

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): August 12, 2024

TERAWULF INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-41163
(Commission File Number)

87-1909475
(IRS Employer Identification No.)

9 Federal Street
Easton, Maryland 21601
(Address of principal executive offices) (Zip Code)

(410) 770-9500
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions *see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.001 par value per share	WULF	The Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On August 12, 2024, TeraWulf Inc. (“TeraWulf” or the “Company”) issued a press release (“Press Release”) announcing the Company’s results for the first quarter ended June 30, 2024. The Press Release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On August 12, 2024, the Company posted a presentation to its website at <https://investors.terawulf.com> (the “Presentation”). A copy of the Presentation is furnished as Exhibit 99.2 to this Report. The Company expects to use the Presentation, in whole or in part, and possibly with modifications, in connection with the earnings call with investors, analysts and others.

The information contained in the Presentation is summary information that is intended to be considered in the context of the Company’s Securities and Exchange Commission (“SEC”) filings and other public announcements that the Company may make, by press release or otherwise, from time to time. The Presentation speaks only as of the date of this Report. The Company undertakes no duty or obligation to publicly update or revise the information contained in the Presentation, although it may do so from time to time. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure. In addition, the exhibit furnished herewith contains statements intended as “forward-looking statements” that are subject to the cautionary statements about forward-looking statements set forth in such exhibit. By furnishing the information contained in the Presentation, the Company makes no admission as to the materiality of any information in the Presentation that is required to be disclosed solely by reason of Regulation FD.

The information contained in Items 2.02 and 7.01 of this Report (as well as in Exhibits 99.1 and 99.2 attached hereto) is furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and such information shall not be deemed to be incorporated by reference into any of the Company’s filings under the Securities Act of 1933, as amended or the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	<u>Press Release, dated August 12, 2024.</u>
99.2	<u>Presentation of the Company, dated August 12, 2024.</u>
104.1	Cover Page Interactive Data File (embedded within the inline XBRL document).

Forward Looking Statements

This Current Report on Form 8-K 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 cryptocurrency 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) adverse geopolitical or economic conditions, including a high inflationary environment; (8) 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); (9) the availability, delivery schedule and cost of equipment necessary to maintain and grow the business and operations of TeraWulf, including mining equipment and infrastructure equipment meeting the technical or other specifications required to achieve its growth strategy; (10) employment workforce factors, including the loss of key employees; (11) litigation relating to TeraWulf and/or its business; (12) potential differences between the unaudited results disclosed in this release and the Company's final results when disclosed in its Annual Report on Form 10-K as a result of the completion of the Company's final adjustments, annual audit by the Company's independent registered public accounting firm, and other developments arising between now and the disclosure of the final results; and (13) other risks and uncertainties detailed from time to time in the Company's filings with the 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.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

TERAWULF INC.

By: /s/ Patrick A. Fleury
Name: Patrick A. Fleury
Title: Chief Financial Officer

Dated: August 12, 2024

TeraWulf Reports Second Quarter 2024 Financial Results

Q2 2024 Revenue of \$35.6 million, gross profit (exclusive of depreciation) of \$21.7 million and Non-GAAP Adjusted EBITDA of \$19.5 million.

Revenue growth of 130.2% year-over-year for the three-month period ended June 30, 2024.

Paid down approximately \$30.2 million of debt in Q2 2024, followed by a significant repayment of \$75.8 million in July 2024, fully eliminating the Company's debt ahead of maturity.

Operational self-mining capacity as of June 30, 2024 increased 80% year-over-year to 8.8 EH/s.

Continued advancements in AI and high-performance computing initiatives at Lake Mariner.

EASTON, Md. – August 12, 2024 – TeraWulf Inc. (Nasdaq: WULF) (“TeraWulf” or the “Company”), which owns and operates vertically integrated, domestic bitcoin mining facilities powered by approximately 95% zero-carbon energy, today announced its unaudited interim financial results for the second quarter of fiscal year 2024 and provided an operational update.

Second Quarter 2024 GAAP Operational and Financial Highlights

- Self-mined 539 bitcoin at the Lake Mariner Facility.
- Revenue increased to \$35.6 million in Q2 2024 compared to \$15.5 million in Q2 2023.
- Gross profit (exclusive of depreciation) increased to \$21.7 million in Q2 2024 compared to \$10.3 million in Q2 2023.
- Total self-mining hashrate capacity at the Lake Mariner Facility of 8.8 EH/s as of June 30, 2024, representing an increase of 79.6% relative to the same prior year period.

Key GAAP Metrics (\$ in thousands)	Three Months Ended Q2 2024	Three Months Ended Q2 2023	% Change
Revenue	\$ 35,574	\$ 15,456	130.2 %
Gross profit (exclusive of depreciation)	\$ 21,656	\$ 10,343	109.4 %
Gross profit margin	60.9 %	66.9 %	(9.0)%

Second Quarter 2024 Non-GAAP Operational and Financial Highlights

- Self-mined 699 bitcoin across the Lake Mariner and Nautilus Cryptomine facilities, which represented a 21.4% decrease relative to in Q2 2023.
- Total value of bitcoin self-mined¹ of \$46.1 million in Q2 2024 compared to \$24.9 million in Q2 2023.
- Power cost per bitcoin self-mined increased year-over-year, to \$22,954 per bitcoin in Q2 2024 from \$6,688 per bitcoin in Q2 2023, due to an approximate doubling in network difficulty and the bitcoin reward halving in April 2024.
- Adjusted EBITDA of \$19.5 million in Q2 2024, an increase of 156.4% from \$7.6 million in Q2 2023.

¹ Excludes BTC earned from profit sharing associated with a hosting agreement that expired in February 2024 at the Lake Mariner Facility and includes TeraWulf's net share of BTC produced at the Nautilus Cryptomine Facility.

Key Non-GAAP Metrics ²	Three Months Ended Q2 2024	Three Months Ended Q2 2023	% Change
Bitcoin Self-Mined ³	699	889	(21.4)%
Value per Bitcoin Self-Mined ⁴	\$ 65,984	\$ 27,976	135.9 %
Power Cost per Bitcoin Self-Mined ⁵	\$ 22,954	\$ 6,688	243.2 %
Avg. Operating Hash Rate (EH/s) ⁶	7.4	3.6	105.6 %

Management Commentary

"TeraWulf's second-quarter results reflect our unwavering commitment to operational excellence and strategic growth. By completing the construction of Building 4 at Lake Mariner, advancing our AI and high-performance computing initiatives, and streamlining our capital structure, we have solidified our position as a leader in the industry. Our focus on low-cost, predominantly zero-carbon energy and efficient management has enabled us to achieve industry-leading profitability while positioning us to capitalize on emerging opportunities in the rapidly growing data center market," said Paul Prager, CEO of TeraWulf.

"Our extensive 600 megawatts of owned and scalable infrastructure is a key differentiator, allowing us to leverage our success in bitcoin mining as the foundation for expanding into alternative compute hosting. This strategic move aligns perfectly with the increasing demand for high-power data center capacity, positioning us for long-term growth and profitability," continued Prager.

Patrick Fleury, TeraWulf's CFO added, "In the second quarter of 2024, TeraWulf delivered solid financial performance, even in a challenging fundamental business environment following the Bitcoin reward halving in April, mining a total of 699 bitcoin across our facilities. During the quarter, we maintained our focus on cost management, achieving quarter-over-quarter reductions in power costs at Lake Mariner and SG&A expenses. In addition, our robust balance sheet, highlighted by a strong cash position and the elimination of debt, positions us well for future growth. We remain committed to maximizing shareholder value as we diversify into HPC and AI expansion in the latter half of the year."

² The Company's share of the earnings or losses of operating results at the Nautilus Cryptomine Facility is reflected within "Equity in net income (loss) of investee, net of tax" in the consolidated statements of operations. Accordingly, operating results of the Nautilus Cryptomine Facility are not reflected in revenue, cost of revenue or cost of operations lines in TeraWulf's consolidated statements of operations. The Company uses these metrics as indicators of operational progress and effectiveness and believes they are useful to investors for the same purposes and to provide comparisons to peer companies. All figures except Bitcoin Self-Mined are estimates.

³ Excludes BTC earned from profit sharing associated with a hosting agreement that expired in February 2024 at the Lake Mariner Facility and TeraWulf's net share of BTC produced at the Nautilus Cryptomine Facility.

⁴ Computed as the weighted-average opening price of BTC on each respective day the Self-Mined Bitcoin is earned.

⁵ The Q2 2024 and Q2 2023 calculations excludes 0 and 17 bitcoin, respectively, earned via hosting profit share.

⁶ While nameplate inventory for TeraWulf's two facilities is 8.8 EH/s, actual monthly hash rate performance depends on a variety of factors, including (but not limited to) performance tuning to increase efficiency and maximize margin, scheduled outages (scopes to improve reliability or performance), unscheduled outages, curtailment due to participation in various cash

generating demand response programs, derate of ASICS due to adverse weather and ASIC maintenance and repair.

Production and Operations Update

The recent completion of Building 4 at the Company's wholly owned Lake Mariner Facility in New York has expanded TeraWulf's bitcoin mining infrastructure capacity to 245 MW and over 10.0 EH/s across its two sites. The Company has also begun construction on Building 5 at the Lake Mariner Facility, which is expected to contribute an additional 50 MW of infrastructure capacity by Q1 2025. This capacity can be utilized for bitcoin mining or AI/HPC compute applications.

In Pennsylvania, the Company currently has 50 MW of operational mining capacity at the Nautilus Cryptomine Facility, a joint venture with Cumulus Coin, LLC. TeraWulf's additional 50 MW of expansion capacity at the Nautilus Cryptomine Facility is planned to come online in 2025, potentially increasing TeraWulf's bitcoin mining operating capacity by up to 2.5 EH/s at the site.

As previously announced, the Company is advancing activities to support a large-scale, high-performance computing (HPC) and AI project at the Lake Mariner Facility. The Company has committed an initial 2 MW block of power to the project, capable of supporting thousands of the latest generation graphics processing units (GPUs). During the second quarter, the Company purchased a 128-GPU cluster from NVIDIA, financed by a leading OEM. To support this project, the Company has upgraded the internet interconnection at the Lake Mariner Facility to meet the bandwidth requirements of AI, designed a closed-loop liquid cooling system, and ensured power supply redundancy for 100% reliability.

Second Quarter 2024 GAAP Financial Results

Revenue in the second quarter of 2024 increased 130.2% to \$35.6 million as compared to \$15.5 million in the second quarter of 2023. This increase is attributable to a significant growth in operating self-mining hashrate as well as a higher average bitcoin price relative to the second quarter of 2023. Notably, revenue and expenses reported in the TeraWulf GAAP income statement excludes revenue and expenses from the Nautilus joint venture; the net financial impact of the Nautilus joint venture is captured within equity in net income (loss) of investee, net of tax in the consolidated statements of operations.

Gross profit (exclusive of depreciation) in the second quarter of 2024 increased 109.4% to \$21.7 million compared to \$10.3 million in the second quarter of 2023. Gross profit margin as a percentage of revenue decreased to 60.9% in the second quarter of 2024 compared to 66.9% in the second quarter of 2023, primarily due to an approximate doubling in network difficulty and the bitcoin reward halving in April 2024, partially offset by a 105.6% increase in average operating hashrate and 135.9% increase in average value per bitcoin self-mined year-over-year.

During the second quarter of 2024, the Company repaid \$30.2 million of debt, followed by an additional \$75.8 million repayment in July 2024 to fully pay down the remaining balance on the Term Loans ahead of maturity.

About TeraWulf

TeraWulf (Nasdaq: WULF) owns and operates vertically integrated, environmentally clean bitcoin mining facilities in the United States. Led by an experienced group of energy entrepreneurs, the Company currently has two bitcoin mining facilities: the wholly owned Lake Mariner Facility in New York, and Nautilus Cryptomine Facility in Pennsylvania, a joint venture with Cumulus Coin, LLC. TeraWulf generates domestically produced bitcoin powered primarily by nuclear and hydro energy with a goal of utilizing predominantly 100% zero-carbon energy. With a core focus on ESG that ties directly to its business success, TeraWulf expects to offer attractive mining economics at an industrial scale.

Forward-Looking Statements

This press release 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 cryptocurrency 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, and/or regulation regarding safety, health, environmental and other matters, which could require significant expenditures; (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) adverse geopolitical or economic conditions, including a high inflationary environment; (8) 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); (9) the availability, delivery schedule and cost of equipment necessary to maintain and grow the business and operations of TeraWulf, including mining equipment and infrastructure equipment meeting the technical or other specifications required to achieve its growth strategy; (10) employment workforce factors, including the loss of key employees; (11) litigation relating to TeraWulf and/or its business; 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.

Company Contact:

Jason Assad
Director of Corporate Communications
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(678) 570-6791

CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2024 AND DECEMBER 31, 2023
(In thousands, except number of shares and par value)

	<u>June 30, 2024</u>	<u>December 31,</u> <u>2023</u>
	(unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 104,109	\$ 54,439
Digital currency	946	1,801
Prepaid expenses	2,850	4,540
Other receivables	2,554	1,001
Other current assets	505	806
Total current assets	<u>110,964</u>	<u>62,587</u>
Equity in net assets of investee	85,568	98,613
Property, plant and equipment, net	272,049	205,284
Right-of-use asset	10,440	10,943
Other assets	547	679
TOTAL ASSETS	<u><u>\$ 479,568</u></u>	<u><u>\$ 378,106</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 8,398	\$ 15,169
Accrued construction liabilities	3,033	1,526
Other accrued liabilities	7,751	9,179
Share based liabilities due to related party	—	2,500
Other amounts due to related parties	632	972
Current portion of operating lease liability	51	48
Insurance premium financing payable	249	1,803
Current portion of long-term debt	72,302	123,465
Total current liabilities	<u>92,416</u>	<u>154,662</u>
Operating lease liability, net of current portion	873	899
Long-term debt	38	56
TOTAL LIABILITIES	<u><u>93,327</u></u>	<u><u>155,617</u></u>

Commitments and Contingencies (See Note 12)

STOCKHOLDERS' EQUITY:

Preferred stock, \$0.001 par value, \$100,000,000 authorized at June 30, 2024 and December 31, 2023; \$9,566 issued and outstanding at June 30, 2024 and December 31, 2023; aggregate liquidation preference of \$12,002 and \$11,423 at June 30, 2024 and December 31, 2023, respectively	9,273	9,273
Common stock, \$0.001 par value, \$600,000,000 and 400,000,000 authorized at June 30, 2024 and December 31, 2023, respectively; \$374,456,722 and \$276,733,329 issued and outstanding at June 30, 2024 and December 31, 2023, respectively	374	277
Additional paid-in capital	656,941	472,834
Accumulated deficit	(280,347)	(259,895)
Total stockholders' equity	<u>386,241</u>	<u>222,489</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 479,568</u>	<u>\$ 378,106</u>

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(In thousands, except number of shares and loss per common share; unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	\$ 35,574	\$ 15,456	\$ 78,007	\$ 26,989
Cost of revenue (exclusive of depreciation shown below)	13,918	5,113	28,326	10,115
Gross profit	<u>21,656</u>	<u>10,343</u>	<u>49,681</u>	<u>16,874</u>
Cost of operations:				
Operating expenses	797	468	1,582	776
Operating expenses – related party	875	639	1,763	1,236
Selling, general and administrative expenses	9,113	5,878	21,402	12,370
Selling, general and administrative expenses – related party	2,803	2,676	5,423	5,574
Depreciation	14,133	6,428	29,221	11,861
Loss (gain) on fair value of digital currency, net	700	—	(629)	—
Realized gain on sale of digital currency	—	(583)	—	(1,186)
Impairment of digital currency	—	682	—	1,309
Total cost of operations	<u>28,421</u>	<u>16,188</u>	<u>58,762</u>	<u>31,940</u>
Operating loss	(6,765)	(5,845)	(9,081)	(15,066)

Interest expense	(5,325)	(8,450)	(16,370)	(15,284)
Loss on extinguishment of debt	—	—	(2,027)	—
Other income	447	54	947	54
Loss before income tax and equity in net income (loss) of investee	(11,643)	(14,241)	(26,531)	(30,296)
Income tax benefit	—	—	—	—
Equity in net income (loss) of investee, net of tax	767	(3,296)	6,042	(13,463)
Loss from continuing operations	(10,876)	(17,537)	(20,489)	(43,759)
Loss from discontinued operations, net of tax	—	(3)	—	(38)
Net loss	(10,876)	(17,540)	(20,489)	(43,797)
Preferred stock dividends	(292)	(265)	(578)	(524)
Net loss attributable to common stockholders	<u>\$ (11,168)</u>	<u>\$ (17,805)</u>	<u>\$ (21,067)</u>	<u>\$ (44,321)</u>
Loss per common share:				
Continuing operations	\$ (0.03)	\$ (0.08)	\$ (0.07)	\$ (0.24)
Discontinued operations	-	—	-	—
Basic and diluted	<u>\$ (0.03)</u>	<u>\$ (0.08)</u>	<u>\$ (0.07)</u>	<u>\$ (0.24)</u>
Weighted average common shares outstanding:				
Basic and diluted	<u>340,662,826</u>	<u>210,421,237</u>	<u>315,714,178</u>	<u>187,843,663</u>

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(In thousands; unaudited)**

	Six Months Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (20,489)	\$ (43,797)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Amortization of debt issuance costs, commitment fees and accretion of debt discount	10,691	8,307
Related party expense to be settled with respect to common stock	—	417
Common stock issued for interest expense	—	26
Stock-based compensation expense	11,773	2,610
Depreciation	29,221	11,861

Amortization of right-of-use asset	503	501
Increase in digital currency from mining and hosting services	(77,477)	(24,206)
Loss (gain) on fair value of digital currency, net	(629)	—
Realized gain on sale of digital currency	—	(1,186)
Impairment of digital currency	—	1,309
Proceeds from sale of digital currency	97,559	28,501
Digital currency issued for services	210	—
Loss on extinguishment of debt	2,027	—
Equity in net (income) loss of investee, net of tax	(6,042)	13,463
Loss from discontinued operations, net of tax	—	38
Changes in operating assets and liabilities:		
Decrease in prepaid expenses	1,690	1,623
Increase in other receivables	(1,553)	—
Decrease (increase) in other current assets	301	(1,347)
Decrease in other assets	22	28
Decrease in accounts payable	(6,267)	(3,812)
Decrease in other accrued liabilities	(1,946)	(2,330)
Decrease in other amounts due to related parties	(344)	(1,290)
Decrease in operating lease liability	(23)	(20)
Net cash provided by (used in) operating activities from continuing operations	39,227	(9,304)
Net cash provided by operating activities from discontinued operations	—	294
Net cash provided by (used in) operating activities	39,227	(9,010)

CASH FLOWS FROM INVESTING ACTIVITIES:

Investments in joint venture, including direct payments made on behalf of joint venture	—	(2,845)
Purchase of and deposits on plant and equipment	(93,579)	(15,990)
Net cash used in investing activities	(93,579)	(18,835)

CASH FLOWS FROM FINANCING ACTIVITIES:

Principal payments on long-term debt	(63,568)	—
Payments of prepayment fees associated with early extinguishment of long-term debt	(314)	—
Proceeds from insurance premium and property, plant and equipment financing	—	790
Principal payments on insurance premium and property, plant and equipment financing	(1,570)	(2,450)
Proceeds from issuance of common stock, net of issuance costs paid of \$615 and \$1,051	173,237	36,123
Proceeds from warrant issuances	1,901	2,500

Payments of tax withholding related to net share settlements of stock-based compensation awards	(5,664)	(852)
Proceeds from issuance of convertible promissory note	—	1,250
Payment of contingent value rights liability related to proceeds from sale of net assets held for sale	—	(9,598)
Net cash provided by financing activities	<u>104,022</u>	<u>27,763</u>

Net change in cash and cash equivalents	49,670	(82)
Cash and cash equivalents at beginning of period	54,439	8,323
Cash and cash equivalents at end of period	<u>\$ 104,109</u>	<u>\$ 8,241</u>

Cash paid during the period for:

Interest	\$ 6,214	\$ 11,252
Income taxes	\$ —	\$ —

Non-GAAP Measure

To provide investors with additional information in connection with our results as determined in accordance with generally accepted accounting principles in the United States (“GAAP”), we disclose Adjusted EBITDA as a non-GAAP measure. This measure is not a financial measure calculated in accordance with GAAP, and it should not be considered as a substitute for net income, operating income, or any other measure calculated in accordance with GAAP, and may not be comparable to similarly titled measures reported by other companies.

We define Adjusted EBITDA as income (loss) from continuing operations adjusted for (i) impacts of interest, taxes, depreciation and amortization; (ii) preferred stock dividends, stock-based compensation expense and related party expense to be settled with respect to common stock, all of which are non-cash items that the Company believes are not reflective of its general business performance, and for which the accounting requires management judgment, and the resulting expenses could vary significantly in comparison to other companies; (iii) equity in net income (loss) of investee, net of tax, related to Nautilus; (iv) other income which is related to interest income or income for which management believes is not reflective of the Company’s ongoing operating activities; (v) loss on extinguishment of debt, which is not reflective of the Company’s general business performance; and (vi) loss from discontinued operations, net of tax, which is not applicable to the Company’s future business activities. The Company’s non-GAAP Adjusted EBITDA also includes the impact of distributions from investee received in bitcoin related to a return on the Nautilus investment, which management believes, in conjunction with excluding the impact of equity in net income (loss) of investee, net of tax, is reflective of assets available for the Company’s use in its ongoing operations as a result of its investment in Nautilus.

Management believes that providing this non-GAAP financial measure allows for meaningful comparisons between the Company's core business operating results and those of other companies, and provides the Company with an important tool for financial and operational decision making and for evaluating its own core business operating results over different periods of time. In addition to management's internal use of non-GAAP Adjusted EBITDA, management believes that Adjusted EBITDA is also useful to investors and analysts in comparing the Company's performance across reporting periods on a consistent basis. Management believes the foregoing to be the case even though some of the excluded items involve cash outlays and some of them recur on a regular basis (although management does not believe any of such items are normal operating expenses necessary to generate the Company's bitcoin related revenues). For example, the Company expects that share-based compensation expense, which is excluded from Adjusted EBITDA, will continue to be a significant recurring expense over the coming years and is an important part of the compensation provided to certain employees, officers, directors and consultants. Additionally, management does not consider any of the excluded items to be expenses necessary to generate the Company's bitcoin related revenue.

The Company's Adjusted EBITDA measure may not be directly comparable to similar measures provided by other companies in the Company's industry, as other companies in the Company's industry may calculate non-GAAP financial results differently. The Company's Adjusted EBITDA is not a measurement of financial performance under GAAP and should not be considered as an alternative to operating loss or any other measure of performance derived in accordance with GAAP. Although management utilizes internally and presents Adjusted EBITDA, the Company only utilizes that measure supplementally and does not consider it to be a substitute for, or superior to, the information provided by GAAP financial results. Accordingly, Adjusted EBITDA is not meant to be considered in isolation of, and should be read in conjunction with, the information contained in the Company's consolidated financial statements, which have been prepared in accordance with GAAP.

The following table is a reconciliation of the Company's non-GAAP Adjusted EBITDA to its most directly comparable GAAP measure (i.e., net loss attributable to common stockholders) for the periods indicated (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net loss attributable to common stockholders	\$ (11,168)	\$ (17,805)	\$ (21,067)	\$ (44,321)
Adjustments to reconcile net loss attributable to common stockholders to non-GAAP Adjusted EBITDA:				
Preferred stock dividends	292	265	578	524
Loss from discontinued operations, net of tax	—	3	—	38
Equity in net (income) loss of investee, net of tax	(767)	3,296	(6,042)	13,463
Distributions from investee, related to Nautilus	7,065	4,943	19,087	4,943
Income tax benefit	—	—	—	—
Other income	(447)	(54)	(947)	(54)
Loss on extinguishment of debt	—	—	2,027	—
Interest expense	5,325	8,450	16,370	15,284
Depreciation	14,133	6,428	29,221	11,861
Amortization of right-of-use asset	251	251	503	501
Stock-based compensation expense	4,842	1,734	11,773	2,610
Related party expense to be settled with respect to common stock	—	104	—	417
Non-GAAP Adjusted EBITDA	<u>\$ 19,526</u>	<u>\$ 7,615</u>	<u>\$ 51,503</u>	<u>\$ 5,266</u>



TERAWULF

Moving Infrastructure Forward

Investor Update

August 2024

TERAWULF

SAFE HARBOR STATEMENT

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 and/or its business; (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.

WULF: The Power of Infrastructure



WULF
MINING

- 245 MW in operation
- 100 MW of expansion:
 - 50 MW at LMD in 2024
 - 50 MW at Nautilus in 2025
- Targeting up to 100 MW in 2025

600 MW digital infrastructure to scale

245 MW deployed for bitcoin mining

350 MW available for bitcoin mining or HPC/AI ⁽¹⁾

Existing industrial water intake system

Core electrical infrastructure and redundant fiber access



WULF
COMPUTE

- 2.5 MW (gross) "WULF Den" expected online Q3 2024
- 20 MW (gross) colo building "CB-1" expected online in Q4 2024
- Targeting up to 150 MW of growth in 2025



(1) 350 MW available expansion capacity includes planned 50 MW BTC mining expansion at Nautilus.

WULF Infrastructure

Our Operations

- 10 EH/s deployed and 245 MW operational
- Target 295 MW operational by YE 2024
- 699 BTC mined in Q2 2024
- 889 BTC mined in Q2 2023
- Realized \$0.032/kWh power cost in 2023
- Target \$0.035/kWh power cost in 2024
- 93% zero-carbon energy across two sites

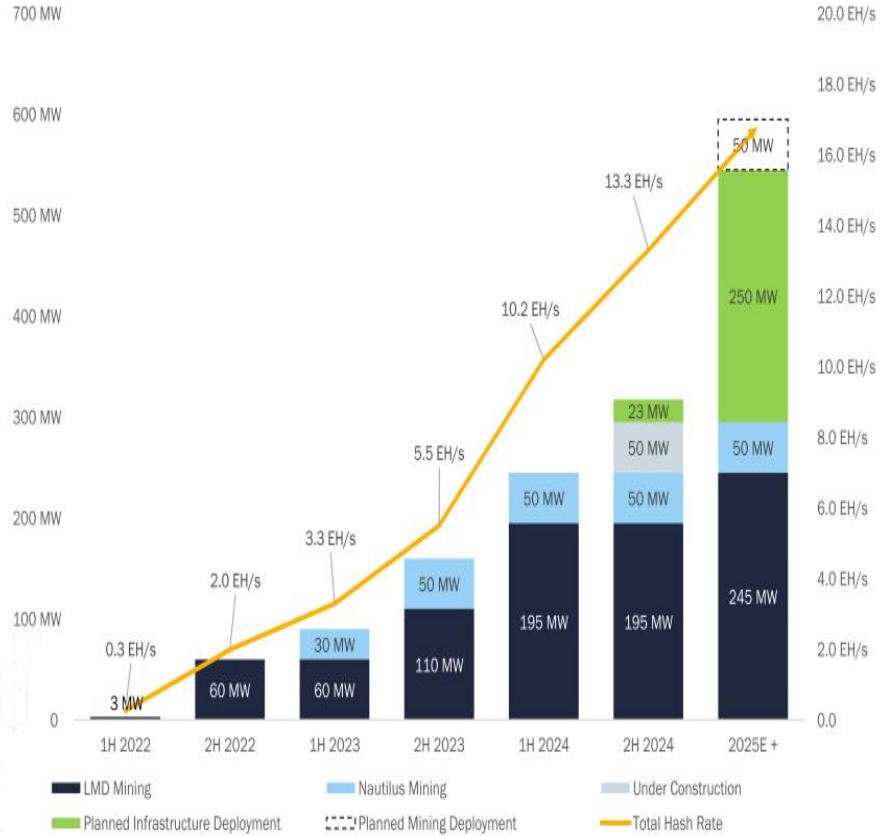
Our Strategy

- Owned infrastructure to **scale** flexibly
- **Lowest cost** producer of BTC
- **Sustainable**: predominantly zero-carbon
- **ESG** is core to operations, risk mitigation, and reputational value



Track Record of Execution

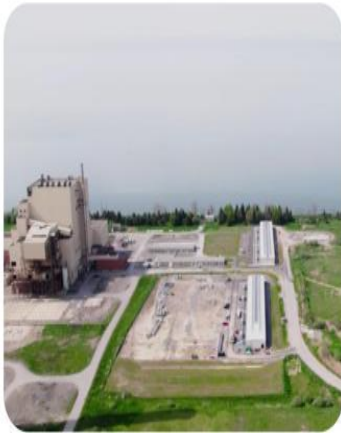
Rapidly scaling since inception with significant owned capacity for growth



Sustainable and Scalable Sites



- 91%+ Zero-Carbon, Primarily Hydro ⁽¹⁾
- 195 MW Online
- 500+ MW Capacity



245 MW

deployed mining capacity across both sites

50 MW

near-term expansion at LMD

➤ 85: 50 MW YE 2024

>300 MW

additional capacity at existing sites

> 93%

zero-carbon power supply, with the goal of achieving 100%

3.5¢

per kilowatt hour targeted average power cost



- 100% Zero-Carbon Nuclear
- 50 MW Online
- 100 MW Capacity ⁽²⁾



(1) Source: NYISO Power Trends 2024 report (<https://www.nyiso.com/power-trends>).

(2) Reflects TeraWulf's 50 MW interest in the Nautilus Cryptomine facility and option to expand by 50 MW, which the Company exercised in February 2024.

Unparalleled Access to Low-Cost, Zero-Carbon Power

Strategically located in regions with significant energy surplus



LAKE
MARINER
DATA



\$0.04/kWh

- ✓ Abundant, **low-cost**, predominantly **hydropower** (site is ~35 miles from Niagara Hydro)
- ✓ **91%** zero-carbon power
- ✓ Market power averages **~4.0 cents** per kilowatt hour year-round



NAUTILUS
CRYPTOMINE



\$0.02/kWh

- ✓ First **behind-the-meter** facility in the U.S. directly connected to nuclear power plant
 - ✓ **100%** zero-carbon power
- ✓ Contracted fixed-cost power price of **2.0 cents** per kilowatt hour for 5 years

Positioned to Maximize Profitability and Growth

Low-cost producer of Bitcoin with large-scale infrastructure optionality



Large-Scale Infrastructure for Organic Growth

- Existing sites have access to >300 MW of capacity to expand
- Attractive site strategically positioned to support other forms of compute

Access to Abundant, Low-Cost, Zero-Carbon Power

- Realized \$0.032/kWh all-in power cost in 2023
- Target \$0.035/kWh all-in power cost in 2024

Miner Purchase Contract Locks in Pricing

- 7 EH/s purchase and option agreement for S21 miners was amended in 2Q24 to specify S21 Pro miners
- Locks in pricing at ~\$16 per terahash
- Elected to receive 5,000 of 30,000 miners in option agreement for Building 4

Strengthened Balance Sheet & Liquidity

- Eliminated debt enabling greater flexibility to pursue growth plans
- 2024 growth plans funded; expect to generate significant free cash flow during balance of year and beyond

Q2 2024 Financial Snapshot

Free cash flow generation despite BTC reward halving in April 2024

Metric	Amount	Comments
End of Period Hash Rate	8.8 EH/s	➤ 80% increase year-over-year
Bitcoin Self-mined	699	➤ 7.7 BTC per day
Power Cost	\$0.037/kWh	➤ Represents power cost per BTC of \$22,954
Revenue ⁽¹⁾	\$35.6 million	➤ 130% increase year-over-year; value per BTC self-mined (non-GAAP) averaged ~\$66k ⁽²⁾⁽³⁾
Gross Profit (exclusive of depreciation) ⁽¹⁾	\$21.7 million	➤ 109% increase year-over-year; 61% gross profit margin; 63% Non-GAAP gross profit margin ⁽³⁾
Non-GAAP Adjusted EBITDA ⁽²⁾	\$19.5 million	➤ 156% increase year-over-year; EBITDA/EH of \$2.4 million
Cash and Cash Equivalents	\$104.1 million	➤ Excludes BTC of \$0.9 million ⁽⁴⁾
Net Debt ⁽⁵⁾	\$(27.4) million	➤ Debt fully repaid in July 2024, subsequent to 2Q24

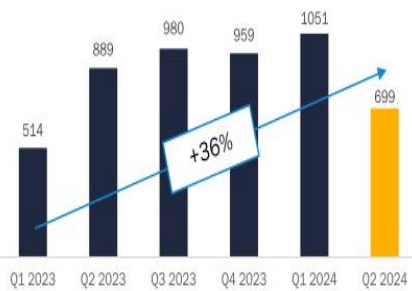


- (1) GAAP measure; excludes Nautilus JV.
- (2) Computed as the weighted average opening price of BTC on each respective day the self-mined BTC is earned.
- (3) Non-GAAP measure; includes Nautilus JV.
- (4) Based on the market price per one Bitcoin of \$60,118 on June 30, 2024.
- (5) Net Debt as of 6/30/24 calculated as follows: \$75.8 million principal balance of debt less \$104.1 million of cash.

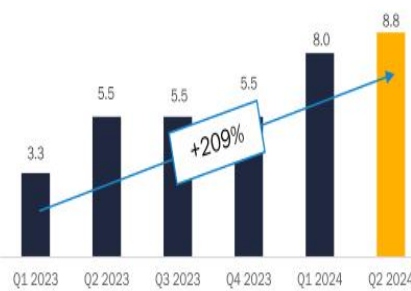
WULF Quarterly Performance

All figures include TeraWulf's net share of Nautilus JV

Bitcoin Self Mined (# BTC)¹



Ending Operating Capacity (EH/s)²



Non-GAAP Gross Profit³



Non-GAAP Adjusted EBITDA⁴



- BTC production of 699 in 2Q24, a 34% decrease QoQ despite impact of the halving
- End of period self-mining hash rate increased 80% year-over-year to 8.8 EH/s
- Average EBITDA per EH of \$2.4 million; highest of public peers



(1) Excludes bitcoin earned via hosting profit share.
 (2) Includes gross total hosted hash rate.
 (3) Calculated as Revenue less Cost of Revenue (exclusive of depreciation, inclusive of demand response proceeds); includes WULF's share of Nautilus JV.
 (4) Includes distributions from Nautilus JV.

Nautilus JV: Illustrative P&L and Financial Statement Impact

GAAP rules do not permit TeraWulf to consolidate its 25% interest in the Nautilus JV

- Nautilus' revenue, cost of revenue, operating expenses, depreciation and amortization are NOT consolidated into TeraWulf's financial statement
- The financial impact of the Nautilus JV is reflected in the "Equity in net income (loss) of investee, net of tax" line item on TeraWulf's GAAP income statement
- In the Non-GAAP Adjusted EBITDA calculation, TeraWulf backs out the impact of the "Equity in net income (loss) of investee, net of tax" and adds back actual "Distributions from investee, related to Nautilus"

	Hypothetical Post-Halving Quarter	(\$ in millions)	Hypothetical Post-Halving Quarter		
Illustrative Market Inputs:			Illustrative Summary Financial Statement:		
Bitcoin Price (\$/BTC)	\$60,000		Revenue	\$7.4	
Network Hash Rate (EH/s)	610		Cost of revenue (excl. depreciation)	\$(2.2)	
			Gross Profit	\$5.2	
Illustrative Operating Inputs:			Other Operating Expenses ⁽¹⁾	\$(1.7)	
WULF Hash Rate (EH/s)	1.85		Operating Profit	\$3.5	<-- Adjusted EBITDA
WULF Power Capacity (MW)	50		Depreciation ⁽²⁾	\$(5.6)	
Uptime	98.0%		Equity in net income (loss) of investee, net of tax	\$(2.1)	<-- GAAP Income Statement
WULF MWh's	108,192				
Cost of Power (\$/kW)	\$0.02		Illustrative Bitcoin Mined Summary:		
			Bitcoin Mined in Quarter	123	
			Cost of revenue + Other Operating Expenses	64	
			Bitcoin Distributed to WULF	59	
			Distributions from investee, related to Nautilus (Bitcoin Distributed to WULF x Bitcoin Price)	\$3.5	<-- Adjusted EBITDA



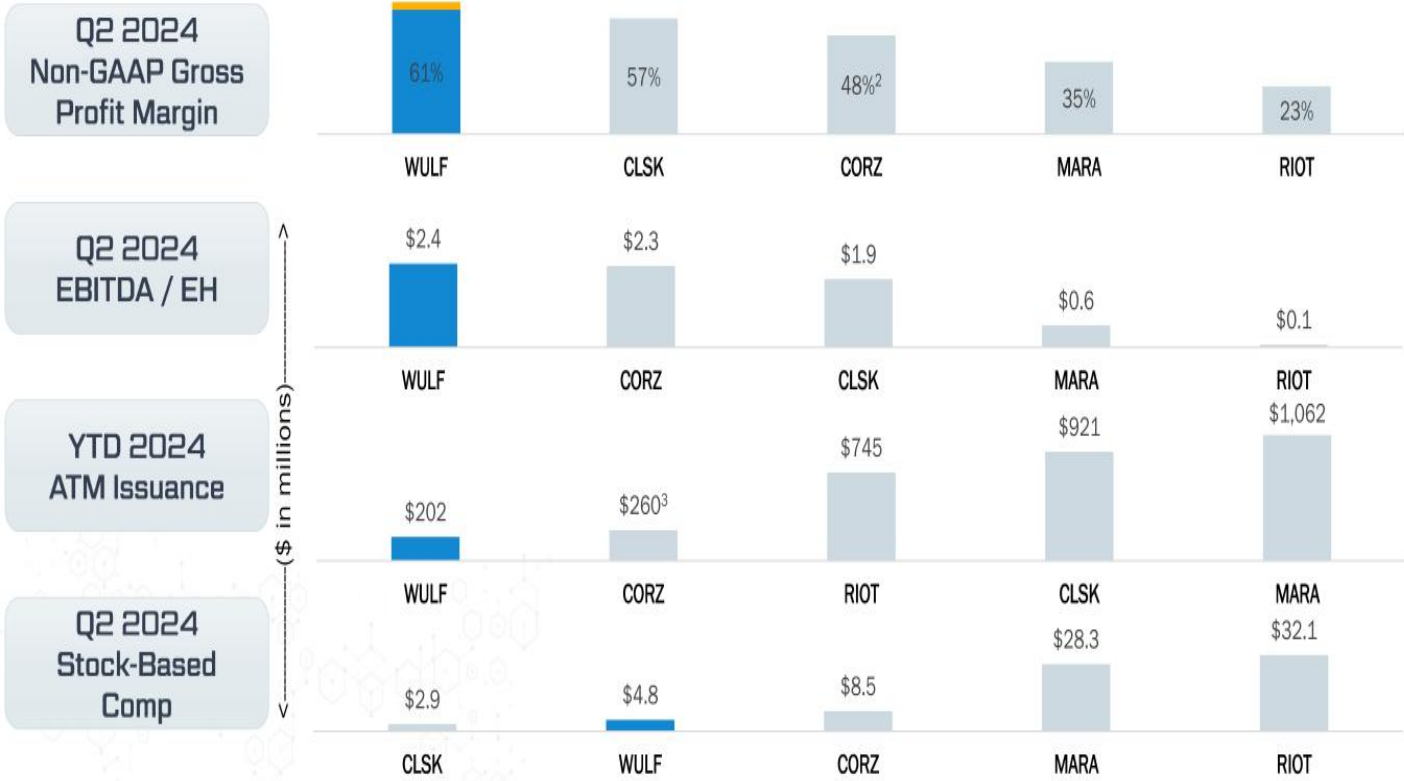
(1) Other Operating Expenses: Other Operating Expenses are expected to be ~\$13.5 million split ~50/50 the Lake Mariner facility and the Nautilus JV.

(2) Depreciation estimate is based on ~\$90 million of capital cost (\$30 million of infrastructure plus ~\$60 million of miners) incurred by TeraWulf at the Nautilus JV and predominantly depreciated over four years.

Not All Exahash is Created Equal

TeraWulf delivers more profitability with less dilution than any of its peers

"It's not the size of the dog in the fight, it's the size of the fight in the dog."
~Mark Twain

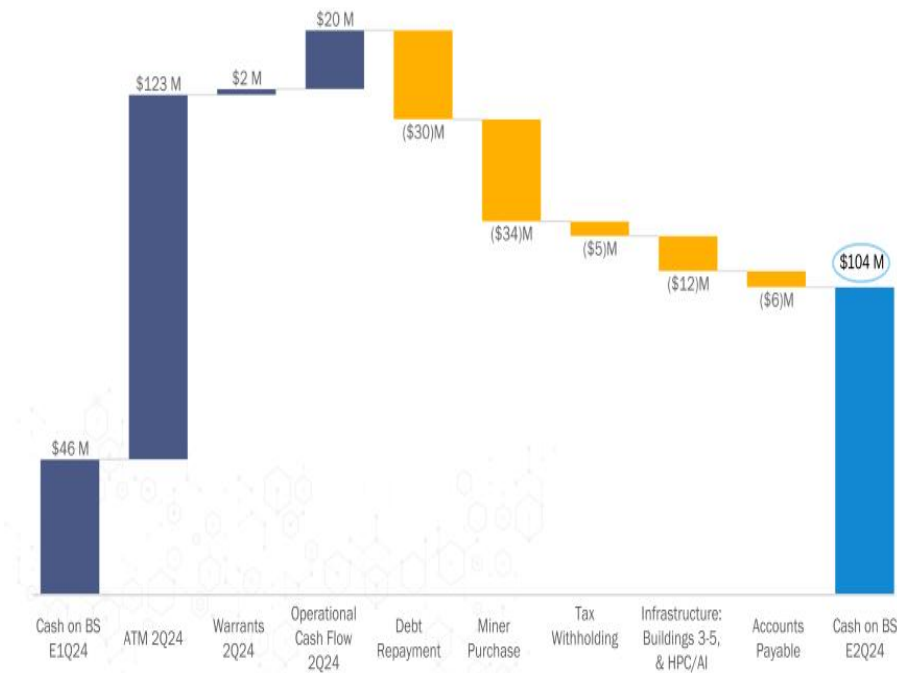


Source: Public filings, publicly available earnings transcripts, and good faith calculations by TeraWulf.
 (1) Includes TeraWulf's Net Share of Nautilus JV Gross Profit Margin; Gross Profit Margin is 61% per GAAP financials.
 (2) Excludes ~\$29 million of D&A classified as cost of revenue in CORZ financial statements.
 (3) Includes conversion of ~\$260 million of convertible notes for a total of 44.6 million common shares.

2Q24 Sources & Uses: Capital Raising & CapEx

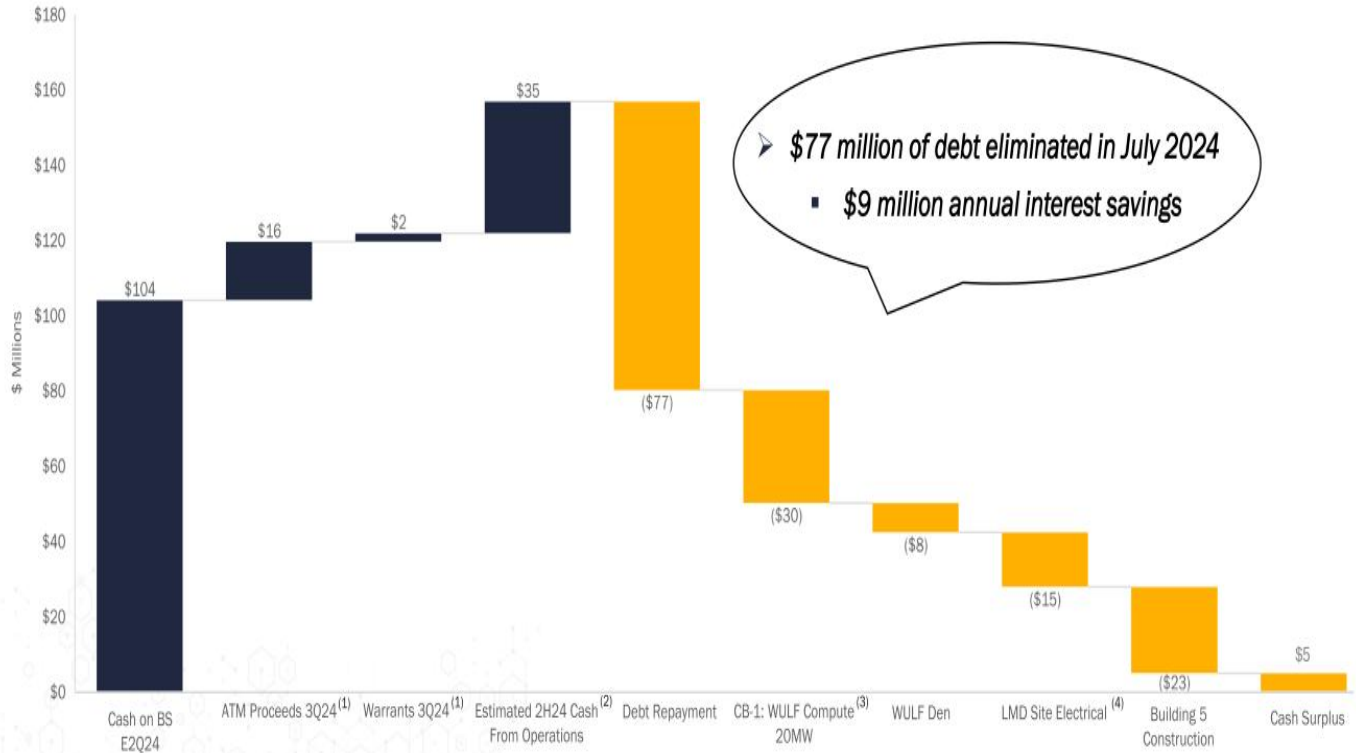
Strong operational performance enabled continuous growth and streamlined capital structure

- \$30 million of debt repayment in Q2 2024
- Building 4 populated with ~10,000 S21 and S21 Pro miners
- Balance sheet improvement continues with \$18.5 million of net working capital at end of 2Q24



Fully Funded Growth Plans Through Year-End 2024

Foundation being built for rapid HPC/AI expansion in 2025+



➤ **\$77 million of debt eliminated in July 2024**
 ▪ **\$9 million annual interest savings**



(1) Actual proceeds received through August 12, 2024.
 (2) Estimated 2H24 cash from operations assumes average BTC price of \$60,000 and network hash rate of 600 EH/s, July 1 - December 31, 2024.
 (3) Reflects TeraWulf's 30% equity contribution for construction of CB-1, a liquid-cooled, redundant, and high-power density 20 MW (gross) HPC/AI infrastructure expected to be substantially complete by year-end.
 (4) Includes electrical capital expenditures required to expand the Lake Mariner facility to 500 MW.

Updated Guidance: \$/BTC and Hash Cost \$/PH/Day

Realized cost-to-mine of ~\$41.6k in Q2 2024; projection of ~\$40k for balance of 2024

	Q1 2024 ^[1]			Q2 2024 ^[2]			2H 2024			Full Year 2024
Illustrative Market Inputs:										
Network Hash Rate (EH/s)								630		
Transaction Fees (%)								10%		
Illustrative Operating Inputs:										
Miner Fleet Efficiency (J/TH) ^[3]								23.7		
Total Hash Rate (EH/s)								10.2		
Total Bitcoin Mined	1,051			699			1,462			3,212
	\$ in 000's	\$/BTC	\$/PH/Day	\$ in 000's	\$/BTC	\$/PH/Day	\$ in 000's	\$/BTC	\$/PH/Day	\$ in 000's
Power Cost (@ \$0.035/kWh)	\$16,292	\$15,501	\$26	\$16,035	\$22,940	\$23	\$35,974	\$24,606	\$19	\$68,301
SG&A for the Period ^[4]	8,028	7,639	13	7,074	10,120	10	14,898	10,190	8	30,000
Other OpEx for the Period ^[5]	3,113	2,962	5	3,472	4,968	5	6,915	4,729	4	13,500
Cash Interest Expense for the Period	3,726	3,545	6	2,488	3,559	4				6,214
Total Cost	\$31,159	\$29,647	\$50	\$29,069	\$41,587	\$42	\$57,787	\$39,525	\$31	\$118,015

Note: All expenses are cash cost only and all figures include the impact of TeraWulf's net share of the Nautilus JV.

(1) Actual results, excludes 6 BTC earned via hosting profit share.

(2) Actual results in 2Q24.

(3) Assumes 4% ancillary load. Nameplate miner efficiency is 22.8 J/TH.

(4) Excludes stock-based compensation.

(5) Includes Nautilus OpEx. Other Operating Expenses are expected to be ~\$13.5 million split ~50/50 between the Lake Mariner facility and the Nautilus JV.



WULF Compute – Potential Illustrative Business Models

Optimizing LAND, MWs and CAPITAL for the most efficient long-term value creation

WULF Compute's Core Business

	Cloud Service Provider (CSP)	Colocation – Whitespace & Rack Ready	Build to Suit
Description	Shell data center and GPU clusters; space, power, cooling, fiber/internet, security, compute, storage and environment.	Shell data center; lease rack ready whitespace including redundant power, cooling, fiber/internet, and security	Data center built to spec; lease space, redundant power, cooling, fiber/internet, and security
Customer	Multiple – Managed through cloud partner	Multiple – Enterprise and well funded startups	Single – Hyperscaler
Contract Size	0.1 – 50 MW	0.5 – 100 MW+	100+ MW
Contract Term	1 – 36 months	1 – 7+ years	15+ years with renewals
O&M	WULF managed	WULF managed	Tenant managed
Build Cost per MW	\$27 – 30 million ⁽¹⁾	\$6 – 8 million ⁽¹⁾	\$2 – 4 million ⁽⁴⁾
Financing	Equity & Debt	Equity (initially)	Highly Bankable
Revenue per MW	\$11 – 18 million ⁽²⁾	\$1.3 – 1.8 million ⁽³⁾	\$0.2 – 0.5 million
Margins	70 – 80%	65 – 75%	90% +
Valuation Range	7-12x EBITDA	10-15x EBITDA	15-20x EBITDA

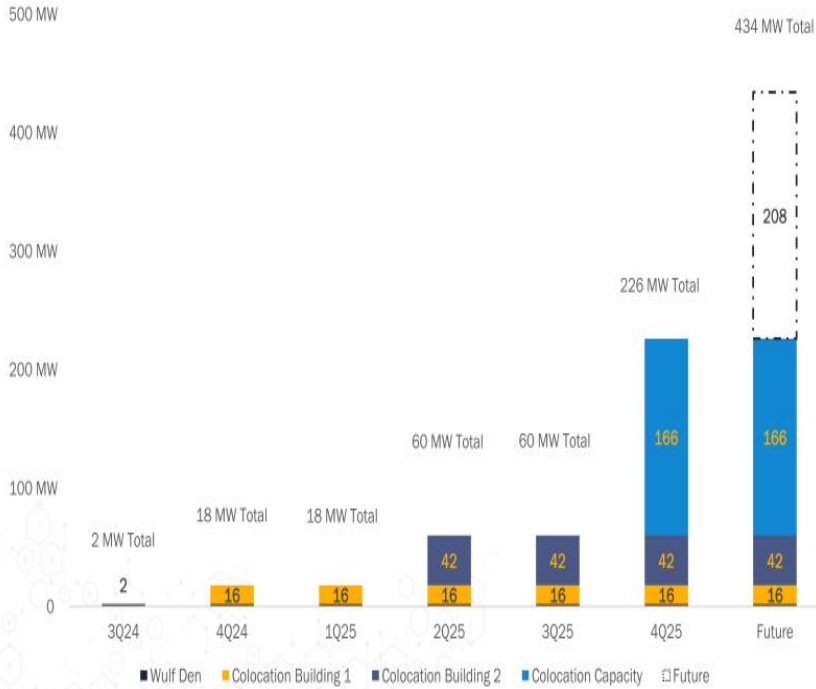


(1) Build cost for CSP and colocation model reflect liquid cooling infrastructure.
 (2) Low end of range based on long-term reserve contract at \$2.1/GPU/hr with 100% rental utilization, high end of range represents \$4.50/GPU/hr of on-demand revenue at 80% rental utilization.

(3) Does not include customer pass-through energy expense. Subject to term length and payment terms.
 (4) Based on air cooled powered shell infrastructure. NNN Rent Structure; customer pays all OpEx directly.

Illustrative HPC/AI Development Timeline

Illustrative Infrastructure Development Timeline



- WULF Den: 2/2.5 MW⁽¹⁾ capacity⁽²⁾ expected to be energized in September 2024
- CB-1: 16/20 MW⁽¹⁾ capacity expected to be energized by YE24⁽²⁾
- CB-2: 42/50 MW⁽¹⁾⁽²⁾ expected to be energized in 1H25
- Additional 166/200 MW⁽¹⁾ capacity expected to be available 2H25⁽²⁾
- Additional future capacity design and timeline subject to ongoing customer conversations and demand⁽³⁾



(1) Represents the critical and gross load capacity based on an expected 1.2 average annual PUE estimated from design cooling studies
 (2) Fully redundant electrical, high-speed fiber, and direct liquid cooling capabilities to support 90+ kW/rack and capable of up to 145/kW/rack with PDU modifications
 (3) Future capacity subject to transmission studies and potential transmission upgrades.

17 GW U.S. data center demand
2023 ⁽¹⁾

35 GW Expected US data center
power capacity by 2030 ⁽⁴⁾

105 % Projected annual growth of
power demand for GenAI ⁽²⁾

23 % Data center electrical
consumption annual growth
through 2035 ⁽³⁾

2 % Electricity production
annual growth through
2035 ⁽³⁾

101 % Power price premium
willingly paid for bringing
data centers online faster
by 2 years ⁽²⁾



Value of Large-Scale Digital Infrastructure

*Significant mismatch in data center demand and power growth -
increasing the value of land and power assets*

- Electricity demand growth driven largely by GenAI and data centers significantly outpacing the expected supply growth of available power capacity
 - This imbalance has continued to increase the value of the time limiting resource - power and land
- The top constraint for data center market growth today is access to power capacity, with the key constraint being time to power
- Near term access to power adds meaningful time advantages for data center developers which suggest that they are willing to pay significant premiums for quicker access to power
- Players with access to the key limiting resource - land and power - are well situated to capture tremendous value over the next decade

(1) Source: Data Center Dynamics dated January 15, 2024: "Newmark: US Data center power consumption to double by 2030".

(2) Source: Morgan Stanley Research dated March 24, 2024: "Powering GenAI: The Tortoise and the Hare", MS base case assumptions.

(3) Source: Eastdil Secured Digital Infrastructure Sector Update 2024 Capital Markets Outlook.



APPENDIX

Best-in-Class Management Team

TeraWulf is led by an accomplished, diverse management team with 30+ years of experience in developing and managing energy infrastructure and disruptive technology



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

Chief Legal Officer

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

SVP, Operations

13+ years of energy experience in renewables, grid optimization, digitalization, and storage solutions; previously at Siemens Energy

TeraWulf Capitalization Table

As of August 12, 2024

	Estimated Diluted Shares at Various Share Prices (Based on the Treasury Method)								
	Outstanding	\$ 4.00	\$ 6.00	\$ 8.00	\$ 10.00	\$ 12.00	\$ 14.00	\$ 16.00	\$ 18.00
Common Stock	382,598	382,598	382,598	382,598	382,598	382,598	382,598	382,598	382,598
Preferred Stock, Convertible into Comr	1,200	-	-	-	1,200	1,200	1,200	1,200	1,200
Warrants to Purchase Common Stock									
\$.010 Exercise Price	-	-	-	-	-	-	-	-	-
\$1.000 Exercise Price	10,104	7,578	8,420	8,841	9,094	9,262	9,382	9,473	9,543
\$1.925 Exercise Price	7,482	3,881	5,082	5,682	6,042	6,282	6,453	6,582	6,682
Subtotal	17,586	11,459	13,502	14,523	15,135	15,544	15,836	16,054	16,225
Omnibus Incentive Plan Equity Awards - Unvested									
Restricted Stock Units	4,244	4,244	4,244	4,244	4,244	4,244	4,244	4,244	4,244
Estimated Fully Diluted Share Count	405,628	398,301	400,344	401,365	403,177	403,586	403,878	404,096	404,267

WULF Mining – Efficient Fleet

Highly efficient fleet drives profitability

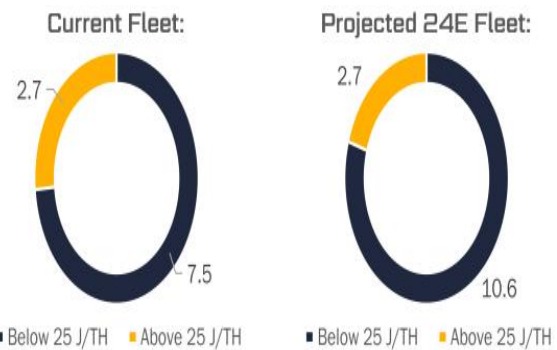
TeraWulf Current Fleet Summary ¹			
Model	Quantity	Hash Rate	Efficiency J/TH
S19 J/J-Pro	27,500	100	30
S19 JXP/XP	31,500	146	21.5
S19K Pro	4,000	120	23
MicroBT M30s	1,200	100	31
S21	5,000	200	17.5
S21 Pro	5,000	234	15

Fleet Efficiency Improvements³



- Ongoing buildout is expected to improve fleet efficiency by ~18%
- 8 EH of sub 30 J/TH capacity currently in operation

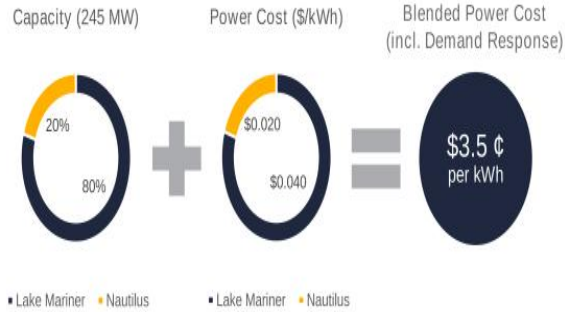
Hash Rate Contribution Mix



(1) Includes WULF's net share of miners contributed to Nautilus JV.
 (2) Figures include 4% ancillary load, nameplate efficiency of miners alone is 27.6 J/TH for 23E, 24.6 J/TH for 2Q 24, and 22.8 for 2H 24

Industry Leading Cost Profile

Annual guidance of 3.5 cents per kWh average cost of power across both sites



NYISO Zone A ATC Power Prices



(1) NYISO Zone A prices atypically high during Q2-Q3 2022 due to elevated gas prices, regional transmission outages, weather events and supply constraints due to pandemic and war in Ukraine.
 (2) Includes transmission charges, taxes and demand response proceeds received at Lake Mariner.
 (3) Source: Bloomberg NYISO Zone A ATC forward curve as of 03/11/24; excludes transmission charges, taxes and demand response proceeds expected to be received at Lake Mariner.

Zero-Carbon Energy Procurement

Lake Mariner Data

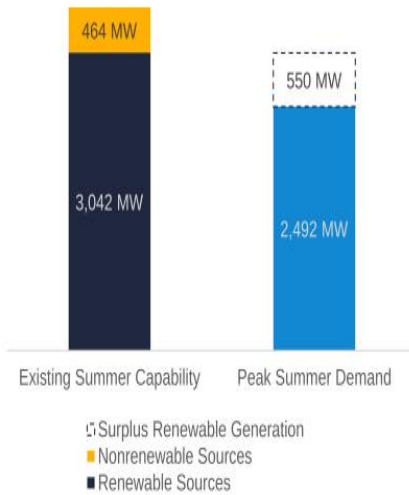
- Located in NYISO Zone A West
- Zone A peak load is well below peak generation levels; LMD participates in multiple demand response programs designed to curtail LMD when load is high
- Upstate NY Generation mix is 91% zero-carbon
- Power flows from Northern and Western NY to downstate NY, resulting in lower energy prices for Upstate Zones 99.9% of hours since 2022

Nautilus

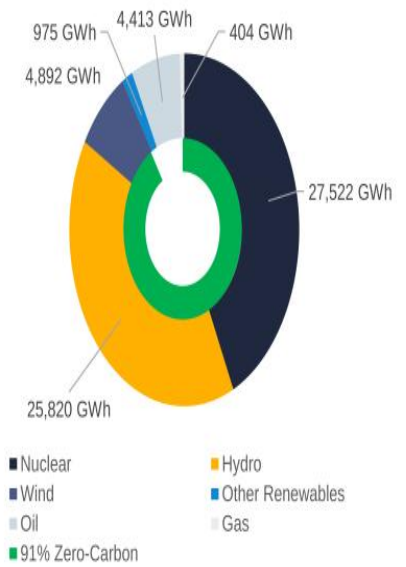
- Behind-the-meter interconnection
- Powered directly by 2.5 GW Susquehanna Nuclear Power Plant
- Around the clock zero-carbon energy supply



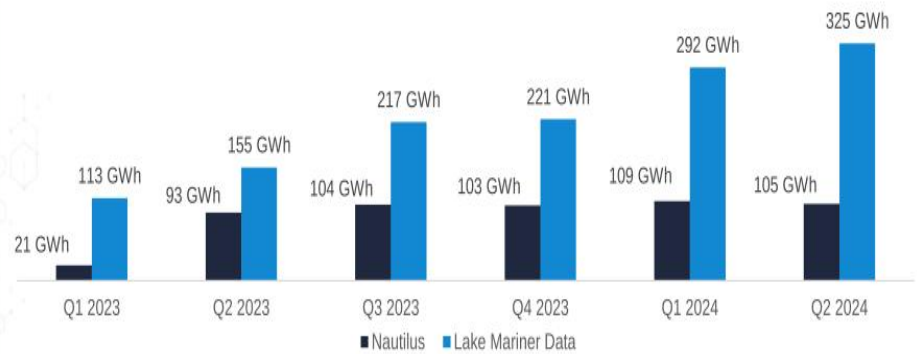
Zone A: Existing Summer Capability vs. Peak Summer Demand⁽¹⁾



2023 Upstate New York Generation (GWh)⁽²⁾



Approximate Quarterly Energy Consumption



(1) Source: 2024 New York ISO Load & Capacity Data Gold Book
 (2) Source: 2024 New York ISO Power Trends

Lake Mariner Data



Barker, NY



100% Ownership



Long-Term
Lease



500 MW of
Infrastructure
Capacity



91%+ Zero-Carbon
(Predominantly Hydro
Power)



- ✓ 195 MW Operational
- ✓ 50 MW Under Construction ⁽¹⁾



- ✓ Target of 240 MW Deployed in 2024
- ✓ Target of 500 MW Deployed in 2025 ⁽²⁾



(1) Planned construction of 50 MW can be converted to a AI/HPC colocation data center
(2) Transmission capacity to ~1 GW

Nautilus Cryptomine



Berwick, PA



25% JV with
Talen Energy



Long-Term
Lease



100 MW of
Infrastructure
Capacity



100% Zero-Carbon
Nuclear Power



✓ 50 MW Operational

✓ 50 MW Planned
Expansion in 2025



Q2 2024 Statement of Operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	\$ 35,574	\$ 15,456	\$ 78,007	\$ 26,989
Cost of revenue (exclusive of depreciation shown below)	13,918	5,113	28,326	10,115
Gross profit	21,656	10,343	49,681	16,874
Cost of operations:				
Operating expenses	797	468	1,582	776
Operating expenses – related party	875	639	1,763	1,236
Selling, general and administrative expenses	9,113	5,878	21,402	12,370
Selling, general and administrative expenses – related party	2,803	2,676	5,423	5,574
Depreciation	14,133	6,428	29,221	11,861
Loss (gain) on fair value of digital currency, net	700	—	(629)	—
Realized gain on sale of digital currency	—	(583)	—	(1,186)
Impairment of digital currency	—	682	—	1,309
Total cost of operations	28,421	16,188	58,762	31,940
Operating loss	(6,765)	(5,845)	(9,081)	(15,066)
Interest expense	(5,325)	(8,450)	(16,370)	(15,284)
Loss on extinguishment of debt	—	—	(2,027)	—
Other income	447	54	947	54
Loss before income tax and equity in net income (loss) of investee	(11,643)	(14,241)	(26,531)	(30,296)
Income tax benefit	—	—	—	—
Equity in net income (loss) of investee, net of tax	767	(3,296)	6,042	(13,463)
Loss from continuing operations	(10,876)	(17,537)	(20,489)	(43,759)
Loss from discontinued operations, net of tax	—	(3)	—	(38)
Net loss	(10,876)	(17,540)	(20,489)	(43,797)
Preferred stock dividends	(292)	(265)	(578)	(524)
Net loss attributable to common stockholders	\$ (11,168)	\$ (17,805)	\$ (21,067)	\$ (44,321)
Loss per common share:				
Continuing operations	\$ (0.03)	\$ (0.08)	\$ (0.07)	\$ (0.24)
Discontinued operations	—	—	—	—
Basic and diluted	\$ (0.03)	\$ (0.08)	\$ (0.07)	\$ (0.24)
Weighted average common shares outstanding:				
Basic and diluted	340,662,826	210,421,237	315,714,178	187,843,663

Q2 2024 Balance Sheet

	June 30, 2024	December 31, 2023
	(unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 104,109	\$ 54,439
Digital currency	946	1,001
Prepaid expenses	2,850	4,540
Other receivables	2,554	1,001
Other current assets	505	806
Total current assets	110,964	62,587
Equity in net assets of investee	85,568	98,613
Property, plant and equipment, net	272,049	205,284
Right-of-use asset	10,440	10,943
Other assets	547	679
TOTAL ASSETS	\$ 479,568	\$ 378,106
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 8,398	\$ 15,169
Accrued construction liabilities	3,033	1,526
Other accrued liabilities	7,751	9,179
Share based liabilities due to related party	—	2,500
Other amounts due to related parties	832	972
Current portion of operating lease liability	51	48
Insurance premium financing payable	249	1,003
Current portion of long-term debt	72,302	123,465
Total current liabilities	92,416	154,662
Operating lease liability, net of current portion	873	899
Long-term debt	38	56
TOTAL LIABILITIES	93,327	155,617
Commitments and Contingencies (See Note 12)		
STOCKHOLDERS' EQUITY:		
Preferred stock, \$0.001 par value, 100,000,000 authorized at June 30, 2024 and December 31, 2023; 9,566 issued and outstanding at June 30, 2024 and December 31, 2023; aggregate liquidation preference of \$12,002 and \$11,423 at June 30, 2024 and December 31, 2023, respectively	9,273	9,273
Common stock, \$0.001 par value, 600,000,000 and 400,000,000 authorized at June 30, 2024 and December 31, 2023, respectively; 374,456,722 and 276,733,329 issued and outstanding at June 30, 2024 and December 31, 2023, respectively	374	277
Additional paid-in capital	656,941	472,834
Accumulated deficit	(280,347)	(259,895)
Total stockholders' equity	386,241	222,409
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 479,568	\$ 378,106



Q2 2024 Non-GAAP Adjusted EBITDA Reconciliation

Non-GAAP Measure

The following table is a reconciliation of the Company's non-GAAP Adjusted EBITDA to its most directly comparable GAAP measure (i.e., net loss attributable to common stockholders) for the periods indicated (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net loss attributable to common stockholders	\$ (11,168)	\$ (17,805)	\$ (21,067)	\$ (44,321)
Adjustments to reconcile net loss attributable to common stockholders to non-GAAP Adjusted EBITDA:				
Preferred stock dividends	292	265	578	524
Loss from discontinued operations, net of tax	—	3	—	38
Equity in net (income) loss of investee, net of tax	(767)	3,296	(6,042)	13,463
Distributions from investee, related to Nautilus	7,065	4,943	19,087	4,943
Income tax benefit	—	—	—	—
Other income	(447)	(54)	(947)	(54)
Loss on extinguishment of debt	—	—	2,027	—
Interest expense	5,325	8,450	16,370	15,284
Depreciation	14,133	6,428	29,221	11,861
Amortization of right-of-use asset	251	251	503	501
Stock-based compensation expense	4,842	1,734	11,773	2,610
Related party expense to be settled with respect to common stock	—	104	—	417
Non-GAAP Adjusted EBITDA	\$ 19,526	\$ 7,615	\$ 51,503	\$ 5,266

Note: The Company presents adjusted EBITDA, which is not a measurement of financial performance under generally accepted accounting principles in the United States ("GAAP"). We use Adjusted EBITDA to eliminate the effects of certain non-cash and/or non-recurring items, that do not reflect our ongoing strategic business operations. Adjusted EBITDA is provided in addition to, and not as a substitute for, or as superior to, the comparable GAAP measure, Net Income. For a full reconciliation of the Non-GAAP measures we use to their comparable GAAP measures, see the discussion under the heading "Non-GAAP Measure" commencing on page 42, under Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our June 30, 2024, Form 10-Q.



