

C A N A D A

RÉGIE DE L'ÉNERGIE

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

N° : R-4210-2022

HYDRO-QUÉBEC

Plaintiff

HIVE BLOCKCHAIN TECHNOLOGIES LTD
Intervenor

AFFIDAVIT BY AYDIN KILIC

I, Aydin Kilic, President and Chief Executive Officer, practising my profession at HIVE Blockchain technologies LTD, located at 789 West Pender Street, Suite 855, Vancouver, British Columbia V6C 1H2, do solemnly affirm the following:

1. I am the President and Chief Executive Officer of the Intervenor, HIVE Blockchain Technologies LTD (hereinafter "**HIVE**"), in this proceeding;
2. The purpose of this declaration is to describe the positive impacts of the blockchain mining projects developed by HIVE, particularly in the context of energy transition and considering the development of the economy and technology in the regions of Quebec;

Description of HIVE's activities

3. HIVE builds and operates data centres located in areas where energy can be renewably-sourced. HIVE operates data centres in Sweden, Iceland and Canada;
4. HIVE's mandate is to provide its shareholders with access to digital assets while being a socially responsible company with values focused on environmental, social and governance ("**ESG**") principles. In pursuit of this goal, HIVE was listed on the TSX-V exchange, in 2017;
5. HIVE's operations began in 2017 in Sweden and Iceland with data centres powered by hydroelectric and geothermal energy. In 2020, HIVE began operations in Canada through the acquisition of a former graphite plant in Lachute that was converted into a data centre, powered by electricity from Hydro-Québec;

Impacts of HIVE on the Energy Transition

6. From an ESG perspective, HIVE is taking concrete action to reduce heat loss in Quebec. Both in the design of its centres and in its practices HIVE is an ally of choice for energy institutions and the industrial sector;

7. Being the beneficiary of a subscription with Hydro-Quebec at the CB rate, HIVE has participated in the blackout program for the 100 hours provided for under the CB rate throughout the winter of 2022, as well as for the 200 hours in the winter of 2023;
8. HIVE's data centres are among the most efficient in the industry. One of the factors that ensures the efficiency of its facilities is the constant airflow intake and the design of the facility's structure that allows for "passive" cooling. As a result, HIVE's data centre architecture includes multiple louvres to allow for proper cold air intake and rapid exit of hot air produced by data centre equipment;
9. In its operations, the hot air produced is redirected to other users for building heating;
10. In Sweden, HIVE is working with Agtira, a greenhouse operator, so that the heat resources from its data centre can contribute to Agtira's operations and thus participate in the circular economy;
11. In Lachute, the heat generated by the data centre is redistributed to adjacent facilities of Quebec-based enterprise Trévi, a swimming pool manufacturer. Through this heat recirculation loop resulting from HIVE's operations, HIVE is actively contributing to the circular economy while limiting the energy needs of the region's industrial sector; thereby reducing the additional demand on Hydro-Québec's grid and/or the burning of hydrocarbon fuels;
12. HIVE wishes to develop more of these types of projects in Quebec;

Impacts of HIVE on the economic and technological developments of the regions of Quebec

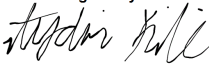
13. Due to the nature of its operations, HIVE prioritizes site location in regions where the climate allows for the management of the heat generated by its activities;
14. In those selected regions, HIVE invests in the development of the energy distribution network and high-speed internet, which HIVE can help advance, should it develop a project in said regions;
15. HIVE therefore seeks to enable Quebec to meet its regional connectivity targets without disbursing public funds;
16. HIVE also seeks to locate its projects in regions of Quebec where its operations have the least impacts on the energy demand of the region in question;
17. HIVE offers quality jobs in regions located far from major urban centres. These jobs allow the workforce to transition from industrial jobs to clean technology jobs, while slowing down the exodus of skills toward said urban centres;

18. HIVE currently employs nine full-time employees directly at its Lachute site, in addition to indirect employment in the maintenance, ongoing engineering and construction of the projects at the Lachute site;

HIVE's perspectives in relation to the reserved block


19. HIVE intervened in the context of file R-4045-2018 and had planned for its development in Quebec based on the reserved block and the one-stop shop that was to be put online by Hydro-Québec;
20. At the time the one-stop shop was scheduled to open, HIVE was actively working on the development of a new data centre project in Quebec, for which it anticipated a \$100,000,000.00 global investment with a 50 MW energy supply;
21. This work was put on hold by HIVE after it became aware of Hydro-Québec's request in the present proceeding;
22. HIVE wishes to preserve its role as a partner in the energy transition and the development of the regions of Quebec;
23. Nevertheless, the withdrawal of the reserved block would put an end to all prospects for HIVE to develop other new sites in Quebec.
24. All the facts alleged in this affidavit are true.

AND I HAVE SIGNED :

DocuSigned by:

BABDA31538454EC...

Aydin Kilic
President and Chief Executive Officer

Solemnly affirmed before me,
in Montreal, this May 2nd, 2023

DocuSigned by:

Diane Duhamel #222 869
Commissioner of Oaths for Quebec