

Q1 2021 in Review

**mti**  
Mechanical Technology, Inc.

 **ecochain**

**mti instruments**

# Legal Disclosure

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

# Legal Disclosure & Disclaimer



## Use of Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measures: contribution margin, adjusted cost of cryptocurrency revenue and adjusted EBITDA contribution. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. Readers are strongly encouraged to review this presentation in connection with Company's Quarterly Report on Form 10-Q for the period ended March 31, 2021, and the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

# Key Operating Principals

## ➤ Alignment of Interests & Transparency

Private equity firm owns 31%<sup>(1)</sup>

## ➤ Focus on Return on Invested Capital (ROIC) and capital discipline

## ➤ High Velocity Execution

Senior Brookstone personnel involved in active executive capacity

## ➤ Long-term strategy beyond crypto



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



# EcoChain in Q1 2021



It was an important quarter for EcoChain as **we continue to scale the business**



Based on the acquisitions we announced, **revenue is anticipated to grow throughout the balance of 2021.**



Our TNT mine hit **anticipated metrics during the quarter.**



We **executed transactions** that based on our current assumptions and information in possession look to provide 50MW+ in operations by the end of 2021

# TNT: Non-GAAP Historical Financial Results



(\$ in 000s) (Unaudited)

	Jan 21	Feb 21	Mar 21	Q1 21
Revenue	263	306	322	891
Electricity/Direct Costs*	34	51	36	121
Overhead Costs	32	47	22	101
<b>Adjusted Cost of Cryptocurrency Revenue** (Non-GAAP)</b>	<b>\$66</b>	<b>\$98</b>	<b>\$58</b>	<b>\$222</b>
<b>Contribution Margin (Non-GAAP)</b>	<b>\$197</b>	<b>\$207</b>	<b>\$264</b>	<b>\$669</b>
<b>Contribution %</b>	<b>74.9%</b>	<b>67.6%</b>	<b>82.0%</b>	<b>75.0%</b>
Adjusted SG&A <sup>(1)</sup> (Non-GAAP)	13	0	22	35
Addback: One-time expenses	3	0	0	4
<b>Adjusted EBITDA Contribution (Non-GAAP)</b>	<b>\$188</b>	<b>\$207</b>	<b>\$243</b>	<b>\$638</b>
<b>Adjusted EBITDA Contribution %</b>	<b>71.1%</b>	<b>67.6%</b>	<b>75.5%</b>	<b>71.5%</b>

\*Includes Electricity and Hosting costs

\*\*Excludes Depreciation and R&D Expenses

(1) Excludes Corporate Assessment

For more information on these non-GAAP financial measures, please see the section captioned "Reconciliation of non-GAAP results of operations to the nearest comparable GAAP measures".

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measures: contribution margin, adjusted cost of cryptocurrency revenue and adjusted EBITDA contribution. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

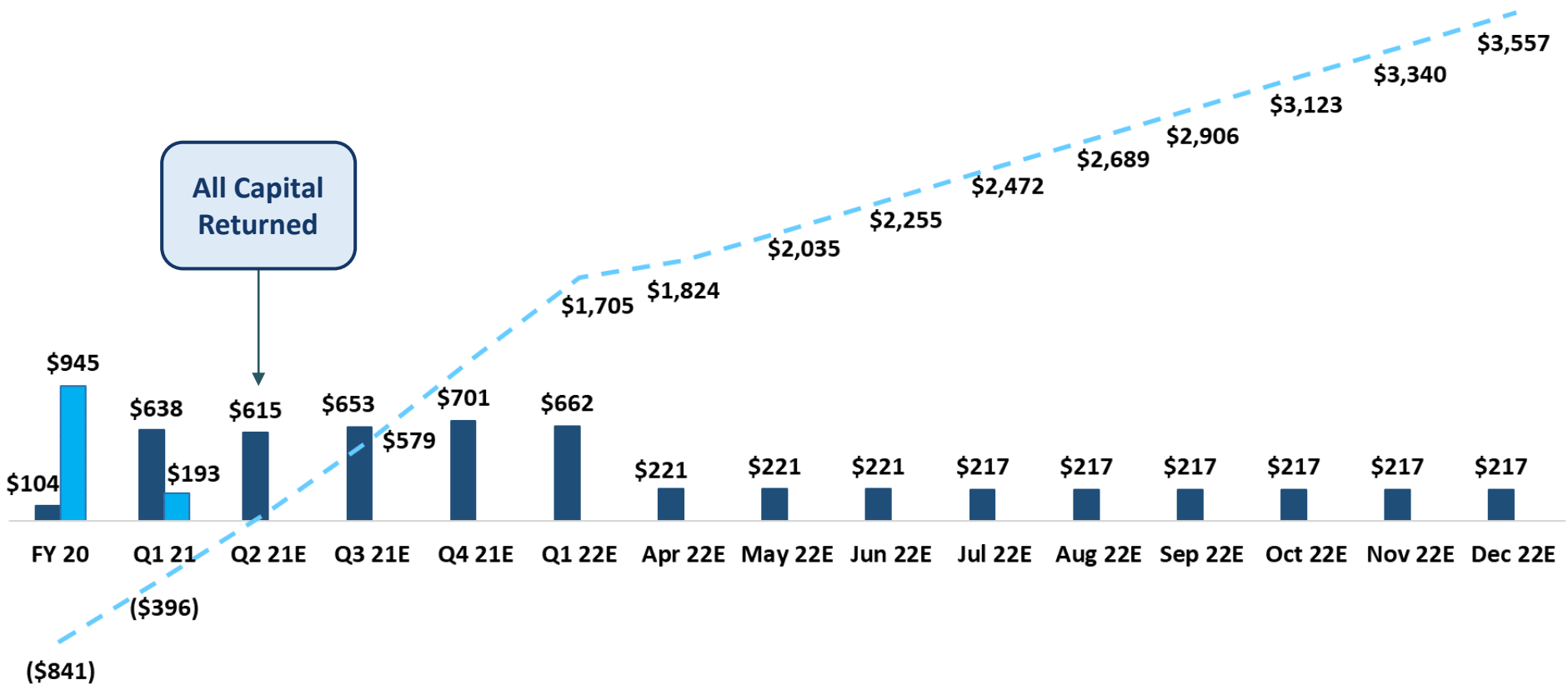
# TNT: Strong Return on Capital Inv.



Strong returns generated through careful acquisition and management

(\$ in 000s)

■ EBITDA Contribution   ■ CapEx   - - Cumulative CF





# Python: Non-GAAP Historical Financial Results



(\$ in 000s) (Unaudited)

	Jan 21	Feb 21	Mar 21	Q1 21
Revenue	30	34	40	104
Electricity/Direct Costs*	8	7	8	23
Overhead Costs	0	0	0	0
<b>Adjusted Cost of Cryptocurrency Revenue** (Non-GAAP)</b>	<b>\$8</b>	<b>\$7</b>	<b>\$8</b>	<b>\$23</b>
<b>Contribution Margin (Non-GAAP)</b>	<b>\$22</b>	<b>\$27</b>	<b>\$32</b>	<b>\$81</b>
<b>Contribution %</b>	<b>73.3%</b>	<b>79.4%</b>	<b>80.0%</b>	<b>77.9%</b>
Adjusted SG&A <sup>(1)</sup> (Non-GAAP)	0	59	301	360
Addback: One-time expenses	0	48	298	347
<b>Adjusted EBITDA Contribution (Non-GAAP)</b>	<b>\$22</b>	<b>\$16</b>	<b>\$30</b>	<b>\$68</b>
<b>Adjusted EBITDA Contribution %</b>	<b>73.3%</b>	<b>47.1%</b>	<b>75.0%</b>	<b>65.4%</b>

\*Includes Electricity and Hosting costs

\*\*Excludes Depreciation and R&D Expenses

(1) Excludes Corporate Assessment

For more information on these non-GAAP financial measures, please see the section captioned “Reconciliation of non-GAAP results of operations to the nearest comparable GAAP measures”.

## Python has been hosting surplus equipment for EcoChain since January 2021

- ✓ On April 12, EcoChain purchased approximately 11.2 Petahash in SHA-256 Bitcoin miners and 235 Gigahash in Script Litecoin miners which are hosted at the Python site prior to close.

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measures: contribution margin, adjusted cost of cryptocurrency revenue, and adjusted EBITDA contribution. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

# Consolidated Non-GAAP Historical Financial Results



(\$ in 000s) (Unaudited)

	Jan 21	Feb 21	Mar 21	Q1 21
Revenue	294	339	362	995
Electricity/Direct Costs*	42	58	44	143
Overhead Costs	38	48	22	109
<b>Adjusted Cost of Cryptocurrency Revenue**</b>	<b>\$80</b>	<b>\$106</b>	<b>\$66</b>	<b>\$252</b>
<b>Contribution Margin (Non-GAAP)</b>	<b>\$214</b>	<b>\$233</b>	<b>\$296</b>	<b>\$743</b>
<b>Contribution %</b>	<b>72.8%</b>	<b>68.7%</b>	<b>81.8%</b>	<b>74.8%</b>
Adjusted SG&A <sup>(1)</sup> (Non-GAAP)	14	73	477	563
Addback: One-time expenses	8	54	449	512
<b>Adjusted EBITDA Contribution (Non-GAAP)</b>	<b>\$208</b>	<b>\$215</b>	<b>\$269</b>	<b>\$692</b>
<b>Adjusted EBITDA Contribution %</b>	<b>70.7%</b>	<b>63.4%</b>	<b>74.3%</b>	<b>69.6%</b>

\*Includes Electricity and Hosting costs

\*\*Excludes Depreciation and R&D Expenses

(1) Excludes Corporate Assessment

For more information on these non-GAAP financial measures, please see the section captioned "Reconciliation of non-GAAP results of operations to the nearest comparable GAAP measures".

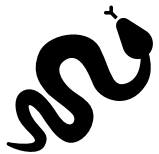
To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measures: contribution margin, adjusted cost of cryptocurrency revenue, and adjusted EBITDA contribution. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

# Our Pipeline – Target In Sight



**TNT**

**2.6 MW in Washington State. Capacity to about 3.3 MW**



**Anaconda**

**25 MW previously announced facility under construction**

*Located in Southeastern United States*

*Online late Q3 2021, early Q4 2021*



**Python**

**25 MW of newly acquired capacity**

*Located in Southeastern United States*

*Projected Closing July 1, 2021*





## Operational Review



**Moshe Binyamin**  
*MTI Instruments, President*

# Agenda

---

**Key Market  
Trends**

**Q1 Results**

**Revenue  
Analysis**

**Priorities  
going  
forward**

# Key Market Trends

---

## Freight and Commercial Aviation

- Driving up activity and pipeline for PBS product line

## EV and 5G Wafer Manufacturing

- Generating activity for MTII's Metrology products with new wafer material types

## EV Battery Manufacturing

- Seeing industry wide effort to find solution to help monitor and control Electrolyte and Separator material thickness

# Q1 2021 Results

---

**\$1.3mm**

**Revenue**

**68%**

**Contribution  
Margin (%)**

**\$885k**

**Contribution  
Margin (\$)**



# Revenue Analysis

## Breakdown by Product Line & Geography

	Q1 Revenue	% of Total	Contribution Margin
Instruments	505	38%	59%
PBS	832	62%	76%
<b>Total</b>	<b>\$1,337</b>	<b>100%</b>	<b>70%</b>

	Q1 Revenue	% of Total	Contribution Margin
N. America	924	69%	74%
EMEA & Asia	413	31%	60%
<b>Total</b>	<b>\$1,337</b>	<b>100%</b>	<b>70%</b>

Healthy product and geographic revenue diversification & resiliency

*Dollar amounts are in thousands*

# A Deeper Dive Into Revenue

## Deal Flow Volume

	Q1 20	Q2 20	Q3 20	Q4 20	FY 20	Q1 21
Leads	509	293	342	312	1,426	350
Quotes	267	279	236	248	1,030	288
Orders	151	196	139	154	640	164

## Deal Flow Amount

	Q1 20	Q2 20	Q3 20	Q4 20	FY 20	Q1 21
Quotes	\$6,194	\$7,746	\$3,896	\$3,539	\$18,375	\$5,256
Orders	\$1,475	\$5,007	\$1,069	\$1,453	\$9,004	\$1,343

# A Deeper Dive Into Revenue

## Deal Flow Volume

	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	
Leads	509	293	342	312	350	Market Engagement Improving Vs. Q3-Q4
Quotes	267	279	236	248	288	
Orders	151	196	139	154	164	

## Deal Flow Amount

	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21
Quotes	\$6,194	\$7,746	\$3,896	\$3,539	\$5,256
Orders	\$1,475	\$5,007	\$1,069	\$1,453	\$1,343

# A Deeper Dive Into Revenue

## Deal Flow Volume

	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	
Leads	509	293	342	312	350	Market Engagement Improving Vs. Q3-Q4
Quotes	267	279	236	248	288	
Orders	151	196	139	154	164	

## Deal Flow Amount

	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	
Quotes	\$6,194	\$7,746	\$3,896	\$3,539	\$5,256	Customer spend is improving but not back to Pre-COVID levels
Orders	\$1,475	\$5,007	\$1,069	\$1,453	\$1,343	

# New Products Progress Report

*Very significant addressable market will ramp into 2022*

## Sensors

### Pico-Meter Sensors

Semi-Conductor and Precision manufacturing



### Manufacturing Wireless Probe System

Industrial Systems



Customer Engagement Phase

Application Qualification Phase

## Aviation

### PBS Gen4

Aviation and Power Generation. Markets



### 1520 Sensor Simulator

Aviation, Power Generation and Factory Floors



Commercial Version announced in MRO Americas

Completed Industrial Design

# MTII Operational Plan For Rest Of 2021

---

- Semiconductor for EV and 5G support
- EV Battery Manufacturing
- Industrial Material Manufacturing

**New Vertical Solutions**



- Latest technology
- Superior Usability
- Upgradable systems

**Product Innovation**



- Designed for production lines
- Integration software included
- Industry 4.0 friendly

**Focus on OEM Capabilities**

4

## Accelerated Growth



**Jessica Thomas**  
*Chief Financial Officer*

# Financial Highlights

---

**\$2.3 million in Revenue**

**141% increase in EcoChain revenue from Q4 2020**

**Public Offering in April resulting in net proceeds of \$13.7 million**

**\$693k EcoChain adjusted EBITDA Contribution**

**\$1 million increase in SG&A expenses Q1 2021 vs. 2020, one-time expenses**



# SG&A Expenses – Highlights of One-Time Expenses

---



**Increase of \$1 million over same quarter prior year**

**\$761k are expected to be one-time expenses**

**\$451 thousand legal fees**

**\$170 thousand investor relations**

# SG&A Expenses – Highlights of One-Time Expenses

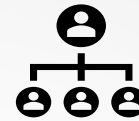


## EcoChain

\$271 thousand for **Legal fees related to new leases**

\$170 thousand related to **operations and management agreements**

\$70 thousand related to **due diligence** and related expenses for new site initiatives



## Corporate

\$129 thousand in **legal fees for corporate activities** related to the incorporation into Nevada, stock incentive plan, special meeting, Nasdaq uplist and additional SEC filings

\$120 thousand related to **corporate and strategic expenses**, including expenses relating to the special shareholders meeting, initial Nasdaq registration

# One-time Expenses for EcoChain

(\$ in 000s) (Unaudited)

	EcoChain				Total	MTII	Corporate	Q1 21
	TNT	Python	Anaconda	Other				
<b>SG&amp;A</b>	<b>\$35</b>	<b>\$360</b>	<b>\$163</b>	<b>\$6</b>	<b>\$563</b>	<b>\$540</b>	<b>\$734</b>	<b>\$1,837</b>
<u>One-time expenses:</u>								
Legal Fees	0	246	16	0	261	0	129	390
Consultants	0	0	14	0	14	0	0	14
Other Outside Services	4	101	132	0	237	0	120	357
<b>Total one-time expenses:</b>	<b>\$4</b>	<b>\$347</b>	<b>\$161</b>	<b>\$0</b>	<b>\$512</b>	<b>\$0</b>	<b>\$249</b>	<b>\$761</b>
<b>SG&amp;A less one-time expenses</b>	<b>\$31</b>	<b>\$13</b>	<b>\$2</b>	<b>\$6</b>	<b>\$52</b>	<b>\$540</b>	<b>\$485</b>	<b>\$1,077</b>

# Appendix

# Appendix A: Revenue By Product Line

---

<b>Product Line Item</b>	<b>Category</b>	<b>Revenue</b>
Capacitance	Instruments	301
Fotonic	Instruments	21
Ins Repairs	Instruments	132
Laser	Instruments	50
PBS New	PBS	478
PBS Repair	PBS	354
<b>Total Revenue</b>		<b>1,336</b>

# Appendix B: Summary P&L

---

<i>(\$ in 000s)</i>	<u>Q1 2021</u>
Total revenue	2,332
Operating costs and expenses:	
Cost of product revenue	452
Cost of cryptocurrency revenue	328
Research and product development expenses	386
Selling, general and administrative expenses	1,837
Operating loss	<u>(671)</u>
Other income (expense), net	<u>5</u>
Loss before income taxes	(666)
Income tax benefit	<u>0</u>
<b>Net loss</b>	<b>(666)</b>

# Appendix C: Summary Balance Sheet

---

(\$ in 000s)

March 31,  
2021

---

## **Assets**

Current Assets	5,380
Other assets	311
Deferred income taxes, net	759
Equity investment	750
Property, plant and equipment, net	1,056
Operating lease right-of-use assets	1,125
<b>Total Assets</b>	<b>9,381</b>

## **Liabilities and Stockholders' Equity**

Current Liabilities	2,975
Other liabilities	203
Operating lease liability	808
<b>Total Liabilities</b>	<b>3,986</b>
Total Stockholders' Equity	5,395
<b>Total Liabilities and Stockholders' Equity</b>	<b>9,381</b>

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



# Reconciliation of Non-GAAP Results

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

2021

(\$ in 000s) (Unaudited)

	EcoChain				EcoChain	MTII	Corporate	Consolidated
	TNT	Python	Anaconda	Corporate				
<b>Product revenue (GAAP)</b>	\$0	\$0	\$0	\$0	\$0	\$1,337	\$0	\$1,337
<b>Cryptocurrency revenue (GAAP)</b>	\$891	\$104	\$0	\$0	\$995	\$0	\$0	\$995
Cost of product revenue (GAAP)	0	0	0	0	0	452	0	452
<u>Cost of cryptocurrency revenue (GAAP):</u>								
Electricity/Direct costs*	120	23	0	0	143	0	0	143
Overhead costs	170	9	6	0	185	0	0	185
<b>Total cost of cryptocurrency revenue (GAAP)</b>	<b>\$290</b>	<b>\$31</b>	<b>\$7</b>	<b>\$0</b>	<b>\$328</b>	<b>\$0</b>	<b>\$0</b>	<b>\$328</b>
<b>Cost of revenue (GAAP)</b>	<b>\$290</b>	<b>\$31</b>	<b>\$7</b>	<b>\$0</b>	<b>\$328</b>	<b>\$452</b>	<b>\$0</b>	<b>\$780</b>
Depreciation	68	8	0	0	76	17	0	93
<b>Adjusted Non-GAAP Cost of Revenue**</b>	<b>\$222</b>	<b>\$23</b>	<b>\$7</b>	<b>\$0</b>	<b>\$252</b>	<b>\$435</b>	<b>\$0</b>	<b>\$687</b>

\*Includes Hosting costs

\*\*Excluding Depreciation and R&D Expenses

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measures: contribution margin, adjusted cost of cryptocurrency revenue and adjusted EBITDA contribution. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

# Reconciliation of Non-GAAP Results

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

**2021**

*(\$ in 000s) (Unaudited)*

	EcoChain				EcoChain	MTII	Corporate	Consolidated
	TNT	Python	Anaconda	Corporate				
<b>Product revenue (GAAP)</b>	\$0	\$0	\$0	\$0	\$0	\$1,337	\$0	\$1,337
<b>Cryptocurrency revenue (GAAP)</b>	\$891	\$104	\$0	\$0	\$995	\$0	\$0	\$995
Cost of product revenue (GAAP)	0	0	0	0	0	452	0	452
Cost of cryptocurrency revenue (GAAP)	290	31	7	0	328	0	0	328
<b>Cost of revenue (GAAP)</b>	<b>\$290</b>	<b>\$31</b>	<b>\$7</b>	<b>\$0</b>	<b>\$328</b>	<b>\$452</b>	<b>\$0</b>	<b>\$780</b>
Depreciation	68	8	0	0	76	17	0	93
<b>Contribution Margin (Non-GAAP)*</b>	<b>\$669</b>	<b>\$81</b>	<b>(\$7)</b>	<b>\$0</b>	<b>\$743</b>	<b>\$902</b>	<b>\$0</b>	<b>\$1,645</b>

\*Excludes R&D Expenses, SG&A Expenses

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measures: contribution margin, adjusted cost of cryptocurrency revenue and adjusted EBITDA contribution. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

# Reconciliation of Non-GAAP Results

## Reconciliation from Operating (Loss) Income to Adjusted EBITDA Contribution (Non-GAAP)

	2021							
	EcoChain							
	TNT	Python	Anaconda	Corporate	EcoChain	MTII	Corporate	Consolidated
<i>(\$ in 000s) (Unaudited)</i>								
<b>Operating (Loss) Income (GAAP)</b>	<b>\$566</b>	<b>(\$287)</b>	<b>(\$170)</b>	<b>(\$48)</b>	<b>\$62</b>	<b>(\$402)</b>	<b>(\$331)</b>	<b>(\$671)</b>
Depreciation (GAAP)	\$68	\$8	\$0	\$0	\$76	\$17	\$0	\$93
One-time SG&A expenses	\$4	\$347	\$161	\$0	\$512	\$0	\$249	\$761
Corporate Assessment	\$0	\$0	\$0	\$42	\$42	\$361	(\$403)	\$0
<b>Adjusted EBITDA Contribution (Non-GAAP)</b>	<b>\$638</b>	<b>\$68</b>	<b>(\$9)</b>	<b>(\$45)</b>	<b>\$692</b>	<b>(\$24)</b>	<b>(\$485)</b>	<b>\$183</b>

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measures: contribution margin, adjusted cost of cryptocurrency revenue and adjusted EBITDA contribution. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.