881	\$139,130,170	\$217,703,356	\$76,448,738
Less: BTC dividend (\$)	-\$3,179.557	-\$8,405,220	-\$34,782,542	-\$54,425,839	-\$19,112,185
Less: Annual BTC dividend for loan & Visa revenue	-\$8,436	-\$22,503	-\$93,317	-\$146,036	-\$51,281
Net BTC revenue	\$9,530,236	\$25,193,158	\$104,254,311	\$163,131,481	\$57,285,272
Crypto loan fee revenue	\$25,436	\$67,371	\$278,986	\$436,599	\$153,315
Visa transaction fee revenue	\$8,309	\$22,641	\$94,280	\$147,544	\$51,811
Total Revenue	\$9,563,981	\$25,283,171	\$104,627,577	\$163,715,624	\$57,490,398
Growth QoQ (%)	N/A	164%	314%	56%	-65%
Cost of Sales					
Power costs	\$4,385,793	\$7,470,257	\$8,155,560	\$8,155,560	\$8,177,904
Total Cost of Sales	\$4,385,793	\$7,470,257	\$8,155,560	\$8,155,560	\$8,177,904
Gross Profit	\$5,178,188	\$17,812,914	\$96,472,017	\$155,560,064	\$49,312,494
Operating Expenses					
Farm costs	\$480,000	\$500,000	\$520,000	\$540,000	\$560,000
Total Operating Expenses	\$480,000	\$500,000	\$520,000	\$540,000	\$560,000
EBT	\$4,698,188	\$17,312,914	\$95,952,017	\$155,020,064	\$48,752,494
Income Taxes	\$1,174,547	\$4,328,228	\$23,988,004	\$38,755,016	\$12,188,124
Net Income (Loss) before amortization & additional BTC dividend payments	\$3,523,641	\$12,984,685	\$71,964,013	\$116,265,048	\$36,564,371
Margin %	37%	51%	69%	71%	64%

YoY Revenue & Net Income



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