



TERAWULF

An Infrastructure-Focused Mining Company

Investor Presentation
February 2023

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This presentation is for informational purposes only and contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, as amended. Such forward-looking statements include statements concerning anticipated future events and expectations that are not historical facts. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements. In addition, forward-looking statements are typically identified by words such as "plan," "believe," "goal," "target," "aim," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project," "continue," "could," "may," "might," "possible," "potential," "predict," "should," "would" and other similar words and expressions, although the absence of these words or expressions does not mean that a statement is not forward-looking. Forward-looking statements are based on the current expectations and beliefs of TeraWulf's management and are inherently subject to a number of factors, risks, uncertainties and assumptions and their potential effects. There can be no assurance that future developments will be those that have been anticipated. Actual results may vary materially from those expressed or implied by forward-looking statements based on a number of factors, risks, uncertainties and assumptions, including, among others: (1) conditions in the cryptocurrency mining industry, including fluctuation in the market pricing of bitcoin and other cryptocurrencies, and the economics of cryptocurrency mining, including as to variables or factors affecting the cost, efficiency and profitability of cryptocurrency mining; (2) competition among the various providers of data mining services; (3) changes in applicable laws, regulations and/or permits affecting TeraWulf's operations or the industries in which it operates, including regulation regarding power generation, cryptocurrency usage and/or cryptocurrency mining; (4) the ability to implement certain business objectives and to timely and cost-effectively execute integrated projects; (5) failure to obtain adequate financing on a timely basis and/or on acceptable terms with regard to growth strategies or operations; (6) loss of public confidence in bitcoin or other cryptocurrencies and the potential for cryptocurrency market manipulation; (7) the potential of cybercrime, money-laundering, malware infections and phishing and/or loss and interference as a result of equipment malfunction or break-down, physical disaster, data security breach, computer malfunction or sabotage (and the costs associated with any of the foregoing); (8) the availability, delivery schedule and cost of equipment necessary to maintain and grow the business and operations of TeraWulf, including mining equipment and equipment meeting the technical or other specifications required to achieve its growth strategy; (9) employment workforce factors, including the loss of key employees; (10) litigation relating to TeraWulf, RM 101 f/k/a IKONICS Corporation and/or the business combination; (11) the ability to recognize the anticipated objectives and benefits of the business combination; and (12) other risks and uncertainties detailed from time to time in the Company's filings with the Securities and Exchange Commission ("SEC"). Potential investors, stockholders and other readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they were made. TeraWulf does not assume any obligation to publicly update any forward-looking statement after it was made, whether as a result of new information, future events or otherwise, except as required by law or regulation. Investors are referred to the full discussion of risks and uncertainties associated with forward-looking statements and the discussion of risk factors contained in the Company's filings with the SEC, which are available at www.sec.gov.

TeraWulf at a Glance

Self-mined Bitcoin produced in Q4 2022 was **more than triple** the amount self-mined in Q3 2022

Key Metrics	Q3 '22	Oct.'22	Nov.'22	Dec.'22
Bitcoin (Self-Mined)	117	119	134	125
Revenue (Self-Mined)	\$2.4 M	\$2.3 M	\$2.4 M	\$2.1 M
Revenue per Bitcoin	\$20,657	\$19,646	\$17,617	\$17,005
Power Cost per Bitcoin ¹	\$20,732	\$20,732	\$6,151	\$12,984

- **Current hash rate of 2.0 EH/s with ~18,000 miners deployed**
 - ~11,500 self miners (1.4 EH/s) and ~6,500 (0.7 EH/s) hosted miners
 - Short-term hosting leverages available plugs pending Q1 2023 miner deliveries
- **160 MW of mining infrastructure expected to be fully utilized in early Q2 2023**
 - Capacity of 50,000 miners (5.5 EH/s), including 44,500 self miners (5 EH/s)
 - All miners fully procured with no additional payment obligations
- **Industry leading power cost averaging \$0.035/kWh across two sites**
 - 50 MW of fixed priced power at \$0.020/kWh for five years at the Nautilus facility
 - Anticipated market cost of \$0.045/kWh at the Lake Mariner facility
 - Translates into an all-in power cost per coin mined of ~\$7,244²
- **Ability to expand up to 130 MW at existing sites**
 - Lake Mariner (LMD): 80 MW with Building 3 (30 MW)⁽³⁾ and warehouse (50 MW)
 - Nautilus: 50 MW optional expansion for WULF's JV interest

(1) Results are based on estimated power costs, which remain subject to standard month-end adjustments.

(2) Assumes Network hash rate of 288 EH/s (see slide 14).

(3) The Company has deployed approx. \$2 million towards the development and construction of Building 3.

Why WULF Wins: The Four “P’s”

Plugs



**Digital Asset
Infrastructure First**

*Foundation
to Scale*

People



**Experienced Energy
Entrepreneurs**

*Power & Infrastructure
Experts*

Power



**Sustainable,
Scalable Facilities**

*Key Relationships
& Site Control*

Priorities



**ESG Principled
and Practiced**

*Driving the Future of
Bitcoin Mining*

Plugs: Sustainable and Scalable Sites



LAKE
MARINER
DATA



**91%+ Zero
Carbon ⁽¹⁾**

**110 MW Online
early Q2 2023**

**500+ MW
Hydro, Solar**



NAUTILUS
CRYPTOMINE



100% Zero Carbon

**50 MW Online
early Q2 2023 ⁽²⁾**

**100+ MW ⁽³⁾
Nuclear**

160 MW

Anticipated fully developed capacity in early Q2 2023

130 MW

Near-term additional capacity available at existing sites

> 91%

Zero-carbon power supply today, with goal of achieving 100%

3.5 ¢

Per kilowatt hour targeted average power cost

People: Best-in-Class Management Team

*Led by an
accomplished, diverse
management team
with 30+ years of
experience in
developing and
managing energy
infrastructure*



PAUL PRAGER

Co-Founder, Chairman & Chief Executive Officer

30+ year energy infrastructure entrepreneur. USNA Foundation Investment Committee Trustee.



NAZAR KHAN

Co-Founder, Chief Operating Officer & Chief Technology Officer

20+ years in energy infrastructure and cryptocurrency mining. Previously at Evercore.



**KERRI
LANGLAIS**

Chief Strategy Officer

20+ years of M&A, financing, strategy, and power sector experience. Previously at Goldman Sachs.



**STEFANIE
FLEISCHMANN**

General Counsel

General Counsel for 15+ years overseeing all legal and compliance matters. Previously at Paul, Weiss.



**PATRICK
FLEURY**

Chief Financial Officer

20+ years of financial experience in the energy, power, and commodity sectors. Previously at Platinum Equity and Blackstone.



**SEAN
FARRELL**

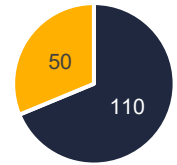
VP, Operations

12+ years of energy experience in renewables, grid optimization, digitalization, and storage solutions. Previously at Siemens Energy.

Power: Industry-Leading Cost Profile

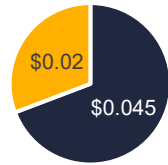
Targeted average power cost of 3.5 cents per kilowatt hour

Capacity (MW)



■ LMD ■ Nautilus

Power Cost (\$/kWh)

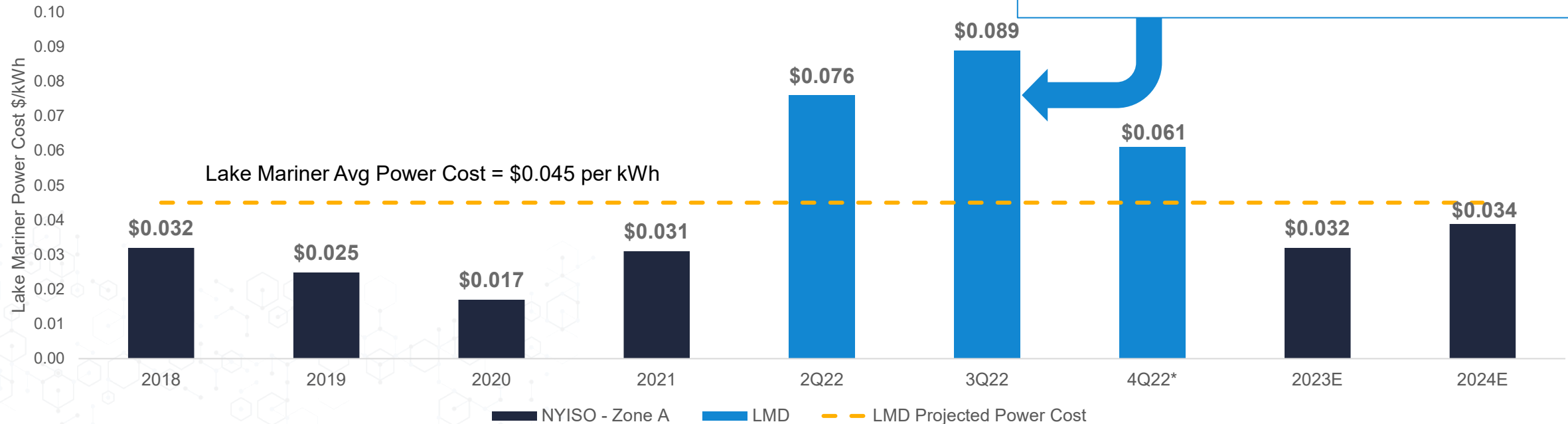


■ LMD ■ Nautilus

Blended Power Cost

\$0.035 per kWh

- NYISO Zone A prices were unusually high during the second half of 2022
- Impacted by elevated gas prices, transmission outages, weather events, and supply constraints following pandemic and war in Ukraine
- LMD transitioned to NYPA's HLF-1 tariff in August 2022, which includes a meaningful discount on transmission charges
- Future power prices are expected to be in line with historical average of approximately \$0.045/kWh
- Average Zone A power price has been below \$0.035/kWh so far in January 2023



Note: future estimates are based on current expectations and market conditions and are subject to change.

*Q4 2022 power cost reflects available price and load data and is subject to customary quarter-end adjustments.

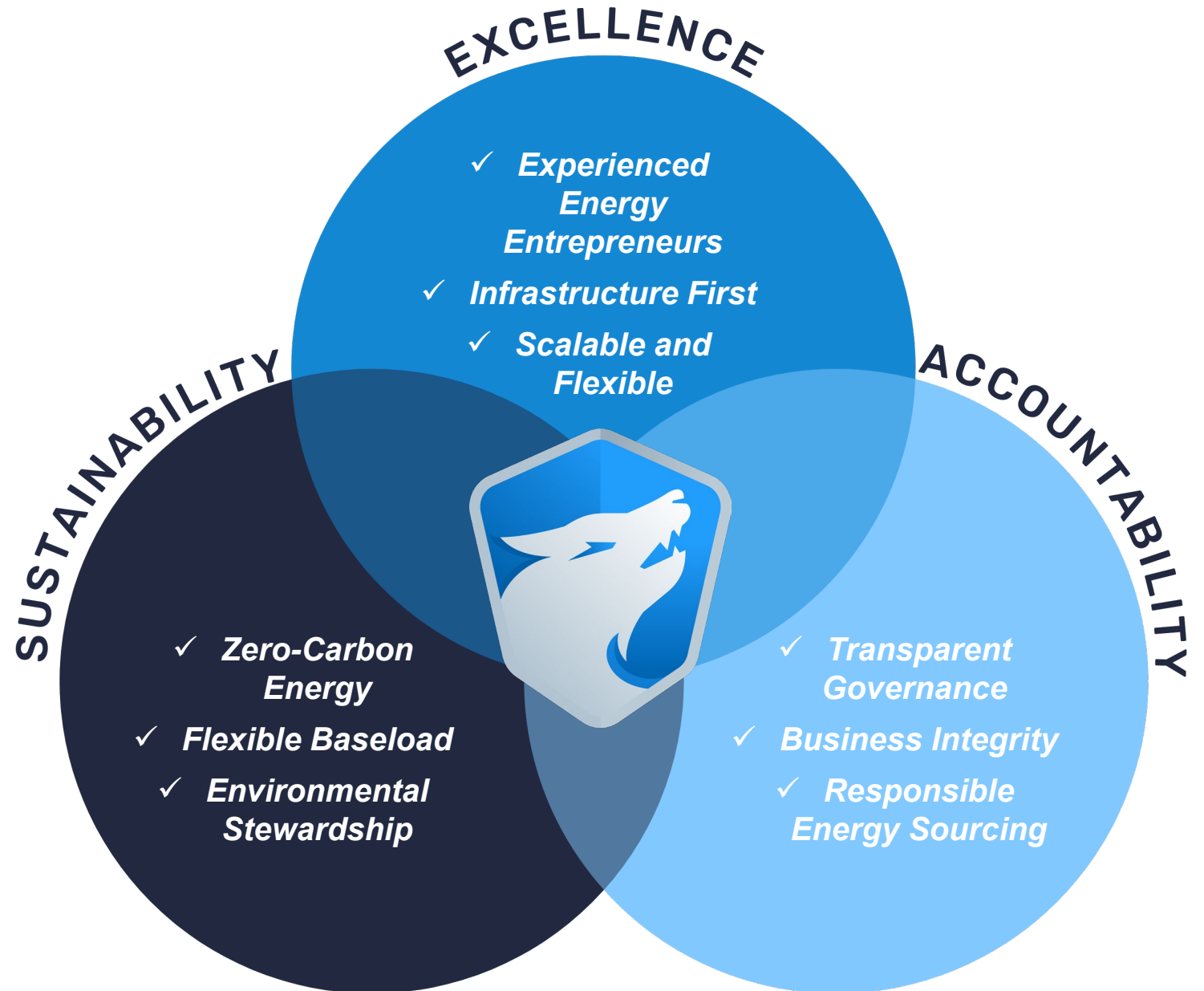
Priorities:

WULF Mission

To be the premier large-scale, zero-carbon bitcoin miner, generating attractive investor returns while providing sustainable benefits for our communities.

WULF Core Values

ESG is at the core of TeraWulf's corporate strategy and ties directly to its business success, risk mitigation, and reputational value.



Efficiently Scaling Self-Mining Operations

Fully utilizing 160 MW of capacity available in early Q2 2023

	Total Capacity	Self-Mining Operational	Self-Mining Procured ⁽³⁾	Short-Term Hosting ⁽⁴⁾	Open Capacity
Lake Mariner ⁽¹⁾ (110 MW)	34,000 miners	11,500 miners 1.4 EH/s	17,000 miners 1.6 EH/s	5,000 miners 0.5 EH/s	500 miners
Nautilus ⁽²⁾ (50 MW)	16,000 miners	N/A	16,000 miners 1.9 EH/s	N/A	N/A
	50,000 miners	11,500 1.4 EH/s	33,000 miners 3.6 EH/s	5,000 miners 0.5 EH/s	500 miners

Note: the number of miners represented on chart are approximate figures.

(1) Includes hashing capacity of Building 2 (50 MW) at the Lake Mariner facility, which is expected to be energized in early Q2 2023.

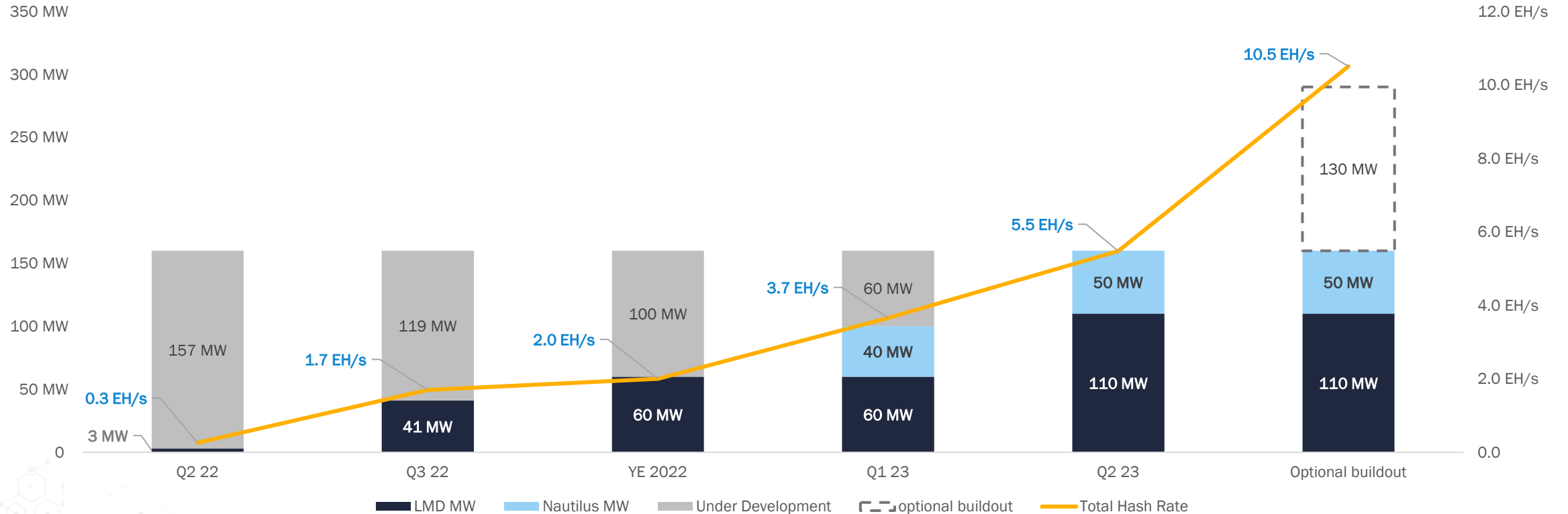
(2) Reflects TeraWulf's 25% interest in the Nautilus Cryptomine facility, which is expected to be energized in Q1 2023. Recently increased plug capacity due to allocation of most efficient miners.

(3) Includes miners that have been delivered to site and those pending delivery in Q1 2023.

(4) Excludes the 1,500-miner hosting agreement which terminates in February 2023. Includes the 5,000-miner hosting agreement, which terminates in Q4 2023.

Infrastructure and Hash Rate Deployment

Flexible growth through dynamic markets



- Miners procured for 5.0 EH/s with capacity to support 5.5 EH/s (hosting 0.5 EH/s)
- Leveraging Bitmain's latest edition S19 XPs and S19j Pros
- Option to expand up to 130 MW at existing sites

Illustrative Annual Gross Margin

Low production cost provides downside protection, while maximizing upside

Key Assumptions

Network Hash Rate:	275 EH/s
Starting Bitcoin Price: <i>As of December 31, 2022</i>	\$20,000
Self-Mining Capacity:	44,500 (5.0 EH/s)
Hosted-Mining Capacity:	5,000 (0.5 EH/s)
Miner Availability:	98.5%
Avg. Realized Power Cost:	\$0.035 / kWh
Host Economics:	<ul style="list-style-type: none"> • Pass through of power cost • \$5/MWh service fee • 15% profit share

Illustrative Annual Gross Margin ⁽¹⁾ (\$ in Millions)

		Assumed Year-End Bitcoin Price ⁽²⁾						
		\$15,000	\$20,000	\$25,000	\$30,000	\$35,000	\$40,000	\$45,000
Network Hash Rate (EH/s) ⁽³⁾	200	\$81	\$100	\$119	\$138	\$157	\$176	\$195
	225	\$75	\$92	\$110	\$128	\$145	\$163	\$181
	250	\$69	\$85	\$102	\$118	\$135	\$151	\$168
	275	\$64	\$79	\$95	\$110	\$126	\$141	\$157
	300	\$60	\$74	\$89	\$103	\$118	\$133	\$147
	325	\$56	\$69	\$83	\$97	\$111	\$125	\$139
	350	\$52	\$65	\$78	\$91	\$105	\$118	\$131

(1) Reflects gross margin for full deployment of 160 MW of mining capacity across Lake Mariner and Nautilus Cryptomine facilities.

(2) Period-ending Bitcoin Price calculated by linearly decreasing/increasing the starting Bitcoin price of \$20,000 on December 31, 2022.

(3) Period-ending Network Hash Rate calculated by linearly increasing the starting Network hash rate of 275 EH/s on December 31, 2022.

Runway to FCF Positive

Anticipate full 160 MW deployment by early Q2 2023

(\$ in thousands unless noted) Summary Income Statement	Apr-23	May-23	Jun-23	Annualized		
				Jun-23 \$17k BTC	Jun-23 \$22k BTC	Jun-23 \$25k BTC
\$BTC Price	\$17,000	\$17,000	\$17,000	\$17,000	\$22,000	\$25,000
# of BTC Mined ⁽¹⁾	369	511	496	6,049	6,049	6,049
Self-mining	\$6,277	\$8,688	\$8,428	\$102,825	\$133,068	\$151,214
Hosting	542	560	543	6,411	6,837	7,092
Revenue	\$6,819	\$9,249	\$8,971	\$109,236	\$139,905	\$158,305
Power Cost ⁽²⁾	(2,717)	(4,069)	(3,938)	(48,046)	(48,046)	(48,046)
Gross Margin	\$4,102	\$5,179	\$5,033	\$61,191	\$91,859	\$110,260
Consolidated OpEx	(958)	(958)	(958)	(11,500)	(11,500)	(11,500)
Operating Margin	\$3,144	\$4,221	\$4,074	\$49,691	\$80,359	\$98,760
SG&A ⁽³⁾	(1,875)	(1,875)	(1,875)	(22,500)	(22,500)	(22,500)
EBITDA	\$1,269	\$2,346	\$2,199	\$27,191	\$57,859	\$76,260
Interest Expense ⁽³⁾	(1,399)	(1,399)	(1,399)	(16,790)	(16,790)	(16,790)
EBT	(\$130)	\$947	\$800	\$10,401	\$41,069	\$59,470

Note: Future estimates reflect anticipated capacity based on current expectations and market conditions and are subject to change.

(1) Assumes hash rate of 275 EH/s and that LMD Building 2 is energized in early Q2 2023.

(2) Assumes blended average power cost across both mining sites of \$0.035/kWh.

(3) Simplified analysis assumes twelve equal monthly payments.

Anticipated Sources and Uses

~\$30M of new equity needed to achieve FCF positive enterprise

Anticipated Sources (\$M)	
New Equity	\$30.0
Warrant Exercise ⁽¹⁾	\$3.5
Total Sources	\$33.5

Anticipated Uses (\$M)	
Accrued A/P ⁽²⁾	\$17.0
Operating Expense (12 week)	4.8
Interest Expense	5.3
Remaining Capex ⁽³⁾	4.8
Miner Transport / Duties	1.5
Total Uses	\$33.4

(1) Reflects conversion of 11,250,000 warrants issued in 2022.

(2) Accrued A/P includes amounts that can be deferred and/or have agreed upon payment schedules over time.

(3) Reflects capital expenditures required to complete Building 2 at Lake Mariner.

Power Price: Advantage of WULF's Vertical Integration

Infrastructure-first strategy is expected to be superior to an "asset light" model over time

Illustrative Pre- and Post-Halving Power Cost per BTC				
	WULF		Asset Light Miner ⁽¹⁾	
	2023E	2H 2024E	2023E	2H 2024E
Cost of power ⁽¹⁾ (\$/kWh)	\$0.035		\$0.045	
Cost of host operations (\$/kWh)	\$0.000		\$0.000	
Total direct cost (\$/kWh)	\$0.035		\$0.045	
Miner power consumption (kW)	3.08		3.03	
Hours per year	8,760		8,760	
Availability	98%		98%	
Annual power cost	\$925		\$1,693	
Network hash rate ⁽²⁾ (EH/s)	288.0		288.0	
BTC mined per year	0.128		0.14	
Current power cost per BTC	\$7,244	\$7,244	\$12,067	\$12,067
Network hash rate - rate of increase ⁽³⁾		30%		30%
Adjusted cost in BTC terms		\$9,417		\$15,688
Block halving adjustment (April '24)		50%		50%
Future marginal cost to mine per BTC		\$18,835		\$31,357

WULF: Current Unit Economics

Cost Structure	(\$ in '000)	\$ / BTC
Power Cost (self mining)	\$41,034	\$7,244
SG&A ⁽⁴⁾	22,500	3,972
Other OpEx ⁽⁴⁾	11,500	2,030
Interest Expense	16,790	2,964
Total Cost	\$91,824	\$16,211

Note: For illustrative purposes only.

(1) Assumed cost of power based upon estimated cost for an asset light bitcoin miner.

(2) 288 EH/s 3-day average hash rate as of January 17, 2023, accessed from <https://data.hashrateindex.com/network-data/btc>.

(3) Reflects illustrative average network hash rate of 374 EH/s in H2 2024.

(4) Reflects midpoint of previously provided 2023 guidance.

Emerging Leader in Digital Asset Infrastructure

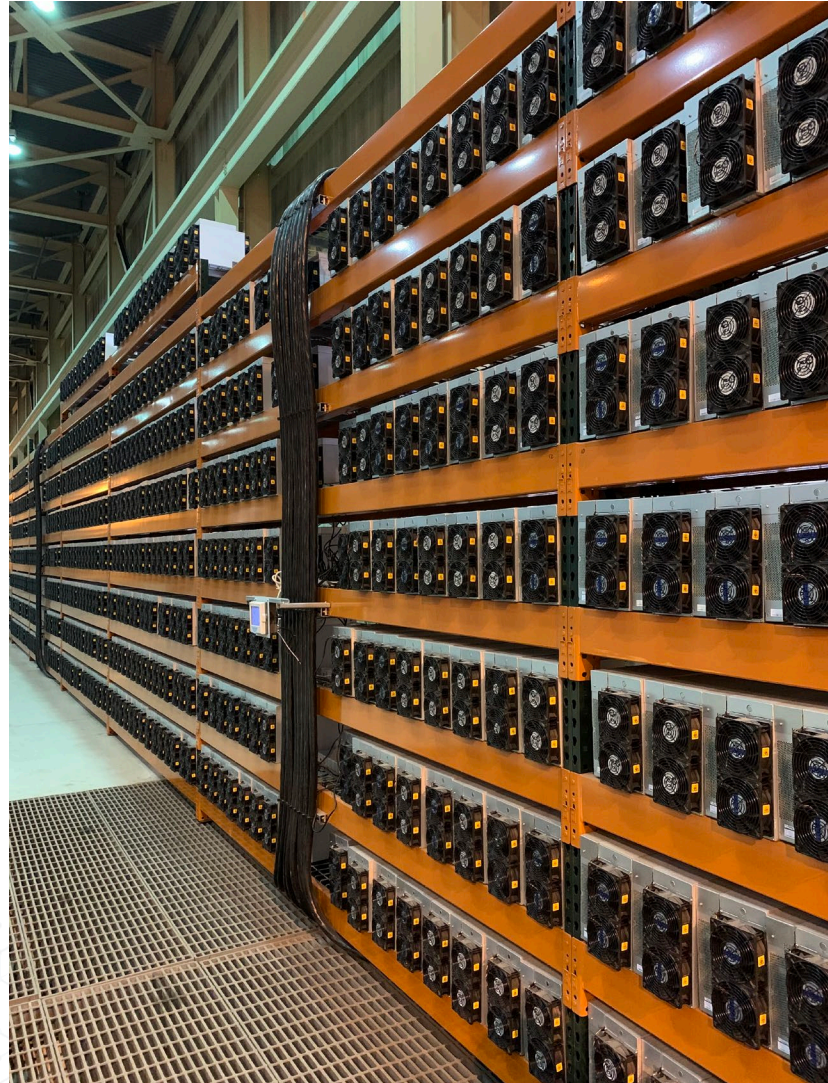


TERAWULF

- **Best-in-class Bitcoin mining due to low-cost**, sustainable, and domestic bitcoin mining at industrial scale targeting zero-carbon energy leveraging nuclear, hydro, and solar resources
- **Vertically integrated, infrastructure first strategy** ensures ability to create and take advantage of digital asset infrastructure
- **Experienced team with decades of energy infrastructure experience** and a model for sustainable, large-scale bitcoin mining
- **Core ESG focus** leveraging nearly entirely zero-carbon power differentiates TeraWulf and contributes to the acceleration of the transition to a more resilient, stable energy grid
- **Peer leading power supply economics** with a comprehensive and compelling business outlook
- **Rationalized capital structure** through flexible debt amortization profile enabling continued growth and M&A opportunity

SITE UPDATES

Lake Mariner Data (NY)



**LAKE
MARINER
DATA**

Location:	Barker, NY
Ownership:	100%
Site Control:	Long-term lease
Infra. Capacity:	500 MW site potential
Power Source:	91%+ hydro
Deployment:	<ul style="list-style-type: none">• 60 MW operational• 50 MW under construction, expected online in Q2 2023• 80 MW expansion potential in 2023
Proprietary Miners:	<ul style="list-style-type: none">• 18,000 Bitmain S19 J-Pros• 6,000 Bitmain S19 XPs• 4,500 Minerva MV7s
Hosted Miners ⁽¹⁾:	<ul style="list-style-type: none">• 5,000 Bitmain S19 J-Pros

Nautilus Cryptomine (PA)



**NAUTILUS
CRYPTOMINE**

Location:	Berwick, PA
Ownership:	25% (JV with Talen)
Site Control:	Long-term lease
Infra. Capacity⁽¹⁾:	<ul style="list-style-type: none">• 50 MW targeted online early Q2 2023• 50 MW optional expansion
Power Source:	Nuclear power
Deployment:	Completing construction; commencing operations in Q1 2023
Proprietary Miners:	<ul style="list-style-type: none">• 9,000 Bitmain S19 J-Pros• 7,000 Bitmain S19 XPs

(1) Reflects 25% net interest in Nautilus Cryptomine joint venture.



NASDAQ: WULF

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