

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

FORM 10-K

**X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2025**
**O TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to**
Commission file number 001-41163

TERAWULF INC.

(Exact name of registrant as specified in its charter)

DE
(State or other jurisdiction of
incorporation or organization)
9 Federal Street
Easton
(Address of principal executive offices)

MD
(State)

87-1909475
(I.R.S. Employer
Identification No.)
21601
(Zip Code)

(410) 770-9500

(Registrant's telephone number, including area code)

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

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by checkmark 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.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of voting common stock held by non-affiliates of the registrant as of June 30, 2025, the last business day of the registrant's second fiscal quarter, was approximately \$1,272,261,399.

There were 424,068,125 shares of common stock outstanding as of February 24, 2026.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information required for Items 10, 11, 12, 13 and 14 of Part III of this Annual Report on Form 10-K is incorporated by reference to the registrant's definitive proxy statement for the 2026 annual meeting of stockholders.

TERAWULF INC.

TABLE OF CONTENTS

PART I		1
ITEM 1.	Business	1
ITEM 1A.	Risk Factors	10
ITEM 1B.	Staff Comments	21
ITEM 1C.	Cybersecurity	21
ITEM 2.	Properties	23
ITEM 3.	Legal Proceedings	24
ITEM 4.	Mine Safety Disclosures	24
PART II		25
ITEM 5.	Market for the Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	25
ITEM 6.	[Reserved]	25
ITEM 7.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	25
ITEM 7A.	Quantitative and Qualitative Disclosures About Market Risk	40
ITEM 8.	Financial Statements and Supplementary Data	41
ITEM 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	102
ITEM 9A.	Controls and Procedures	102
ITEM 9B.	Other Information	104
ITEM 9C.	Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.	104
PART III		105
ITEM 10.	Directors, Executive Officers and Corporate Governance	105
ITEM 11.	Executive Compensation	105
ITEM 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	105
ITEM 13.	Certain Relationships and Related Transactions, and Director Independence	105
ITEM 14.	Principal Accounting Fees and Services	105
PART IV		106
ITEM 15.	Exhibits, Financial Statement Schedules	106
ITEM 16.	Form 10-K Summary	111
Signatures		112

TERAWULF INC.

As used in this Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (this “Annual Report”), the terms “Company,” “TeraWulf,” “we,” “us” or “our” refers to TeraWulf Inc., a Delaware corporation and its consolidated subsidiaries, unless otherwise indicated.

PART I

ITEM 1. Business

Overview

We are a vertically integrated owner, developer, and operator of large-scale digital infrastructure in the United States, purpose-built to support high-performance computing (“HPC”) workloads, including artificial intelligence (“AI”), machine learning, and advanced cloud applications.

Our strategy is grounded in controlling infrastructure at utility scale and pairing compute-optimized facilities with reliable, long-duration power resources. By controlling land use through ownership or long-term ground leases, together with interconnection rights, electrical and cooling infrastructure, and, where applicable, on-site generation, we deliver resilient, cost-efficient capacity to hyperscale and enterprise customers through long-term hosting arrangements. This infrastructure-first approach enables TeraWulf to serve Tier-1 counterparties while maintaining operational control, development flexibility, and disciplined capital allocation.

Our platform is differentiated by long-term control of utility-scale infrastructure, deep in-house power and grid expertise, and a scalable development model supported by long-term, credit-enhanced customer contracts.

HPC Platform and Development Pipeline

Our contracted HPC platform currently consists of two primary campuses:

- Lake Mariner Data Campus (the “Lake Mariner Data Campus”), located in Barker, New York within the single-state New York Independent System Operator (“NYISO”) market; and
- Abernathy HPC Campus (the “Abernathy HPC Campus”), located in Abernathy, Texas, within the Southwest Power Pool (SPP).

Both campuses have been engineered for phased, large-scale deployments of liquid-cooled, hyperscale compute and are supported by long-term contractual arrangements with credit-enhanced counterparties. Together, these campuses have contracted 522 MW of critical IT load with long-dated revenue visibility.

In addition, the Company holds a long-term ground lease in Lansing, New York (the “Cayuga Site”), which, upon completion of permitting and site development, has the potential to support up to 400 MW of gross capacity, representing approximately 320 MW of contractual critical IT load. The Cayuga Site provides a third anchor location with existing interconnection and supporting infrastructure and represents a key component of the Company’s forward development pipeline.

Through a combination of contracted capacity and future expansion opportunities, TeraWulf has established a multi-regional HPC platform designed to support sustained growth. The Company’s development model targets the contraction of approximately 250 MW to 500 MW of new critical IT HPC capacity annually, aligned with customer demand, power availability, and regional grid conditions.

Business Strategy

TeraWulf’s business strategy is focused on the development, ownership, and operation of large-scale, power-advantaged digital infrastructure serving hyperscale and enterprise HPC workloads. Our approach is differentiated by:

- Infrastructure Control and Vertical Integration – We retain majority ownership and direct operational control over core infrastructure assets, including land positions (through ownership or long-term ground leases), interconnection rights, electrical systems, cooling infrastructure, and, where applicable, on-site generation. This vertical integration enables disciplined execution, governance oversight, and infrastructure-style returns.

- Long-Term, Credit-Enhanced Contracting – Our HPC arrangements are structured as long-term data center leases, typically with base terms ranging from 10 to 25 years, contractual escalators, and renewal and contraction options. Certain projects benefit from investment-grade credit support, materially strengthening the risk profile and durability of contracted revenues.
- Scalable, Multi-Phase Development – Each campus is designed for modular expansion. Initial phases deliver near-term contracted capacity, while subsequent phases are developed in line with customer deployment schedules and power availability. This phased approach allows us to efficiently convert advantaged infrastructure positions into incremental contracted capacity over time.

Our strategy is designed to produce durable, infrastructure-like cash flows while preserving flexibility to scale alongside accelerating demand for compute.

Evolution of Our Business and Capital Allocation

TeraWulf has undergone a deliberate strategic transition toward HPC hosting as its primary business. While the Company operates legacy bitcoin mining facilities and leverages this flexible compute load to support early HPC infrastructure development, going forward capital allocation will be focused on HPC data center development, long-term hosting arrangements, and infrastructure supporting AI-driven compute workloads.

While the Company currently derives the majority of its revenue from bitcoin mining, HPC hosting is now the Company’s primary growth driver and operating focus.

Power Strategy and Responsible Design

TeraWulf’s power strategy emphasizes reliability, efficiency, and responsible integration with regional electric grids. Our campuses are designed to operate with long-duration, cost-competitive power resources that support both customer uptime requirements and broader grid stability.

The Company’s development and operations team brings deep experience in power generation, transmission, interconnection, and large-scale energy infrastructure, which informs site selection, facility design, and day-to-day operations. This expertise enables TeraWulf to evaluate and develop complex, power-intensive sites efficiently and to structure infrastructure solutions that support high-density, mission-critical compute. We believe this power and infrastructure experience provides meaningful differentiation relative to many data center developers that do not have comparable in-house energy expertise.

As part of this strategy, the Company expects to acquire and develop sites that may include on-site generation, battery storage, and other dispatchable resources, primarily to enhance reliability for mission-critical compute and to support grid operations where appropriate. These assets are intended to improve operational resilience, enable participation in ancillary services, and reduce congestion and volatility on regional power systems. Rather than relying on a singular energy narrative, TeraWulf focuses on responsible facility design, efficient power utilization, and long-term infrastructure stewardship.

Environmental and Power Considerations

TeraWulf’s approach to environmental and energy considerations is grounded in responsible infrastructure design, operational efficiency, and reliable integration with regional electric grids. The Company develops and operates digital infrastructure on existing industrial and energy sites, prioritizing reuse of legacy assets and minimizing incremental land disturbance.

Our data center campuses are engineered to support high-density, mission-critical compute while emphasizing efficient power utilization, advanced cooling architectures, and resilient electrical design. These facilities are designed to operate with a range of long-duration power resources, including grid-supplied electricity and, where appropriate, on-site generation.

The Company’s environmental focus is centered on disciplined development, efficient operations, and long-term infrastructure stewardship rather than reliance on any single energy source or environmental attribute.

Our Facilities

Lake Mariner Data Campus

The Lake Mariner Data Campus is TeraWulf's flagship HPC campus and a core component of the Company's contracted HPC platform. Located in Barker, New York on the site of a former coal-fired power plant that was retired and repurposed into a modern digital infrastructure campus, operations commenced in March 2022. The site benefits from substantial existing transmission infrastructure and is designed for scalable expansion.

As of December 31, 2025, the Lake Mariner Data Campus operated 245 MW of legacy bitcoin mining capacity and had 18 MW of critical IT HPC capacity. The campus is undergoing phased expansion to support additional HPC contracted deployments with gross capacity of approximately 500 MW in the near term, with potential expansion to approximately 750 MW, subject to additional approvals from the NYISO.

The Lake Mariner Data Campus sources power from the NYISO Zone A grid, which is characterized by low-cost, low-carbon energy. Of the campus's total power needs, 90 MW is allocated under an agreement with the New York Power Authority ("NYPA") executed in February 2022, providing high-load factor power under a ten-year term commencing with NYPA's initial power delivery.

The Lake Mariner Data Campus is designed to support multiple hyperscale and enterprise tenants through modular, phased development and incorporates advanced liquid-cooling systems, redundant electrical architectures, and scalable mechanical and network infrastructure optimized for high-density GPU deployments.

TeraWulf operates the Lake Mariner Data Campus through its subsidiaries La Lupa Data LLC ("La Lupa") and Akela Data LLC ("Akela"). Collectively, La Lupa and Akela represent 438 MW of contracted critical IT HPC capacity at the Lake Mariner Data Campus, with some deliveries having commenced in 2025 and others extending into 2026.

La Lupa

In December 2024, La Lupa entered into long-term data center lease agreements with Core42 (the "Core42 Leases"), pursuant to which we committed to deliver 60 MW of critical IT load. The Core42 Leases have an initial ten-year term with two five-year renewal options and include customary provisions governing operating standards, service levels, and expansion rights. Construction commenced in 2024 and continued into 2025; commissioning activities commenced in 2025 with phased deliveries aligned to meet Core42's deployment schedule.

Akela

In August 2025, Akela entered into three data center lease agreements (the "Akela Fluidstack Leases") with Fluidstack USA I Inc. (together with its affiliates, "Fluidstack"), a leading AI cloud platform. Under the Akela Fluidstack Leases, we will provide 378 MW of critical IT load at the Lake Mariner Data Campus. The Akela facilities are being developed in multiple phases, with construction having commenced in 2025 and delivery expected to commence in 2026.

The Akela Fluidstack Leases benefit from substantial credit support provided by Google, which supports Fluidstack's payment and performance obligations under the leases and materially enhances the credit quality and bankability of our contracted lease revenues. This credit support was a key factor in enabling efficient financing and phased development of the Akela facilities.

Abernathy HPC Campus

The Abernathy HPC Campus reflects the extension of the Company's relationship with Fluidstack, also supported by credit enhancement from Google, to an additional site in Texas. The campus is being developed through a joint venture in which the Company holds a 50.1% ownership interest.

In October 2025, the Company entered into an amended and restated limited liability company agreement (the "Abernathy Joint Venture Agreement") with Fluidstack CS I Inc. (the "Fluidstack Member") to govern the terms of operation of FS CS 1 LLC (the "Abernathy Joint Venture"), which will develop, lease and operate the Abernathy HPC Campus.

The Abernathy HPC Campus is designed for 168 MW critical IT load, representing the full build-out of the site. This capacity is fully pre-leased to Fluidstack USA III under a 25-year data center lease with built-in rent escalators and options for term contraction (the "Abernathy Fluidstack Lease" and, together with the Akela Fluidstack Leases, the

“Fluidstack Leases”). Construction is proceeding in phases, with completion and delivery currently targeted for the second half of 2026.

Similar to Akela, the Abernathy Fluidstack Lease benefits from credit support from Google, which provides financial support for Fluidstack’s obligations under the sublease, materially strengthening the risk profile of our contracted revenues and facilitating third-party financing.

Infrastructure First Growth Model

Across all campuses, TeraWulf prioritizes reuse of existing industrial and energy infrastructure, accelerated permitting pathways, and disciplined expansion aligned with customer demand. By combining utility-scale infrastructure control, long-term contracted revenues supported by credit-enhanced counterparties, and a scalable development pipeline, the Company is positioned to support the growing demand for AI and high-density compute while delivering durable value to shareholders.

Our Strengths

Infrastructure Control and Vertical Integration

TeraWulf’s business is built around long-term control of digital infrastructure assets, including land use through ownership or long-term ground leases, interconnection rights, data center buildings, electrical and cooling systems, and, where applicable, on-site generation. This infrastructure-centric model enables disciplined execution across development and operations, enhances reliability, and supports efficient delivery of large-scale HPC capacity.

Direct control over critical infrastructure allows the Company to maintain governance authority, manage development risk, and align capital deployment with long-term customer commitments, while supporting transparency and accountability for stakeholders.

Reliable and Cost-Competitive Power Strategy

TeraWulf develops and operates its campuses in power-advantaged markets with access to long-duration, cost-competitive electricity. Our infrastructure is designed to support high-load-factor operations and mission-critical compute, while maintaining flexibility to integrate grid-supplied power and, where appropriate, on-site dispatchable resources.

This approach supports predictable operating costs, enhances resilience, and enables participation in grid-support mechanisms, positioning the Company to serve hyperscale and enterprise customers with demanding uptime and performance requirements.

Scalable Platform with Embedded Expansion Optionality

TeraWulf’s campuses are designed for modular, phased expansion, allowing capacity to be added efficiently as customer demand materializes. The Company’s development pipeline leverages existing industrial sites, established interconnection, and scalable electrical and cooling architectures to shorten development timelines and reduce execution risk.

At the Lake Mariner Data Campus, the Company can scale capacity to approximately 500 MW in the near term and up to approximately 750 MW with additional approvals from the NYISO. Together with the Abernathy HPC Campus and the Cayuga Site, this platform supports the Company’s objective of contracting 250 MW to 500 MW of new critical IT HPC capacity annually, subject to market conditions and power availability.

Experienced Management and Operations Team

TeraWulf’s senior management team brings decades of experience in energy infrastructure development, ownership, and operations, including large-scale power generation and industrial asset redevelopment. This experience underpins the Company’s ability to execute complex projects, manage grid interdependencies, and operate mission-critical infrastructure. To align management incentives with long-term shareholder value, a substantial portion of our senior management and director compensation is equity-based.

The Company also benefits from the expertise of its subsidiary Beowulf Electricity & Data LLC (“Beowulf E&D”), which supports development, construction, and operational functions. The Beowulf E&D team has more than 30

years of experience managing large-scale energy facilities and plays a key role in supporting the Company's data center operations.

Competition

TeraWulf operates in a highly competitive market for digital infrastructure serving HPC and AI workloads. Competition is primarily centered on securing and developing high-power sites, accessing reliable and cost-competitive electricity, and attracting capital to build and operate facilities capable of supporting high-density compute.

The Company competes with a range of participants, including data center real estate investment trusts (REITs), independent data center developers, hyperscalers, infrastructure funds, and, in certain cases, digital asset miners with infrastructure suitable for HPC conversion. Competitive factors include site availability, power availability and economics, execution capability, access to capital, and customer relationships.

Bitcoin Mining Operations, Equipment, and Suppliers

While TeraWulf's primary strategic focus has shifted to HPC hosting, the Company continues to operate bitcoin mining assets utilizing existing infrastructure. The Company owns specialized mining computers configured to validate transactions on the bitcoin network. Substantially all of these miners were manufactured by Bitmain and incorporate application-specific integrated circuit ("ASIC") chips. As of December 31, 2025, the Company had approximately 49,400 bitcoin miners operational at the Lake Mariner Data Campus, representing approximately 9.3 EH/s of self-mining capacity.

Regulation

TeraWulf operates in a highly regulated environment, including regulations applicable to data centers, power generation, grid interconnection, environmental compliance, and, to a lesser extent, digital asset mining. Regulatory frameworks governing digital assets continue to evolve, and changes in laws or regulations could affect the Company's remaining mining operations.

The Company actively monitors regulatory developments and engages with policymakers and industry organizations to provide input on issues relevant to digital infrastructure, power markets, and grid reliability.

Intellectual Property

TeraWulf utilizes proprietary processes and third-party hardware and software in connection with its HPC hosting and bitcoin mining operations. Certain software components may be subject to open-source licenses, and the Company complies with applicable license terms.

The Company does not currently hold patents and relies on trade secrets, trademarks, service marks, copyrights, and contractual protections to safeguard its intellectual property and competitive position.

Human Capital Resource Management

As of the date of this Annual Report, TeraWulf had 141 full-time employees, including employees of Beowulf E&D, its wholly owned subsidiary, who perform services related to construction, technical and engineering, operations and maintenance, procurement, information technology, finance and accounting, human resources, legal, risk management and external affairs consultation. All of TeraWulf's and Beowulf E&D's employees are in the United States, primarily in New York and Maryland. None of TeraWulf's or Beowulf E&D's employees are represented by a labor union or covered by collective bargaining agreements.

We recognize the pivotal role played by our workforce in the Company's success and prioritize their well-being and dedication. To support our employees, TeraWulf offers a comprehensive benefits program tailored to their needs. This program encompasses a 401(k) retirement plan, flexible work hours, ample leave policies, and initiatives aimed at promoting mental and physical well-being. In accordance with our commitment to employee satisfaction, we conduct annual evaluations of our benefits offerings to ensure they remain aligned with the evolving needs of our workforce. Feedback from employees is actively sought to facilitate continuous improvement of our support systems.

Furthermore, each employee of TeraWulf and many employees of Beowulf E&D hold ownership in the Company through equity awards granted under our 2021 Omnibus Incentive Plan (as amended, the "Plan"). The primary objective of

the Plan is to attract, retain, and motivate employees, executive officers, and directors through the provision of stock-based compensation awards.

TeraWulf is dedicated to cultivating a diverse and inclusive workforce. We prioritize hiring and recruitment based on merit and qualifications, recognizing the inherent value of varied perspectives and experiences.

The Company's Diversity Policy serves as a fundamental framework, outlining TeraWulf's commitment to fostering an inclusive environment where all individuals are treated with respect and esteem. We believe that embracing a range of perspectives not only enhances our organizational culture but also bolsters our capacity to respond to change and stimulate innovation.

Cybersecurity

TeraWulf maintains a cybersecurity risk management program that includes physical, procedural, and technical safeguards designed to protect information systems and data. These measures aim to safeguard sensitive information and protect our operations against unauthorized access. The Company has established a cybersecurity risk management program detailed in our Information Security and Cybersecurity Policy. This policy is designed to uphold the confidentiality, integrity, and availability of our critical systems and information.

As of the current filing date, the Company has not experienced material cybersecurity incidents that have had a significant impact on its operations or financial condition.

Insurance

The Company maintains property and casualty insurance coverage for its facilities and assets consistent with industry practice for digital infrastructure operations.

For its bitcoin mining assets at the Lake Mariner Data Campus, the Company carries replacement cost all-risk property insurance with coverage limits of approximately \$50 million per occurrence. Given the limited availability of business interruption insurance for bitcoin mining operations, the Company does not currently maintain business interruption coverage for these assets and continues to monitor market availability.

For its operating HPC infrastructure assets, the Company maintains replacement cost all-risk property insurance with coverage limits generally up to estimated full replacement value, together with business interruption insurance designed to protect against certain losses resulting from covered events.

In addition, the Company maintains separate cyber liability insurance with an aggregate limit of approximately \$15 million. Insurance coverage levels are reviewed annually in consultation with the Company's insurance advisors, and the Company may adjust coverage as its asset base and operational profile evolve.

Corporate Information

TeraWulf was incorporated under the laws of the State of Delaware in February 2021 and commenced trading on The Nasdaq Stock Market LLC (the "Nasdaq") under the symbol "WULF" on December 14, 2021. Our principal executive offices are located at 9 Federal Street, Easton, Maryland 21601. Our telephone number is (410) 770-9500 and our website address is www.terawulf.com. Please note that the contents of, or information accessible through, our website are not part of this Annual Report.

Available Information

We maintain a link to investor relations information on our website, www.terawulf.com, where we make available, free of charge, our filings with the United States Securities and Exchange Commission ("SEC"), including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. All SEC filings are also available at the SEC's website at www.sec.gov. Our website and the information contained on or connected to our website are not incorporated by reference herein, and our web address is included as an inactive textual reference only.

Forward-Looking Statements

This Annual Report contains “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, which involve risks and uncertainties. All statements other than statements of historical facts contained in this Annual Report, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans, objectives of management, and expected market growth are forward-looking statements. These forward-looking statements are contained principally in the sections entitled “Business,” “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Without limiting the generality of the preceding sentence, any time we use the words “expects,” “intends,” “will,” “anticipates,” “believes,” “confident,” “continue,” “propose,” “seeks,” “could,” “may,” “should,” “estimates,” “forecasts,” “might,” “goals,” “objectives,” “targets,” “planned,” “projects,” and, in each case, their negative or other various or comparable terminology and similar expressions, we intend to clearly express that the information deals with possible future events and is forward-looking in nature. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. For TeraWulf, particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include, without limitation:

- the ability to complete our data center campuses and future strategic growth initiatives in a timely manner or within anticipated cost estimates;
- the ability to attract additional customers to lease our HPC data centers;
- the need to raise additional capital to meet our business requirements in the future, which may be costly or difficult to obtain or may not be obtained (in whole or in part) and, if obtained, could significantly dilute the ownership interests of TeraWulf’s shareholders;
- adverse geopolitical or economic conditions, including a high inflationary environment and the implementation of new tariffs and more restrictive trade regulations;
- security threats or unauthorized or impermissible access to our data centers, our operations or our digital wallet;
- counterparty risk with respect to our digital asset custodian and our mining pool provider;
- employment workforce factors, including the loss of key employees;
- changes in governmental safety, health, environmental and other regulations, which could require significant expenditures;
- conditions in the cryptocurrency mining industry, including any prolonged substantial reduction in the value of bitcoin;
- currency exchange rate fluctuations; and
- other risks, uncertainties and factors included or incorporated by reference in this Annual Report, including those set forth under “Risk Factors” in this Annual Report.

These forward-looking statements reflect our views with respect to future events as of the date of this Annual Report and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements. These forward-looking statements represent our estimates and assumptions only as of the date of this Annual Report and, except as required by law, we undertake no obligation to update or review publicly any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this Annual Report. We anticipate that subsequent events and developments will cause our views to change. You should read this Annual Report completely and with the understanding that our actual future results may be materially different from what we expect. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may undertake. We qualify all of our forward-looking statements by these cautionary statements.

Risk Factor Summary

Below is a summary of the principal factors that make an investment in our common stock speculative or risky. This summary does not address all of the risks we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below and should be carefully considered, together with other information included in this Annual Report. See “Item 1A— Risk Factors.”

Risks Related to Our HPC and Data Center Business

- Our HPC business strategy may not perform as planned.
- If we are unable to complete our data center campuses and future strategic growth initiatives in a timely manner or within anticipated cost estimates, our business and results of operations could be adversely affected.
- Delays in lease commencement, limitations in customer backstop arrangements and the potential insufficiency of completion guarantees could adversely affect our financial condition and results of operations.
- We may be harmed by increased costs to procure power, prolonged power and internet outages, shortages or capacity constraints as well as insufficient access to power.
- Our ability to successfully develop projects is impacted by the availability of, and access to, interconnection facilities and transmission systems.
- Since the development, construction and operation of the Abernathy HPC Campus is subject to the terms of a joint venture agreement, TeraWulf may have less control over strategic decisions.
- We depend on significant customers for our HPC data centers.
- Our contracts with HPC data center customers could subject us to significant liability.
- Certain of our agreements with HPC data center customers may include restrictions on providing HPC hosting and colocation services to certain third parties, which could have a material adverse effect on us.
- We may be unable to access sufficient additional capital for future strategic growth initiatives, and any such capital raises may be dilutive or subject to restrictive terms.
- Failure to successfully integrate acquired businesses could negatively impact our balance sheet and results of operations.
- We may experience increased compliance costs as a result of our strategic acquisitions.
- The development and advancement in the efficiency of AI models presents risks and challenges that may adversely impact our business and operating results.
- Cyber-attacks, data breaches or malware may disrupt our operations and trigger significant liability to us, which could harm our operating results and financial condition, and damage our reputation or otherwise materially harm our business.
- We are currently making considerable investments in our information technology systems and processes. Difficulties from or disruptions to these efforts may interrupt our normal operations and adversely affect our business and results of operations.
- We depend on attracting and retaining officers, managers, and skilled professionals.

- Enhanced tariff, import/export restrictions, or other trade barriers may have an adverse impact on global economic conditions.
- We have a history of operating losses, and we may report additional operating losses in the future.

Risks Related to the Bitcoin Mining Business

- Our ability to achieve profitability is largely dependent on the price of bitcoin, which has historically been volatile.
- Instability, fraud or failures within the broader cryptocurrency ecosystem may adversely affect the price of bitcoin and our results of operations.
- Bitcoin is subject to halving, and our bitcoin mining operations may generate less revenue as a result.
- Because our miners are designed specifically to mine bitcoin and may not be readily adaptable to other uses, a sustained decline in bitcoin's value could adversely affect our business and results of operations.
- Our reliance on third-party miners may subject our operations to increased risk of design flaws.
- Our use of a third-party mining pool exposes us to certain risks.
- We may not be able to realize the benefits of forks.
- Incorrect or fraudulent bitcoin transactions may be irreversible and we could lose access to our bitcoin.
- Digital assets held by the Company are not subject to FDIC or SIPC protections.

Risks Related to Governmental Regulation and Enforcement

- We are subject to a highly-evolving regulatory landscape and any adverse changes to, or our failure to comply with, any laws and regulations could adversely affect our business, reputation, prospects or operations.
- Bitcoin and bitcoin mining, as well as cryptocurrencies generally, may be made illegal in certain jurisdictions, including the ones we operate in, which could adversely affect our business prospects and operations.
- Changing environmental regulation and public energy policy may expose our business to new risks.
- The compliance costs of responding to new and changing regulations could adversely affect our operations.
- Our interactions with a blockchain may expose us to specially designated nationals ("SDN") or blocked persons and new legislation or regulation could adversely impact our business or the market for cryptocurrencies.
- We may be at a higher risk of litigation and other legal proceedings due to heightened regulatory scrutiny of the cryptocurrency industry, which could ultimately be resolved against the Company, requiring material future cash payments or charges, which could impair our financial condition and results of operations.
- The Company may be classified as an inadvertent investment company.
- If federal or state legislatures or agencies initiate or release tax determinations that change the classification of bitcoins as property for tax purposes (in the context of when such bitcoins are held as an investment), such determination could have a negative tax consequence on the Company or its shareholders.

Risks Related to Ownership of our Common Stock

- The trading price of shares of our common stock has been subject to volatility.

- We are and may continue to be subject to short selling strategies.
- We have financed our strategic growth through our at-the-market (“ATM”) offerings and issuances of our common stock.
- The issuance, conversion, or exercise of our convertible notes and other convertible securities and warrants will dilute our stockholders’ ownership.
- Because we do not currently intend to pay any cash dividends on our common stock, our stockholders will not be able to receive a return on their shares unless they sell them.

ITEM 1A. Risk Factors

Our business faces many risks. Before deciding whether to invest in our common stock, you should carefully consider the risk factors discussed in this Annual Report. If any of the risks or uncertainties described herein actually occurs, our business, financial condition, results of operations or cash flow could be materially and adversely affected. This could cause the trading price of our common stock to decline, resulting in a loss of all or part of your investment. The risks and uncertainties we have described are not the only ones facing our company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business operations.

Risks Related to Our HPC and Data Center Business

Our HPC business strategy may not perform as planned.

We believe the potential for HPC hosting complements our current business model with expected stable, long-term and high margin revenue. However, the success of our HPC hosting services may not develop as anticipated, and may be affected by factors such as the reliability and timing of power supply, supply chain disruption (including local labor availability), the implementation of new tariffs and more restrictive trade regulations and changes in in-house specialized expertise to manage the business. A failure to successfully implement our HPC business strategy may adversely affect our business, prospects, or operations.

If we are unable to complete our data center campuses and future strategic growth initiatives in a timely manner or within anticipated cost estimates, our business and results of operations could be adversely affected.

Our business depends upon the completion and build-out of our HPC and AI-focused data center campuses (including the Lake Mariner Data Campus and the Abernathy HPC Campus) and other future strategic growth initiatives. Until we complete construction of the facilities required by our customer leases and hosting agreements, we will not realize the full amount of projected revenue from those leases. While our present expansion projects are proceeding on track with our expectations, we cannot guarantee we will complete these expansions or future strategic growth initiatives on time or within our anticipated cost estimates, if at all, due in part to ongoing challenges to the global supply chain, the implementation of new tariffs and more restrictive trade policies, increased inflation, and changing conditions within the United States labor market.

The expansion and build-out of our data center campuses expose us to significant construction risks, including risks related to construction delays; lack of availability of parts and/or labor; increased prices; labor disputes and work stoppages; unanticipated environmental issues and geological problems; delays related to permitting and approvals from public agencies and utility companies; and delays in site readiness leading to our failure to meet commitments. Construction-related projects depend on the skill, experience, and performance of designers, contractors, subcontractors and key suppliers. Should any such party experience financial difficulties or other problems, we could experience significant delays, increased costs and other negative impacts to our expected returns.

Delays in lease commencement, limitations in customer backstop arrangements and the potential insufficiency of completion guarantees could adversely affect our financial condition and results of operations.

Under certain circumstances, lessees may have the right to terminate applicable leases if there are significant delays in construction, subject to extension for force majeure events. We and certain affiliated entities have agreed to provide subsidiaries with funds necessary to achieve target commencement dates under applicable customer leases; however, these completion guarantees may not be sufficient. If we are unable to complete projects within anticipated cost

estimates, we may not have sufficient funds to provide necessary support. The failure to complete projects in a timely manner could have a material adverse effect on our financial condition and results of operations.

Customer backstop arrangements of obligations under certain leases (for example, Google's Backstop of Fluidstack's obligations under the applicable Fluidstack Leases) are only effective following the commencement of the relevant lease. If one or more leases do not commence as of their respective targeted commencement dates, then the corresponding backstop may not become effective until completion of the applicable project. If completion of a data center campus is delayed beyond specified thresholds, the customer may have the right to terminate the applicable lease. Such termination event would not trigger the backstop. In addition, backstop arrangements are only triggered upon a payment or insolvency event of default under the applicable lease. There are other events of default or termination events that may result in the termination of a lease without triggering the applicable backstop. In addition, if we have a disagreement about whether a backstop has been triggered, there can be no assurance that such backstop will be honored in a timely manner or at all.

We may be harmed by increased costs to procure power, prolonged power and internet outages, shortages or capacity constraints as well as insufficient access to power.

Our bitcoin mining and HPC data center operations require a significant amount of electrical power and access to high-speed internet to be successful. Any power and internet outages, shortages, capacity constraints or significant increases in the cost of power may have an adverse effect on our business and our results of operations, including our mining and data center operations.

We rely on third parties, third party infrastructure, governments, and global supplies to provide a sufficient amount of power to maintain our bitcoin mining and HPC data center operations to meet the needs of our current and future HPC hosting and colocation customers. Any limitation on the delivered energy supply could limit our ability to operate our bitcoin mining and HPC data centers. These limitations could have a negative impact on our existing data center campuses or limit our ability to grow our business, which could negatively affect our financial performance and results of operations. Each new HPC data center requires access to significant quantities of electricity. Limitations on generation, transmission and distribution may limit our ability to obtain sufficient power capacity for potential expansion sites or existing markets. Utility companies may impose onerous operating conditions to any approval or provision of power or we may experience significant delays and substantial increased costs to provide the level of electrical service required by our current or future data center designs.

Our ability to successfully develop projects is impacted by the availability of, and access to, interconnection facilities and transmission systems.

In recent years, the time and costs required to secure and expand interconnection facilities and transmissions systems have increased, complicating project planning and creating additional contractual and financial risk for projects under construction. We may face difficulties in expanding our interconnection facilities and access to transmissions systems in a timely manner and at a reasonable cost as well as curtailment resulting from transmission facility downtime, which could materially and adversely affect our results of operations and cash flow.

Since the development, construction and operation of the Abernathy HPC Campus is subject to the terms of a joint venture agreement, TeraWulf may have less control over strategic decisions.

On October 27, 2025, the TeraWulf Member entered into the Abernathy Joint Venture Agreement with the Fluidstack Member. The Abernathy Joint Venture Agreement provides that, except for certain specified matters, decisions are to be made by a majority vote of the board of managers. The board of managers will initially comprise three designees of TeraWulf and two designees of the Fluidstack Member. Any significant disagreements between joint venture partners on strategic decisions or the inability of the Fluidstack Member to meet obligations to the Abernathy Joint Venture or third parties may impede TeraWulf's ability to control aspects of the development, construction, and operation of the Abernathy HPC Campus.

We depend on significant customers for our HPC data centers.

Many factors, including global economic conditions, may cause our HPC data center customers to experience a downturn in their businesses or otherwise experience a lack of liquidity, which may weaken their financial condition and impact our estimates as to the probability of collectability of payments, and ultimately result in their failure to make timely rental and other payments or their default under their agreements with us. Further, the development of new technologies, the adoption of new industry standards or other factors could render our HPC data center customers' current products and

services obsolete or unmarketable and contribute to a downturn in their businesses, thereby increasing the likelihood that they default under their leases, become insolvent or file for bankruptcy. If a customer defaults or fails to make timely rent or other payments, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment, which could adversely affect our financial condition and results of operations.

If a customer becomes a debtor in a case under the U.S. Bankruptcy Code, we cannot evict the customer solely because of the bankruptcy. In addition, the bankruptcy court might authorize the customer to reject and terminate its contracts with us. Our claim against the customer for unpaid, future rent and other payments would be subject to a statutory cap that might be substantially less than the remaining amounts actually owed under their agreements with us. In either case, our claim for unpaid rent and other amounts would likely not be paid in full. Our revenue could be materially adversely affected if a significant customer were to become bankrupt or insolvent, suffer a downturn in its businesses, fail to renew its contract or renew on terms less favorable to us than its current terms.

Our contracts with HPC data center customers could subject us to significant liability.

In the ordinary course of business, we aim to continuously enter into agreements with customers pursuant to which we provide data center space, power, environmental controls, physical security and connectivity products to our HPC hosting and colocation customers. These contracts typically contain indemnification and liability provisions, in addition to service level commitments, which could potentially impose a significant cost on us in the event of losses arising out of certain breaches of such agreements, services to be provided by us or our subcontractors or from third-party claims. HPC data center customers increasingly are looking to pass through their regulatory obligations and other liabilities to their outsourced data center providers and we may not be able to limit our liability or damages in an event of loss suffered by such customers whether as a result of our breach of an agreement or otherwise. If such an event of loss occurred, we could be liable for material monetary damages and could incur significant legal fees in defending against such an action, which could adversely affect our financial condition and results of operations.

We may also develop space specifically for HPC data center customers pursuant to agreements signed prior to beginning or early in the development process. In those cases, if we fail to meet our development obligations under those agreements, these customers may be able to terminate their agreements and we would be required to find a new customer for this space. In addition, in certain circumstances we may lease HPC data center facilities prior to their completion. If we fail to complete the facilities in a timely manner, the customer may be entitled to terminate its agreement, seek damages or penalties against us or pursue other remedies and we may be required to find a new customer for the space. If we are not able to complete an HPC data center in a timely manner, if development costs are higher than we currently estimate, our financial condition, results of operations and cash flow could be materially adversely affected.

Additionally, a customer's decision to lease space and power in our HPC data center typically involves a significant commitment of resources and due diligence on the part of our customers regarding the adequacy of our facilities. As a result, we may expend significant time and resources in pursuing a particular transaction that may not result in revenue. Economic conditions, including market downturns and the implementation of new tariffs and more restrictive trade regulations may impact customers' ability to plan future business activities, which could cause customers to slow spending or delay decision-making. Our inability to adequately manage the risks associated with these developments may adversely affect our business, financial condition and results of operations.

Certain of our agreements with HPC data center customers may include restrictions on providing HPC hosting and colocation services to certain third parties, which could have a material adverse effect on us.

Certain of our customer agreements may prohibit us from providing HPC hosting and colocation services to certain third parties, including competitors of existing HPC data center customers. The existence of such restrictions could hinder our ability to enter into agreements with additional HPC data center customers, which could materially adversely affect our business, financial condition and results of operations.

We may be unable to access sufficient additional capital for future strategic growth initiatives, and any such capital raises may be dilutive or subject to restrictive terms.

The expansion of our digital infrastructure to support HPC hosting and colocation and our future strategic growth initiatives are capital-intensive. We expect to raise additional capital to fund these initiatives; however, we may be unable to do so in a timely manner, in sufficient quantities, or on terms acceptable to us, if at all. If we raise additional equity financing, our stockholders may experience dilution of their ownership interests, and the per share value of our common stock could decline.

If we engage in debt financing, the holders of any debt we issue would likely have priority over the holders of shares of our common stock in terms of order of payment preference and may require us to accept restrictive covenants. If we are unable to generate sufficient cash flows from operations to support our strategic growth, we may be required to reduce or delay investments, sell assets, or obtain financing on terms that may be onerous or highly dilutive.

Failure to successfully integrate acquired businesses could negatively impact our balance sheet and results of operations.

Strategic acquisitions and/or combinations are a component of our growth strategy and the success of any acquisition we make depends in part on our ability to integrate the acquired business and realize anticipated synergies. Integrating acquired businesses may involve unforeseen difficulties, may require a disproportionate amount of our management's attention, and may require us to reallocate our resources, financial or otherwise.

For example, we may encounter challenges in the integration process such as: difficulties associated with managing the resulting larger and more complex company; conforming administrative and corporate structures and standards, controls, procedures and policies, business cultures, hiring and retention of key employees, and compensation and benefits structures, coordinating geographically dispersed operations; and our ability to deliver on our strategy going forward.

Further, our acquisitions may subject us to new liabilities and risks, some of which may be unknown. Although we and our advisors conduct due diligence on the operations of businesses we consider acquiring, there can be no guarantee that we are aware of all the liabilities of an acquired company. These liabilities, and any additional risks and uncertainties related to an acquired company not known to us or that we may deem immaterial or unlikely to occur at the time of the acquisition, could negatively impact our future business, financial condition, and results of operations.

We can give no assurance that we will ultimately be able to effectively integrate and manage the operations of any acquired business or realize anticipated synergies. The failure to successfully integrate the cultures, operating systems, procedures and information technologies of an acquired business could have a material adverse effect on our financial condition and results of operations.

We may experience increased compliance costs as a result of our strategic acquisitions.

Future strategic acquisitions could carry substantial compliance burdens, which may limit our ability to realize the anticipated benefits of such acquisitions, and which may require our management and personnel to shift their focus to such compliance burdens and away from their other functions. Such increased costs and compliance burdens could affect our ability to realize the anticipated benefits of such strategic acquisitions, and our business, results of operations, and financial condition may suffer as a result.

The development and advancement in the efficiency of AI models presents risks and challenges that may adversely impact our business and operating results.

The introduction of, and advancement in the efficiency of AI models could potentially adversely affect data center usage by significantly reducing the computational power needed to train AI models, potentially leading to less demand for high-power density, liquid-cooled data center infrastructure and colocation facilities. New advancements in AI models could also alter the way data centers are currently designed and utilized and may adversely affect our business and results of operations.

Cyber-attacks, data breaches or malware may disrupt our operations and trigger significant liability for us, which could harm our operating results and financial condition, and damage our reputation or otherwise materially harm our business.

As a publicly traded company, at times we experience cyber-attacks, such as phishing, and other attempts to gain unauthorized access to our systems, and we anticipate continuing to be subject to such attempts. There is an ongoing risk that some or all of our bitcoin or customer or Company data could be lost or stolen as a result of one or more of these incursions. As we increase in size, we may become a more appealing target of hackers, malware, cyber-attacks or other security threats, and, despite our implementation of strict security measures, it is impossible to eliminate all such vulnerability. For instance, we may not be able to ensure the adequacy of the security measures employed by third parties, such as our service providers. Additionally, though we provide cybersecurity training for all employees, we cannot guarantee that we will not be affected by further phishing attempts. Efforts to limit the ability of malicious actors to disrupt the operations of the internet or undermine our own security efforts may be costly to implement and may not be successful.

Such breaches, whether attributable to a vulnerability in our systems or otherwise, could result in claims of liability against us, damage our reputation and materially harm our business.

We are currently making considerable investments in our information technology systems and processes. Difficulties from or disruptions to these efforts may interrupt our normal operations and adversely affect our business and results of operations.

We have been making considerable investments in our information technology systems and processes and expect such investment to continue for the foreseeable future in support of our bitcoin mining operations and our expansion into HPC hosting and colocation. These continuing investments and upgrades include the implementation of new tools and technologies to further streamline and automate processes, including with respect to procurement, and to support our compliance with evolving U.S. GAAP. These investments and upgrades may take longer to complete and cost more than originally planned. As a result of our continued work on these projects, we may experience difficulties with our systems and business disruptions. Any such difficulties or disruptions may adversely affect our business and results of operations.

We depend on attracting and retaining officers, managers, and skilled professionals.

Our success depends, in large part, on our ability to hire, retain and motivate talented officers, leadership, and professionals. We cannot guarantee that such employees will be retained which may inhibit our management functions, strategic development, and other critical functions. Our growth may be constrained by human capital resource limitations as we compete with other companies for skilled employees. We will need to take strategic action to develop our pool of management and skilled employees as well as grow such pool to meet the demands of our corporate functions. If we are not able to do so, our business, and thus our ability to grow, may be materially adversely affected.

Enhanced tariff, import/export restrictions, or other trade barriers may have an adverse impact on global economic conditions.

There have been, and continue to be, uncertainties with respect to the global economy and trade relations between the U.S. and other countries globally, including trade policies, treaties, tariffs, and customs duties and taxes. Implementation of more restrictive trade policies or the renegotiation of existing U.S. trade agreements or trade agreements of other countries where we procure supplies and materials for our digital infrastructure could negatively impact our business results of operations, cash flows, and financial condition. Tariffs, sanctions and other barriers to trade could adversely affect the business of our customers and suppliers, which could in turn negatively impact our net revenue and results of operations. If tariffs, trade restrictions or trade barriers are expanded or increased, then our exposure to future taxes and duties on imported products and components could be significant and could have a material effect on our financial results.

We cannot predict the extent to which the U.S. or other countries will impose new or additional quotas, duties, tariffs, taxes, or other similar restrictions upon the import of goods and services in the future, nor can we predict future trade policy or the terms of any renegotiated trade agreements and their impact on our business. The continuing adoption or expansion of trade restrictions, the occurrence of a trade war, or other governmental action related to tariffs or trade agreements or policies has the potential to adversely impact demand for our HPC data centers, our costs, our customers, our suppliers, and the U.S. economy, which in turn could have a material adverse effect on our business, operating results, and financial condition.

Increased scrutiny and changing expectations from stakeholders with respect to our environmental, social, and governance (ESG) practices and the impacts of climate change may result in additional costs or risks.

Companies across many industries are facing increasing scrutiny related to their ESG practices. Investor advocacy groups, certain institutional investors, investment funds and other influential investors are also increasingly focused on ESG practices and in recent years have placed increasing importance on the non-financial impacts of their investments. Furthermore, increased public awareness and concern regarding environmental risks, including global climate change, has resulted in and may continue to result in increased public scrutiny of our business and our industry, and our management team may divert significant time and energy away from our operations and towards responding to such scrutiny and reassuring our employees.

In addition, the physical risks of climate change may impact the availability and cost of materials and natural resources, sources and supply of energy, demand for bitcoin and other cryptocurrencies, and could increase our insurance and other operating costs, including, potentially, to repair damage incurred as a result of extreme weather events or to

renovate or retrofit facilities to better withstand extreme weather events. If environmental laws or regulations or industry standards are either changed or adopted and impose significant operational restrictions and compliance requirements on our operations, or if our operations are disrupted due to the physical impacts of climate change, our business, capital expenditures, results of operations, financial condition and competitive position could be negatively impacted.

We have a history of operating losses, and we may report additional operating losses in the future.

We have recorded historical losses and negative cash flows from our operations, including from our bitcoin mining activities when the value of bitcoin mined did not exceed our associated costs. As we transition an increasing portion of our business toward HPC hosting and colocation, we are making substantial capital investments in developing and expanding our data center campuses. These investments are capital-intensive and revenue from HPC hosting is dependent upon the completion and commencement of customer leases. Future market prices of bitcoin remain difficult to predict, and demand for HPC hosting services may not develop as anticipated. There can be no assurance that revenue from our bitcoin mining operations and HPC data center operations will exceed our associated operating and capital costs.

Risks Related to the Bitcoin Mining Business

Our ability to achieve profitability is largely dependent on the price of bitcoin, which has historically been volatile.

Our existing bitcoin mining operations are largely based on our assumptions regarding the future value of bitcoin, which has been subject to significant historical volatility and may be subject to influence from malicious actors, real or perceived scarcity of bitcoin, political, economic, and regulatory conditions and speculation making bitcoin's price more volatile or creating "bubble" type risks for the trading price of bitcoin. Further, unlike traditional stock exchanges, which have listing requirements and vet issuers, requiring companies to comply with rigorous listing standards and rules, which monitor transactions for fraud and other improprieties, markets for bitcoin and other cryptocurrencies tend to be unregulated or underregulated. In general, less stringent markets are perceived to have a higher risk of fraud or manipulation and any lack of oversight or perceived lack of transparency could reduce confidence in the price of bitcoin and other cryptocurrencies, which could adversely affect the price of bitcoin. Bitcoin and crypto asset markets generally may be subject to increased scrutiny and regulation by the U.S. legislature and government agencies, and such evolving regulatory and legal environment may impact our bitcoin mining activities and therefore an impact on our business.

These factors make it difficult to accurately predict the future market price of bitcoin and may also inhibit consumer trust in, and market acceptance of, cryptocurrencies as a means of exchange, which could limit the future adoption of bitcoin and, as a result, our assumptions could prove incorrect. If our assumptions prove incorrect and the future price of bitcoin is not sufficiently high, our revenue from our bitcoin mining operations may not exceed our costs, and our operations may not be profitable, which would have a material adverse effect on our results of operations and financial condition.

Instability, fraud, or failures within the broader cryptocurrency ecosystem may adversely affect the price of bitcoin and our results of operations.

Digital asset exchanges and cryptocurrency platforms are relatively new and, in many cases, lightly regulated. Certain exchanges have filed for bankruptcy or become subject to investigation by governmental agencies for fraud or other misconduct, resulting in increased volatility and loss of confidence in digital asset markets. Bitcoin is subject to price volatility resulting from financial instability, poor business practices, fraudulent activities of participants in the broader cryptocurrency market and heightened regulatory scrutiny.

A perceived lack of stability in the digital asset exchange market, the closure or temporary shutdown of exchanges due to business failure, cyber-attacks, government-mandated regulation or fraud, or other disruptions in the cryptocurrency ecosystem may reduce confidence in digital asset networks and result in greater volatility in bitcoin values. Such developments could adversely affect our bitcoin mining operations and our financial condition.

Bitcoin is subject to halving, and our bitcoin mining operations may generate less revenue as a result.

The number of new bitcoin awarded for solving a block is cut in half at mathematically predetermined intervals, known as "halving". The next halving for the bitcoin blockchain is currently anticipated to occur in April 2028. While bitcoin prices have historically increased around these halving events, there is no guarantee that the price change will be favorable or would compensate for the reduction in mining rewards. If a corresponding and proportionate increase in the price of bitcoin does not follow future halving events, the revenue we earn from our bitcoin mining operations would see a decrease, which could have a material adverse effect on our results of operations and financial condition.

Because our miners are designed specifically to mine bitcoin and may not be readily adaptable to other uses, a sustained decline in bitcoin's value could adversely affect our business and results of operations.

We have invested substantial capital in acquiring miners using ASIC chips designed specifically to mine bitcoin using the 256-bit secure hashing algorithm (“SHA-256”) as efficiently and as rapidly as possible on our assumption that we will be able to use them to mine bitcoin and generate revenue from our operations. Therefore, our bitcoin mining operations focus exclusively on mining bitcoin, and our bitcoin mining revenue is based on the value of the bitcoin we mine. Accordingly, if the value of bitcoin declines and fails to recover, for example, because of the development and acceptance of competing blockchain platforms or technologies, including competing cryptocurrencies which our miners may not be able to mine, the revenue we generate from our bitcoin mining operations will likewise decline. Moreover, because our miners use these highly specialized ASIC chips, we may not be able to successfully repurpose them in a timely manner, if at all, to other uses, following a sustained decline in bitcoin's value or if the bitcoin blockchain stops using SHA-256 for solving blocks. This would result in a material adverse effect on our business and could potentially impact our ability to continue as a going concern.

Our reliance on third-party miners may subject our operations to increased risk of design flaws.

The performance and reliability of our miners and our technology is critical to our reputation and our operations. We currently predominantly use Bitmain Technologies Limited (“Bitmain”) miners, and if there are issues with those machines, such as a design flaw in the ASIC chips they employ, our system could be substantially affected. Any system error or failure may significantly delay response times or even cause our system to fail. Any disruption in our ability to continue mining could result in lower yields and harm our reputation and business. Any exploitable weakness, flaw, or error common to the Bitmain miners we currently utilize could affect substantial portions of our miners; therefore, if a defect or other flaw exists and is exploited, a majority of, or all of our miner fleet could be adversely impacted. Any interruption, delay or system failure could result in financial losses, a decrease in the trading price of our common stock and damage to our reputation.

Our use of a third-party mining pool exposes us to certain risks.

We receive bitcoin rewards from our mining activity through a third-party mining pool operator, Foundry. Mining pools allow miners to combine their processing power, increasing their chances of solving a block and getting paid by the network. The rewards are distributed by the pool operator, proportionally to our contribution to the pool's overall mining power, after deducting the applicable pool fee, if any, used to solve a block on the bitcoin blockchain. Should the pool operator's system suffer downtime due to a cyber-attack, software malfunction or other issue, it could negatively impact our ability to mine and receive revenue, if we are unable to quickly switch to another pool or to self-mine without a pool. Furthermore, it is possible that the mining pool operator could fail to accurately record the total processing power provided to the pool for a given bitcoin mining application, which would inhibit our ability to confirm the proportion of that total processing power which we provided. While we have internal methods of tracking both the hash rate we provide and the total used by the pool, the mining pool operator uses its own record-keeping to determine our proportion of a given reward, which may not match our own. If we are unable to consistently obtain accurate proportionate rewards from our mining pool operator, we may not receive accurate block rewards from the pool, and we would have limited recourse to correct these inaccuracies. This could lead us to decide against further participation in a mining pool, or mining pools generally, which may affect the predictability of our mining returns, which could have an adverse effect on our business and operations.

If Foundry were to cease operations, there would be some delay and consequently lost revenue until we pointed our miners at our backup pool provider, which we would do by using a mass command issued with our management software. Furthermore, while we receive daily reports from Foundry detailing the total processing power provided to its mining pool and our proportion of that total processing power to determine the distribution of rewards to us, we are dependent on the accuracy of Foundry's record keeping. We have little means of recourse against Foundry if we determine the proportion of the reward paid out to us by Foundry is incorrect, other than leaving Foundry's pool altogether. If we are unable to consistently obtain accurate proportionate rewards from our pools, we may experience reduced rewards for our efforts, which would have an adverse effect on our business and operations. Additionally, were Foundry to cease operations, declare insolvency or file for bankruptcy, there is a reasonable risk that recovery of any mining rewards or fees for any given day that had not yet been delivered into our wallet held at NYDIG would be delayed or unrecoverable.

We may not be able to realize the benefits of forks.

The bitcoin blockchain is subject to modification based on a consensus of the users on its network. When a significant minority of users on the network agree to a modification that is not compatible with the prior network protocol, a “fork” of the network results, with one prong running the pre-modified protocol and the other running the modified

protocol. The effect of such a fork would be the existence of two “versions” of the blockchain running in parallel that are not interchangeable, which requires exchange-type transactions to convert between the two forks. Additionally, it may be unclear following a fork which of the two protocols represents the original and which is the new protocol. Different metrics adopted by industry participants to determine which is the original asset following a fork in the bitcoin blockchain may include: referring to the blockchain with the greatest network hash rate, or to the “length” of blockchain (i.e., the time between the first transaction recorded in the blockchain’s distributed ledger and the date of the most recent transaction). Accordingly, it is possible that a fork may occur on the bitcoin blockchain that results in an asset different from our current bitcoin holdings, or a protocol different from SHA-256 (which our miners are specifically designed to operate), gaining predominance, and the value of our bitcoin assets may suffer, or we may not be able to adapt our miners to the new protocol. Therefore, we may not realize the economic benefit of a fork in the bitcoin blockchain, either immediately or ever, which could adversely affect an investment in our securities.

Incorrect or fraudulent bitcoin transactions may be irreversible and we could lose access to our bitcoin.

Bitcoin transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the bitcoin from the transaction. Because of the decentralized nature of the bitcoin blockchain, once a transaction has been verified and recorded in a block that is added to the bitcoin blockchain, an incorrect transfer of a bitcoin or a theft thereof generally will not be reversible, and we may not have sufficient recourse to recover our losses from any such transfer or theft. It is possible that, through computer or human error, or through theft or criminal action, our bitcoin rewards could be transferred in incorrect amounts or to unauthorized third parties, or to uncontrolled accounts. Though recent high profile enforcement actions against individuals laundering stolen bitcoin have demonstrated some means of bringing malicious actors to justice for their theft, the stolen bitcoin is likely to remain unrecoverable. Furthermore, we utilize a third-party custodian for our bitcoin, and thus do not maintain a private key. However, if they lose access to our wallet, or if a malicious actor successfully denies the third-party custodian access to our wallet, we may be permanently denied access to the bitcoin held in the wallet corresponding to the lost, stolen or blocked keys. Though we have taken and continue to take reasonable steps to secure our data and to store our bitcoin with an institutional custodian, if we, or our third-party custodian were to experience data loss relating to our digital wallets, we could effectively lose access to and the ability to use our bitcoin assets. Moreover, we may be unable to secure insurance policies for our bitcoin assets at rates or on terms acceptable to us, if at all, and we may choose to self-insure. To the extent that we are unable to recover our losses from such action, error or theft, such events could have a material adverse effect on our business, results of operations and financial condition.

Digital assets held by the Company are not subject to FDIC or SIPC protections.

The Company does not hold its digital assets with a banking institution or a member of the Federal Deposit Insurance Corporation (“FDIC”) or the Securities Investor Protection Corporation (“SIPC”) and, therefore, its digital assets are not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions.

Risks Related to Governmental Regulation and Enforcement

We are subject to a highly-evolving regulatory landscape and any adverse changes to, or our failure to comply with, any laws and regulations could adversely affect our business, reputation, prospects or operations.

As cryptocurrencies have grown in both popularity and market size, governments around the world have reacted differently to cryptocurrencies; certain governments have deemed them illegal, and others have allowed their use and trade without restriction, while some jurisdictions, such as the United States, subject the mining, ownership and exchange of cryptocurrencies to certain, and in some cases overlapping, unclear and evolving regulatory requirements.

We currently only operate in the United States, and do not currently have any plans to expand our operations beyond the United States. As bitcoin has grown in popularity and in market size, the U.S. regulatory regime, namely the Federal Reserve Board, U.S. Congress and certain U.S. agencies (e.g., the SEC, the CFTC, FinCEN and the Federal Bureau of Investigation) have begun to examine the operations of the bitcoin network, bitcoin users and the bitcoin exchange market. The complexity and evolving nature of our business and the significant uncertainty surrounding the regulation of the cryptocurrency industry requires us to exercise our judgment as to whether certain laws, rules, and regulations apply to us, and it is possible that governmental bodies and regulators may disagree with our conclusions. To the extent we have not complied with such laws, rules, and regulations, we could be subject to significant fines, revocation of licenses, limitations on our products and services, reputational harm, and other regulatory consequences, each of which may be significant and could adversely affect our business, operating results, and financial condition.

Potentially increasing regulation and regulatory scrutiny may result in new costs for the Company and Company's management having to devote increased time and attention to regulatory matters, change aspects of the Company's business or result in limits on the utility of bitcoin. In addition, regulatory developments and/or the Company's business activities may require the Company to comply with certain regulatory regimes. Increasingly strict legal and regulatory requirements and any regulatory investigations and enforcement may result in changes to our business, as well as increased costs, and supervision and examination for ourselves and our service providers. Ongoing and future regulation and regulatory actions could also significantly restrict or eliminate the market for or uses of bitcoin and/or may adversely affect the Company's business, reputation, financial condition and results of operations. Moreover, new laws, regulations, or interpretations may result in additional litigation, regulatory investigations, and enforcement or other actions. Adverse changes to, or our failure to comply with, any laws and regulations may have an adverse effect on our reputation and brand and our business, operating results, and financial condition.

Bitcoin and bitcoin mining, as well as cryptocurrencies generally, may be made illegal in certain jurisdictions, including the ones we operate in, which could adversely affect our business prospects and operations.

It is possible that state or federal regulators may seek to impose harsh restrictions or total bans on bitcoin mining which may make it impossible for us to do business without relocating our mining operations, which could be very costly and time consuming. Further, although bitcoin and bitcoin mining, as well as cryptocurrencies generally, are largely unregulated in most countries (including the United States), regulators could undertake new or intensify regulatory actions that could severely restrict the right to mine, acquire, own, hold, sell, or use cryptocurrency or to exchange it for traditional fiat currency such as the United States Dollar. Such restrictions may adversely affect us as the large-scale use of bitcoin as a means of exchange is presently confined to certain regions globally. Such circumstances could have a material adverse effect on us, which could have a material adverse effect on our business, prospects or operations and potentially the value of any bitcoin we mine or otherwise acquire or hold for our own account, and thus harm investors.

Changing environmental regulation and public energy policy may expose our business to new risks.

Our bitcoin mining and HPC data center operations require a substantial amount of power and can only be successful, and ultimately profitable, if the costs we incur, including for electricity, are lower than the revenue we generate from our operations. As a result, any bitcoin mining and HPC data center facility we establish can only be successful if we can obtain sufficient electrical power for that facility on a cost-effective basis, and our establishment of new facilities requires us to find locations where that is the case. If new regulations are imposed, or if existing regulations are modified, the assumptions we made underlying our plans and strategic initiatives may be inaccurate, and we may incur additional costs to adapt our planned business, if we are able to adapt at all, to such regulations.

In addition, there continues to be a lack of consistent climate legislation, which creates economic and regulatory uncertainty for our business because the bitcoin mining industry, with its energy demand, may become a target for future environmental and energy regulation. New legislation and increased regulation regarding climate change could impose significant costs on us and our suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting, and other costs to comply with such regulations. Further, any future climate change regulations could also negatively impact our ability to compete with companies situated in areas not subject to such limitations.

Moreover, in the State of New York, we currently participate in energy demand response programs to curtail operations, return capacity to the electrical grid, and receive funds to offset foregone operational mining revenue when necessary, such as in extreme weather events. Furthermore, we, as well as other bitcoin miners, received a mandatory survey from the U.S. Energy Information Administration (the "EIA"), seeking extensive information regarding our facilities' use of electricity, and certain information regarding our operations, solely for the month of January 2024. This request was subsequently withdrawn by the EIA; however, it is possible that mandatory surveys such as this will be used by the EIA to generate negative reports regarding the bitcoin mining and HPC data center industries' use of power and other resources, which could spur additional negative public sentiment and adverse legislative and regulatory action against us or the bitcoin mining and HPC data center industries as a whole. Surveys and other regulatory actions could increase our cost of operations or otherwise make it more difficult for us to operate at our current locations.

Given the political significance and uncertainty around the impact of climate change and how it should be addressed, and energy disclosure and use regulations, we cannot predict how legislation and regulation will affect our financial condition and results of operations in the future in the United States. However, due to the use of predominantly zero-carbon power in our operations, we believe we are advantageously positioned relative to our competitors in this regard. Further, even without such regulation, increased awareness and any adverse publicity in the global marketplace

about potential impacts on climate change or energy use by us or other companies in our industry could harm our reputation. Any of the foregoing could result in a material adverse effect on our business and financial condition.

The compliance costs of responding to new and changing regulations could adversely affect our operations.

We are subject to various federal, state and local laws and regulations, including those relating to the generation, storage, handling, and disposal of hazardous substances and wastes. Certain of these laws and regulations also impose joint and several liability, without regard to fault, for investigation and cleanup costs on current and former owners and operators of real property and persons who have disposed of or released hazardous substances into the environment. Our operations may involve the use of hazardous substances and materials, such as petroleum fuel for temporary generators, as well as batteries, cleaning solutions, and other materials.

The course of future legislation and regulation in the United States remains difficult to predict, and potential increased costs associated with new legislation or regulation cannot be estimated at this time.

Our interactions with a blockchain may expose us to specially designated nationals (“SDN”) or blocked persons and new legislation or regulation could adversely impact our business or the market for cryptocurrencies.

The Office of Financial Assets Control (“OFAC”) of the U.S. Department of Treasury requires us to comply with its sanction program and not conduct business with persons named on its SDN list. However, because of the pseudonymous nature of blockchain transactions we may inadvertently and without our knowledge engage in transactions with persons named on OFAC’s SDN list. Our Company’s policy prohibits any transactions with such SDN individuals, and we take all commercially reasonable steps to avoid such transactions, but we may not be adequately capable of determining the ultimate identity of the individual with whom we transact with respect to selling bitcoin assets. Moreover, there is a risk that some bad actors will continue to attempt to use cryptocurrencies, including bitcoin, as a potential means of avoiding federally imposed sanctions, such as those imposed in connection with the Russian invasion of Ukraine.

We are unable to predict the nature or extent of new and proposed legislation and regulation affecting the bitcoin industry, or the potential impact of the use of bitcoin by SDN or other blocked or sanctioned persons, which could have material adverse effects on our business and our industry more broadly. Further, we may be subject to investigation, administrative or court proceedings, and civil or criminal monetary fines and penalties as a result of any regulatory enforcement actions, all of which could harm our reputation and affect the value of our common stock.

We may be at a higher risk of litigation and other legal proceedings due to heightened regulatory scrutiny of the cryptocurrency industry, which could ultimately be resolved against the Company, requiring material future cash payments or charges, which could impair our financial condition and results of operations.

The size, nature and complexity of the Company’s business could make it susceptible to various claims, both in litigation and binding arbitration proceedings, legal proceedings, and government investigations. The Company believes that since cryptocurrency mining, and the digital asset industry generally, is a relatively new business sector, it is more likely subject to government investigation and regulatory determination. Any claims, regulatory proceedings or litigation that could arise in the course of the Company’s business could have a material adverse effect on the Company, its business or operations, or the industry as a whole.

The Company may be classified as an inadvertent investment company.

The Company is not engaged in the business of investing, reinvesting or trading in securities and does not hold itself out as being engaged in those activities. Under the Investment Company Act, however, a company may be deemed an investment company under Section 3(a)(1)(C) if the value of its investment securities is more than 40% of its total assets (exclusive of government securities and cash items) on a consolidated basis.

The Company will be engaging in digital asset mining, the outputs of which are cryptocurrencies, which may be deemed a security. In the event that the digital assets held by the Company exceed 40% of its total assets, exclusive of cash, the Company may inadvertently become an investment company. An inadvertent investment company can avoid being classified as an investment company if it can rely on one of the exclusions under the Investment Company Act. One such exclusion, namely Rule 3a-2 under the Investment Company Act, allows an inadvertent investment company a grace period of one year from the earlier of (i) the date on which an issuer owns securities and/or cash having a value exceeding 50% of the issuer’s total assets on either a consolidated or unconsolidated basis and (ii) the date on which an issuer owns or proposes to acquire investment securities having a value exceeding 40% of the value of such issuer’s total assets (exclusive of government securities and cash items) on an unconsolidated basis. The Company is putting in place policies that it

expects will work to keep the digital assets held by the Company at less than 40% of its total assets, liquidating its digital assets or seeking a no-action letter from the SEC if the Company is unable to maintain sufficient total assets or liquidate sufficient digital assets in a timely manner.

As Rule 3a-2 is available to a company no more than once every three years, and assuming no other exclusions are available to the Company, the Company would have to keep within the 40% limit for at least three years after it ceases being an inadvertent investment company. This may limit the Company's ability to make certain investments or enter into joint ventures that could otherwise have a positive impact on the Company's earnings. In any event, the Company does not intend to become an investment company engaged in the business of investing and trading securities.

Classification as an investment company under the Investment Company Act requires registration with the SEC. If an investment company fails to register, it would have to stop doing almost all business, and its contracts would become voidable. Registration is time consuming and restrictive and would require a restructuring of the Company's operations, and the Company would be very constrained in the kind of business it could do as a registered investment company. Furthermore, the Company would become subject to substantial regulation concerning management, operations, transactions with affiliated persons and portfolio composition, and would need to file reports under the Investment Company Act regime. The cost of such compliance would result in the Company incurring substantial additional expenses, and the failure to register if required may adversely affect the Company's business, financial condition and results of operations.

If federal or state legislatures or agencies initiate or release tax determinations that change the classification of bitcoins as property for tax purposes (in the context of when such bitcoins are held as an investment), such determination could have a negative tax consequence on the Company or its shareholders.

Current guidance from the Internal Revenue Service indicates that digital assets such as bitcoin should be treated and taxed as property and that transactions involving the payment of bitcoin for goods and services should be treated as barter transactions. While this treatment creates a potential tax reporting requirement for any circumstance where the ownership of a bitcoin passes from one person to another, usually by means of bitcoin transactions (including off-blockchain transactions), it would also apply capital gains treatment to those transactions which may adversely affect the Company's business, financial condition and results of operations.

Risks Related to Ownership of Our Common Stock

The trading price of shares of our common stock has been subject to volatility.

The trading price of our common stock has been, and is likely to continue to be, volatile, and may be influenced by various factors including the risks, uncertainties and factors described in this Annual Report and our other filings with the SEC, as well as factors beyond our control or of which we may be unaware. If these risks happen and our business and results of operation suffer as a result, the market price of our securities may decline, which could have a material adverse effect on an investment in our securities.

Bitcoin is subject to price volatility resulting from financial instability, poor business practices, fraudulent activities of players in the market, and other factors outside of our control. Such factors may cause a decline in the price of bitcoin, which may affect the trading price of our shares of common stock. We have issued, and may continue to issue, new shares of our common stock, which has a dilutive effect.

We are and may continue to be subject to short selling strategies.

Short selling is the practice of selling securities that the seller does not own but rather has borrowed from a third party with the intention of buying identical securities back at a later date to return to the lender. The short seller hopes to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement shares, as the short seller expects to pay less in that purchase than it received in the sale. As it is therefore in the short seller's best interests for the price of the stock to decline, may short sellers publish, or arrange for the publication of, negative opinions regarding the relevant issuer and its business prospects to create negative market momentum and generate profits for themselves after selling a stock short. These short attacks have, in the past, led to selling of shares in the market.

We are, and may in the future may be, the subject of unfavorable allegations made by short sellers. For example, in August and October of this year, short sellers published reports that contained certain allegations against us that we believe to be misleading. Any such allegations may be followed by periods of instability in the market price of our shares

of common stock and negative publicity. We may be constrained in the manner in which we can proceed against the relevant short seller by principles of freedom of speech, applicable federal or state law or issues of commercial confidentiality. In addition, any related inquiry or formal investigation from a governmental organization or other regulatory body, including any inquiry from the SEC or the U.S. Department of Justice, could result in a material diversion of our management's time and could have a material adverse effect on our business and results of operations. Such a situation could be costly and time consuming and could distract our management from operating our business. SEC investigations are generally fact-finding inquiries and do not necessarily mean that the SEC has concluded that we have violated the federal securities laws or that the SEC has a negative view of the Company. Even if such allegations are ultimately proven to be groundless, allegations against us could adversely impact our business, and cause downward pressure and increased volatility in the price of our shares of common stock. In October 2024, we received an inquiry from the SEC relating to the allegations in the recent short seller reports relating to the sources of electricity used in our operations and the proportion of energy attributable to zero-carbon energy sources. We believe these allegations to be misleading and cooperated fully with the SEC. On January 31, 2025, the SEC informed us that the investigation was closed and that the SEC does not intend to recommend an enforcement action by the SEC against the Company.

We have financed our strategic growth through our at-the-market (ATM) offerings and issuances of our common stock.

Our ATM offerings allow us to raise capital as needed by tapping into the existing trading market for our shares by selling newly issued shares into the market depending on prevailing market prices. Our efforts to raise capital is for the purpose of executing on development plans and strategic growth opportunities as they arise; however, holders of our common stock may experience dilution as a result of our sales of newly issued shares of our common stock in such ATM offerings.

The issuance, conversion, or exercise of convertible notes and other convertible securities and warrants will dilute our stockholders' ownership.

We have issued, and may continue to issue, convertible securities and warrants to business counterparties and institutional investors. We have also issued convertible notes to certain institutional investors in private offerings. The exercise, conversion, or exchange of these instruments, including for other securities, will dilute existing stockholders' ownership percentages. This dilution may negatively impact our ability to obtain additional capital. Holders of these securities may choose to exercise or convert them at times when we could otherwise secure equity capital on more favorable terms or when our common stock is trading above the exercise or conversion price.

Because we do not currently intend to pay any cash dividends on our common stock, our stockholders will not be able to receive a return on their shares unless they sell them.

We currently intend to retain any future earnings to finance the development and expansion of our business. We do not anticipate paying any cash dividends on our common stock in the near future. Unless we pay dividends, our stockholders will not be able to receive a return on their shares unless they sell them. There is no assurance that stockholders will be able to sell shares when desired.

ITEM 1B. Unresolved Staff Comments

None.

ITEM 1C. Cybersecurity

Cybersecurity Risk Management and Strategy

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information. Our cybersecurity risk management program is one component of our information security program that guides continuous improvement to, and evaluates these security objectives for our critical systems, data, and operations. Additionally, the Company maintains an Information Security Program designed to prevent, detect, and respond to cyberattacks, and maintains a cybersecurity incident response plan designed to enable the Company to respond to cybersecurity incidents, coordinate such responses with law enforcement and other governmental agencies, and notify clients and customers, as applicable. Our approach to controls and risk management is based on guidance from the National Institute of Standards and Technology ("NIST"). This does not mean that we meet any particular technical standards, specifications, or requirements, but rather that we use NIST frameworks, guidance and recommendations to help us identify, assess, and manage cybersecurity controls and risks relevant to our business.

Our cybersecurity risk management program is integrated into our overall enterprise risk management program, and shares common methodologies, reporting channels and governance processes that apply across the enterprise risk management program to other legal, compliance, strategic, operational, and financial risk areas.

Our cybersecurity risk management program includes:

- identifying cybersecurity risks that could impact our facilities, third-party vendors/partners, operations, critical systems, information, and broader enterprise information technology environment. Risks are informed by threat intelligence, current and historical adversarial activity, and industry specific threats;
- risk assessments designed to help identify material cybersecurity risks to our critical systems, information, services, and our broader enterprise IT environment;
- an Information Security and Cybersecurity policy which establishes administrative, physical, and technical controls and procedures to protect data and systems;
- individuals, including employees and external third party service providers, who are responsible for managing our cybersecurity risk assessment processes, our security controls, and our response to cybersecurity incidents;
- the use of external service providers, where appropriate, to assess, test, monitor, respond or otherwise assist with aspects of our security controls;
- cybersecurity awareness training of our employees, incident response personnel, and senior management; and
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents.

We have not identified risks from known cybersecurity threats that have materially affected us, including our operations, business strategy, results of operations, or financial condition. We face risks from cybersecurity threats that, if realized, are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition. See “Risk Factors - Cyberattacks, data breaches or malware may disrupt our operations and trigger significant liability for us, which could harm our operating results and financial condition, and damage our reputation or otherwise materially harm our business.”

Cybersecurity Governance

Our Audit Committee of the Board considers cybersecurity risk as part of its risk oversight function and oversees management’s implementation of our cybersecurity risk management program.

The Board and the Audit Committee receive periodic reports from management on our cybersecurity risks. In addition, management updates the Board and the Audit Committee, as necessary, regarding any material cybersecurity incidents, as well as any incidents with lesser impact potential. The Board and the Audit Committee also receive briefings from management on our cyber risk management program. Board and Audit Committee members receive presentations on cybersecurity topics from our Vice President of Cyber Security, risk management and internal security staff or external experts as part of the Board and the Audit Committee’s continuing education on topics that impact public companies.

Our management team is responsible for assessing and managing our material risks from cybersecurity threats. The team has primary responsibility for our overall cybersecurity risk management program and supervises both our internal cybersecurity personnel and our retained external cybersecurity consultants. Our information security organization is comprised of internal and external security and technology professionals. We continue to make investments in information security resources to mature, expand, and adapt our capabilities to address emerging cybersecurity risks and threats. In addition, we have a multifunctional cybersecurity committee comprised of information technology, operations, risk, and finance members who will meet quarterly to assess new vulnerabilities and threats, update risk assessments and assess the implementation of the Company’s cybersecurity risk management program. This committee will report periodically to the management team on matters involving cybersecurity risks and incidents.

Our Vice President of Cyber Security also serves as our Chief Information Security Officer and is responsible for managing and implementing the Company’s Information Security and Cybersecurity policy, which can be found on the Company’s website. In addition, the Vice President of Cyber Security sets company-wide control requirements, assesses adherence to controls, identifies and prioritizes cybersecurity risks, and oversees incident protection and response. The

Company's Chief Information Officer possesses over 20 years of experience in information technology and the recently appointed Vice President of Cyber Security has more than 15 years of information technology and cybersecurity oversight.

ITEM 2. Properties

Corporate Headquarters

TeraWulf maintains its principal corporate offices in Easton, Maryland and New York, New York. The Company considers its current office space adequate for its existing operations.

Lake Mariner Data Campus

TeraWulf owns and operates the Lake Mariner Data Campus, a high-performance digital infrastructure campus located in Barker, New York, on the site of a former coal-fired power plant. The campus began sustainably mining bitcoin in March 2022 and, as of December 31, 2025 the Lake Mariner Data Campus operated 245 MW of legacy bitcoin mining capacity and had 18 critical IT MW of HPC capacity. The campus is undergoing phased expansion to support additional HPC contracted deployments with gross capacity of approximately 500 MW in the near term, with potential expansion to approximately 750 MW subject to additional approvals from the NYISO.

The Lake Mariner Data Campus operates under a lease agreement with Somerset Operating Company, LLC ("Somerset"), a company controlled by TeraWulf's CEO. Under the agreement, the Lake Mariner Data Campus leases approximately 157 acres in Niagara County, New York, for an initial term of 35 years which automatically renews for up to nine additional periods of five years each, unless the Company provides written notice to Somerset to terminate the lease at least six months prior to the expiration of the initial term or the then-current renewal term, as applicable. The Lake Mariner Data Campus' strategic location provides access to low-cost, low-carbon power, making it an optimal hub for both bitcoin mining and HPC hosting operations.

Abernathy HPC Campus

The Abernathy HPC Campus is designed to support HPC and AI workloads, with a total gross capacity of 240 MW and a critical IT load of 168 MW, fully pre-leased to Fluidstack USA III and backstopped by Google's credit support. The Abernathy HPC Campus will be constructed on a 29.3-acre parcel in Abernathy, Texas, and will feature a purpose-built building of over 637,000 square feet. The site benefits from high-voltage electrical service delivered to two separate substation transformers, ensuring redundancy and reliability for mission-critical operations. Designed with state-of-the-art infrastructure, the campus incorporates N+1 system redundancy, modular and scalable architecture, and advanced cooling systems tailored for HPC and AI workloads. The facility's strategic location in Abernathy provides direct access to diverse fiber routes and high-bandwidth connectivity to major metropolitan areas across Texas, supporting low-latency data transmission and seamless integration with regional and national networks.

Nautilus Cryptomine Facility

Prior to divesting its interest in 2024 in the Nautilus joint venture ("Nautilus"), TeraWulf operated bitcoin mining activities at the Nautilus Cryptomine Facility, located in Berwick, Pennsylvania. The facility was operated under a ground lease agreement between Nautilus and Cumulus Data LLC ("Cumulus Data"), an affiliate of Talen Energy Corporation. The lease covered the site of the Nautilus Cryptomine Facility for an initial five-year term, with two three-year extension options and an additional interim extension option of up to six and a half months.

On March 1, 2024, Cumulus Data sold substantially all its assets to an unaffiliated third party, including the land leased to Nautilus under the ground lease. In connection with the asset sale, the Nautilus ground lease was assigned to the purchaser of the assets, with no changes to its terms and conditions. Subsequently, on October 2, 2024, TeraWulf sold its entire 25% equity interest in Nautilus to Cumulus Coin LLC, allowing the Company to reallocate capital toward the expansion of its wholly owned digital infrastructure at the Lake Mariner Data Campus and its high-performance computing strategy.

Cayuga Site

The Company holds a long-term ground lease in Lansing, New York which, upon completion of permitting and site development, has the potential to support up to 400 MW of gross capacity, representing approximately 320 MW of contractual critical IT load. The ground lease agreement is with Cayuga Operating Company LLC ("Cayuga"), a company controlled by TeraWulf's CEO. Under the agreement, the Company leases approximately 183 acres, including all

structures, equipment, facilities and fixtures located thereon for an initial term of 80 years with no renewal rights. Any time after the 50th anniversary of the lease effective date (i) TeraWulf may elect to purchase the leased premises for \$100, either as an asset acquisition or through the purchase of all membership interests in Cayuga, and (ii) Cayuga and Cayuga's parent may require TeraWulf to purchase the leased premises on the same terms.

Hawesville Site

In February 2026, the Company entered into an Agreement of Purchase and Sale for a former industrial site in Hawesville, Kentucky ("Hawesville Site"). The Hawesville Site is a strategically located brownfield infrastructure site which includes more than 250 buildable acres with immediate access to power infrastructure, including multiple high-voltage transmission lines, an on-site energized substation, and a direct connection to the regional transmission network. The Company plans on constructing and operating a HPC/AI data center on the Hawesville Site.

ITEM 3. Legal Proceedings

From time to time, TeraWulf may be involved in various legal and administrative proceedings, lawsuits and claims incidental to the conduct of its business. Some of these proceedings, lawsuits or claims may be material and involve highly complex issues that are subject to substantial uncertainties and could result in damages, fines, penalties, non-monetary sanctions or relief. TeraWulf recognizes provisions for claims or pending litigation when it determines that an unfavorable outcome is probable, and the amount of loss can be reasonably estimated. Due to the inherent uncertain nature of litigation, the ultimate outcome or actual cost of settlement may materially vary from estimates. TeraWulf is not subject to any material pending legal and administrative proceedings, lawsuits or claims as of the date of this Annual Report. TeraWulf's business and operations are also subject to extensive regulation, which may result in regulatory proceedings against TeraWulf.

ITEM 4. Mine Safety Disclosures

Not applicable.

PART II

ITEM 5. Market for the Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market for the Registrant’s Common Equity

Our common stock is listed on the Nasdaq under the symbol “WULF.” As of February 24, 2026, there were 49 registered owners of our common stock.

Dividends

We did not declare or pay any cash dividends on our common stock during 2025. We do not currently intend to pay dividends on our common stock and we intend to retain our future earnings, if any, to fund the development and growth of our business. In addition, the terms of certain existing and any future debt agreements may preclude us from paying dividends. As a result, capital appreciation, if any, of our common stock may be your sole source of gain for the foreseeable future.

Any future determination relating to our dividend policy will be made at the discretion of our board of directors and will depend on then existing conditions, including our financial condition, results of operations, contractual restrictions, capital requirements, business prospects, and other factors our board of directors may deem relevant.

Issuer Purchases of Equity Securities

On October 23, 2024, the Company announced that the Company’s board of directors approved a share repurchase program authorizing the Company to repurchase up to \$200.0 million of the Company’s outstanding shares of its common stock through December 31, 2025. In May 2025, the Board of Directors agreed that the share repurchase program authorization shall continue unless and until the Company purchases \$200.0 million of its common stock or it is revoked by the Board of Directors.

During the fourth quarter of 2025, the Company repurchased shares of its common stock as follows:

Period	(a) Total number of shares purchased	(b) Average price paid per share	(c) Total number of shares purchased as part of publicly announced program	(d) Maximum dollar value of shares that may yet be purchased under the program
October 1 through October 31, 2025	—	\$ —	—	\$ 200,000,000
November 1 through November 30, 2025	—	—	—	200,000,000
December 1 through December 31, 2025	—	—	—	200,000,000
Total	—	\$ —	—	\$ 200,000,000

Unregistered Sale of Equity Securities

There have been no sales of unregistered securities by the Company during the year ended December 31, 2025, except as previously disclosed on Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

ITEM 6. [Reserved]

ITEM 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the other Items included in this Annual Report and with the accompanying consolidated financial statements and notes thereto included elsewhere in this report. All figures presented below represent results from continuing operations, unless otherwise specified. Certain statements contained in this Management’s Discussion and Analysis of Financial Condition and Results of Operations may be deemed forward-looking statements. See “Forward-Looking Statements.”

This MD&A generally discusses 2025 and 2024 items and year-to-year comparisons between 2025 and 2024. Discussions of 2023 items and year-to-year comparisons between 2024 and 2023 are not included, and can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Overview

We are a vertically integrated owner, developer, and operator of digital infrastructure assets in the United States, purpose-built to support HPC workloads, including AI, machine learning, and advanced cloud applications.

The Company has undergone a deliberate strategic transition toward HPC hosting as its primary business. While TeraWulf historically operated bitcoin mining facilities and leveraged flexible compute loads to support early infrastructure development, going forward the Company's capital allocation, development activities, and operating focus are centered on HPC data center development, long-term hosting arrangements, and infrastructure supporting AI-driven compute workloads.

Our strategy is grounded in controlling infrastructure at utility scale and pairing compute-optimized facilities with reliable, long-duration power resources. By controlling land use through ownership or long-term ground leases, together with interconnection rights, electrical and cooling infrastructure, and, where appropriate, on-site generation, the Company delivers resilient, cost-efficient capacity to hyperscale and enterprise customers under multi-year hosting arrangements.

The Company's platform is differentiated by long-term control of utility-scale infrastructure, deep in-house power and grid expertise, and a scalable development model supported by long-term, credit-enhanced customer contracts.

Strategy Execution and Capital Allocation

Management's execution of the Company's strategy is focused on converting advantaged infrastructure positions into long-dated, contracted HPC capacity. This execution model emphasizes vertical integration, long-duration customer contracts supported by credit enhancement, and phased development aligned with customer deployment schedules and power availability.

A core element of this approach is infrastructure control. By retaining control over land use, interconnection rights, electrical and cooling systems, and on-site generation where appropriate, the Company is able to manage development risk, optimize capital deployment, and maintain operational oversight throughout the lifecycle of its facilities. Management believes this approach reduces execution risk relative to third-party development models and supports infrastructure-style returns.

The Company's contracting strategy prioritizes multi-year hosting arrangements with credit-supported counterparties. These arrangements provide long-dated revenue visibility, support project-level financing, and reduce cash flow volatility as the platform scales. Credit enhancement associated with certain customer contracts has been a key factor in accelerating development timelines and enabling third-party financing.

Each campus is designed for modular, multi-phase expansion. Initial phases deliver near-term contracted capacity, while subsequent phases are developed in line with customer demand and power availability. Management believes this phased approach allows the Company to scale efficiently while maintaining capital discipline.

Consistent with this strategy, the Company has deliberately shifted capital allocation away from new bitcoin mining investments and toward HPC data center development. While legacy mining operations continue to utilize existing infrastructure, management does not intend to deploy incremental growth capital to mining activities.

Strategic Transactions

Acquisition of Beowulf E&D

On May 21, 2025 (the "Acquisition Date"), the Company acquired 100% of the membership interests in Beowulf Electricity & Data LLC, Beowulf E&D (NY) LLC and Beowulf E&D (MD) LLC (collectively, "Beowulf E&D"). Additional detail regarding the consideration paid and contingent consideration associated with the Beowulf E&D acquisition is included in Note 3 to the consolidated financial statements.

The acquisition materially expanded the Company's internal capabilities across power infrastructure development, site operations, engineering, and project execution. Approximately 94 employees transitioned to the Company as part of the transaction. Management believes this acquisition strengthened operational integration and execution capability as the Company scales its HPC platform.

Cayuga Site Ground Lease

On August 12, 2025, the Company entered into a long-term ground lease for approximately 183 acres in Lansing, New York. Upon completion of permitting and site development, the Cayuga Site has the potential for up to 400 MW of gross capacity, supporting approximately 320 MW of critical IT load. The Cayuga Site provides an additional anchor location with existing interconnection and supporting infrastructure and represents a key component of the Company's forward development pipeline.

Abernathy Joint Venture

On October 27, 2025, the Company entered into an amended and restated limited liability company agreement governing the Abernathy Joint Venture. The Company holds a 50.1% equity interest in the joint venture. The Abernathy HPC Campus represents the extension of the Company's commercial relationship with Fluidstack, supported by the same credit enhancement framework, to an additional site.

The Abernathy HPC Campus is designed for 168 MW of critical IT load, representing the full build-out of the site. The campus is 100% pre-leased to Fluidstack under a 25-year data center sublease with contractual rent escalators and options for term contraction. Lease obligations are supported by investment-grade credit enhancement provided by Google, materially strengthening the credit profile of the contracted revenues and facilitating third-party debt financing.

Management believes the Abernathy Joint Venture reflects the extension of the Company's commercial relationship with Fluidstack, supported by continued credit enhancement from Google, to an additional site.

Operations Overview

The Company's primary operating campus is the Lake Mariner Data Campus, located in Barker, New York on the site of a former coal-fired power plant that was retired and repurposed into a modern digital infrastructure campus. The site benefits from substantial existing transmission infrastructure and is designed for scalable expansion.

As of December 31, 2025 the Lake Mariner Data Campus operated 245 MW of legacy bitcoin mining capacity and had 18 critical IT MW of HPC capacity. The Company commenced HPC leasing operations at the Lake Mariner Data Campus in July 2025 and is executing a phased expansion to support additional contracted HPC deployments.

The campus is capable of scaling to approximately 500 MW of gross capacity in the near term, with potential expansion to approximately 750 MW subject to additional approvals from the NYISO. Power for the Lake Mariner Data Campus is sourced from the NYISO Zone A grid, with 90 MW allocated under a long-term arrangement with the New York Power Authority.

The Company operates the Lake Mariner Data Campus through La Lupa and Akela. Together, the Company's contracted HPC platform represents 522 MW of critical IT load, including the Company's 50.1% attributable share of the Abernathy HPC Campus. As of December 31, 2025, the Company had energized 18 critical IT MW of HPC capacity and remains on track to deliver additional contracted capacity in phases aligned with customer deployment schedules.

Regional Diversification and Platform Resilience

The development of the Abernathy HPC Campus through the Abernathy Joint Venture provides the Company with meaningful regional diversification. By expanding its HPC platform beyond New York into the Southwest Power Pool region, the Company reduces concentration risk related to power markets, regulatory frameworks, weather events, construction timelines, and operational disruptions.

Geographic diversification also helps mitigate the potential impact of localized physical security incidents, natural disasters, and certain cyber events by distributing infrastructure across multiple regions and operating environments. Management believes this diversification enhances overall platform resilience, supports customer deployment flexibility, and strengthens the Company's ability to maintain continuity of operations across its portfolio.

Power Strategy

The Company's power strategy emphasizes reliability, efficiency, and responsible integration with regional electric grids. The Company's development and operations team brings deep experience in power generation, transmission, interconnection, and large-scale energy infrastructure, which informs site selection, facility design, and operational execution.

This power and infrastructure expertise enables the Company to evaluate complex, power-intensive sites efficiently and provides meaningful differentiation relative to data center developers without comparable in-house energy capabilities. The Company expects certain sites to include on-site generation, battery storage and other dispatchable resources to enhance reliability for mission-critical compute and to support grid operations where appropriate.

Liquidity and Capital Resources

The Company's primary sources of liquidity include cash on hand, cash generated from operations, sale proceeds from bitcoin, equity issuances, debt financing, and project-level financing arrangements. Capital requirements are driven primarily by HPC data center development, construction activities, and associated infrastructure investments.

Management expects future capital deployment to be focused on contracted HPC projects and disciplined expansion of the Company's development pipeline. The Company continues to evaluate financing alternatives to support growth while managing balance sheet risk.

Outlook

The Company expects future results to be increasingly influenced by the development and operation of its HPC data center platform. As contracted HPC capacity is delivered and energized under existing hosting arrangements, management expects the Company's revenue mix to continue shifting toward HPC leasing and away from legacy bitcoin mining operations.

Future performance will depend on the timing of construction, commissioning, customer deployment schedules, access to power and interconnection, and the availability of project-level financing. Management expects capital deployment in future periods to be focused primarily on contracted HPC projects and disciplined expansion of the Company's development pipeline.

The table below presents the lease and nonlease components of HPC lease revenue for the years ended December 31, 2025, 2024, and 2023.

	Year Ended December 31,		
	2025	2024	2023
HPC lease revenue ⁽¹⁾			
Rent	\$ 13,750	\$ —	\$ —
Power passthrough ⁽²⁾	1,404	—	—
Tenant fit out, maintenance and other	1,745	—	—
Total HPC lease revenue	\$ 16,899	\$ —	\$ —
Cost of revenue (exclusive of depreciation) ⁽²⁾	\$ 2,464	\$ —	\$ —

⁽¹⁾ Certain of the Core42 Leases commenced in 2025 which comprised 18 critical IT MW HPC lease capacity as of December 31, 2025. The remainder of the HPC Leases are expected to commence in 2026.

⁽²⁾ Cost of revenue (exclusive of depreciation) represents power costs which are passed through to the customer without markup and are included on a gross basis in HPC lease revenue as well as includes costs incurred by the Company in connection with its fit-out services under the HPC Leases.

Bitcoin Mining Operations

As of December 31, 2025, we owned approximately 54,100 miners, with approximately 49,400 operational at our bitcoin mining facilities on the Lake Mariner Data Campus (the "LMD Bitcoin Mining Facilities") and the remainder

undergoing maintenance, awaiting disposal or on standby to replace miners under repair. These miners were comprised as follows:

Vendor and Model	Number of miners
Bitmain S19 XP	4,300
Bitmain S19j XP	13,400
Bitmain S19k Pro	1,500
Bitmain S21	8,200
Bitmain S21 Pro	26,700
	<u>54,100</u>

As of December 31, 2025, our fleet of miners ranged in age from 0.7 years to 3.6 years and have an average age of approximately 1.2 years. We do not have scheduled downtime for our miners and while we periodically perform unscheduled maintenance on our miners, such downtime has not been significant historically. When performing unscheduled maintenance, depending on the length of estimated repair time, we may replace a miner with a substitute miner to limit overall downtime. As of December 31, 2025, our fleet of miners at the LMD Bitcoin Mining Facilities had a range of energy efficiency from 15 to 23 joules per terahash (“j/th”) and has an average energy efficiency of 17.2 j/th.

Bitcoin Mining - Share of Global Hashrate

Several factors influence our ability to mine bitcoin profitably, including bitcoin’s USD value, mining difficulty, global hashrate, power costs, fleet energy efficiency, and overall data center efficiency. Among these, energy efficiency is a critical driver of profitability, as power costs represent the most significant direct expense in bitcoin mining. We believe we operate a highly efficient mining fleet, optimized to maximize output while minimizing energy consumption. To assess operational performance and effectiveness, the Company tracks key metrics, which we believe are also valuable to investors for evaluating our progress and benchmarking against industry peers.

The table below presents our miner efficiency and computing power as compared to the global computing power as of December 31, 2025 and 2024:

	December 31, 2025	December 31, 2024 ⁽¹⁾
Global hashrate (EH/s) ⁽²⁾	980.2	704.0
Miner efficiency (w/th) ⁽³⁾	17.5	19.0
TeraWulf operational hashrate (EH/s) ⁽⁴⁾	9.3	9.7
TeraWulf % of Global hashrate	0.9 %	1.4 %

⁽¹⁾ Results as of December 31, 2024 reflect hashrate of mining operations at the LMD Bitcoin Mining Facilities and TeraWulf’s net share of hashrate produced at the Nautilus Cryptomine Facility.

⁽²⁾ Total global hashrate obtained from YCHARTS (https://ycharts.com/indicators/bitcoin_network_hash_rate)

⁽³⁾ Joules of energy required to produce each terahash of processing power

⁽⁴⁾ While nameplate at the LMD Bitcoin Mining Facilities was 10.9 EH/s and 9.7 EH/s as of December 31, 2025 and 2024, respectively, actual operational hashrate 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.

As of December 31, 2025, our operating hashrate represented approximately 0.9% of the total global hashrate, aligning with our share of global blockchain rewards. As of that date, this translated to approximately 4 bitcoin mined per day. To maintain profitability, we focus on optimizing operational efficiency and cost management, ensuring that our mining rewards consistently cover direct operating expenses.

Bitcoin Mining - Average Cost of Bitcoin Mined

The table below presents the average cost of mining each bitcoin, including bitcoin mined at the LMD Bitcoin Mining Facilities and the Company's net share of bitcoin mined at the Nautilus Cryptomine Facility, for the years ended December 31, 2025 and 2024 and the total energy cost per kWh utilized within the facilities.

Cost of mining - Analysis of costs to mine one bitcoin	Year Ended December 31,	
	2025	2024
Cost of mining - LMD Bitcoin Mining Facilities and net share of the Nautilus Cryptomine Facility		
Cost of energy per bitcoin mined	\$ 53,609	\$ 25,227
Other direct costs of mining - non energy utilities per bitcoin mined	\$ 72	\$ 41
Cost to mine one bitcoin ⁽¹⁾	\$ 53,681	\$ 25,268
Value of each bitcoin mined ⁽²⁾	\$ 101,307	\$ 62,889
Cost to mine one bitcoin as % of value of bitcoin mined	53.0 %	40.2 %

Statistics

LMD Bitcoin Mining Facilities and net share of the Nautilus Cryptomine Facility		
Total bitcoin mined ⁽³⁾	1,496	2,728
Total value of bitcoin mined ⁽²⁾ (\$ in thousands)	\$ 151,556	\$ 171,547
Total MWhs utilized	1,344,760	1,601,061
Total energy expense, net of expected demand response proceeds ⁽⁴⁾ (\$ in thousands)	\$ 80,199	\$ 68,815
Cost per kWh	\$ 0.060	\$ 0.043
Energy expense, net as % of value of bitcoin mined	52.9 %	40.1 %
Other direct costs of mining (\$ in thousands)	\$ 108	\$ 111

⁽¹⁾ "Cost to mine one bitcoin" is a cash cost metric and does not include depreciation. Although the Company recognizes depreciation with respect to its mining assets, it does not consider depreciation in determining whether it is economical to operate its mining equipment. As a result, the Company does not consider the sunk costs or depreciation of past capital investments in its historical or forecasted breakeven analysis. If depreciation of our miner fleet were factored into the above cost of mining analysis, it would add \$41,930 and \$22,086 per bitcoin mined for the years ended December 31, 2025 and 2024, respectively, bringing the total "cost to mine one bitcoin" to \$95,611 and \$47,354 for the years ended December 31, 2025 and 2024, respectively.

⁽²⁾ Computed as the weighted-average opening price of bitcoin on each respective day the mined bitcoin is earned. Excludes bitcoin earned from profit sharing associated with a bitcoin miner hosting agreement that expired in February 2024 at the LMD Bitcoin Mining Facilities.

⁽³⁾ Excludes bitcoin earned from profit sharing associated with a bitcoin miner hosting agreement that expired in February 2024 at the LMD Bitcoin Mining Facilities of 0 and 6 bitcoin for the years ended December 31, 2025 and 2024, respectively, and includes TeraWulf's net share of bitcoin mined at the Nautilus Cryptomine Facility, based on the hashrate share attributed to the Company.

⁽⁴⁾ Excludes energy expenses associated with a bitcoin miner hosting agreement that expired in February 2024 at the LMD Bitcoin Mining Facilities and includes TeraWulf's net share of energy expense at the Nautilus Cryptomine Facility, based on aggregate nameplate power consumption of deployed miners attributed to TeraWulf's contribution to Nautilus.

Power costs are the most significant expense in our bitcoin mining operations, accounting for 52.9% and 40.1% of the total value of bitcoin mined for the years ended December 31, 2025 and 2024, respectively. The increase in power costs as a percentage of bitcoin mined in 2025 compared to 2024 was primarily driven by an approximate 30% increase in the realized cost per kWh and a near doubling of network difficulty and the bitcoin halving event in April 2024, which reduced block rewards. These impacts were partially offset by growth in our average operating hashrate for a portion of 2025 and an increase in the average market value of each bitcoin mined.

Energy prices are highly volatile, influenced by global events that can drive nationwide fluctuations in power costs. At the LMD Bitcoin Mining Facilities, power costs are subject to variable market rates, which can change hourly based on wholesale electricity pricing. While this introduces some unpredictability, it also provides us with the flexibility to actively manage our energy consumption, optimizing for profitability and efficiency. Energy prices are also highly sensitive to weather conditions, such as winter storms and polar vortices, which can increase regional power demand and drive up costs. During such events, we may curtail operations to avoid consuming power at peak rates, or we may be curtailed under demand response programs in which we participate. For the years ended December 31, 2025 and 2024, the average aggregate realized power prices at the LMD Bitcoin Mining Facilities and Nautilus Cryptomine Facility were \$0.060 and \$0.043 per kilowatt hour, respectively.

Our management team continuously monitors market conditions to determine when and for how long to curtail operations. If curtailment is not mandated under demand response programs, we make real-time decisions to curtail mining whenever power prices exceed the value of the fixed bitcoin reward. As a result, curtailment increases when bitcoin's value declines or energy prices rise, and decreases when bitcoin's value appreciates or energy costs fall. These decisions are actively managed on an hour-by-hour basis to optimize profitability.

During the years ended December 31, 2025 and 2024, we curtailed operations at the LMD Bitcoin Mining Facilities in response to weather events, energy price spikes, and participation in demand response programs. The Company records expected payments to be received for demand response programs as a reduction in cost of revenue, which amounted to \$17.7 million and \$8.6 million for the years ended December 31, 2025 and 2024, respectively.

The Company has purchased all miners with cash, without relying on limited recourse equipment financing for miner acquisitions. To support operations, invest in our previously owned Nautilus joint venture, and purchase miners and other fixed assets, we have raised capital through both equity issuances and corporate-level debt. Costs related to these capital raises are not included in this analysis.

Miner acquisition costs, or capital expenditures, are not factored into the cost of mining analysis, as they do not impact the marginal cost of producing one bitcoin. Instead, these costs are recorded as property, plant, and equipment in the consolidated balance sheets. Depreciation of property, plant, and equipment is calculated using the straight-line method, with estimated useful lives of four years for miners and five years for computer equipment.

During the year ended December 31, 2025, the Company recorded accelerated depreciation expense of \$19.6 million related to a certain miner building and related miners of which the Company shortened their useful lives based on expected shutdown of operations for purposes of supporting the HPC operations. During the year ended December 31, 2024, the Company recorded accelerated depreciation expense of \$5.1 million related to certain miners of which the Company shortened their estimated useful lives based on replacement by April 30, 2024. While our standard depreciation period for miners is four years, historically low power costs may allow for a longer actual useful life in certain cases. However, if depreciation were included in the cost of mining analysis, it would add \$41,930 and \$22,086 per bitcoin mined for the years ended December 31, 2025 and 2024, respectively.

Estimating asset useful lives requires management judgment, particularly given the rapid evolution of next-generation mining rigs in industrial-scale bitcoin mining. Depreciation schedules may be adjusted if events, regulatory changes, or shifts in operating conditions indicate a need for revision. Management continuously evaluates factors such as future energy market conditions, operating costs, maintenance practices, and capital investment needs to ensure depreciation assumptions remain reasonable. When an asset's estimated useful life is adjusted—either shortened or extended—depreciation provisions are updated accordingly, which could have a material impact on future financial results.

Recent Developments

On February 2, 2026, the Company entered into an Agreement of Purchase and Sale for a former industrial site in Hawesville, Kentucky ("Hawesville"). The Company exercised an exclusivity option to purchase Hawesville, which includes more than 250 buildable acres with immediate access to power infrastructure, including multiple high-voltage transmission lines, an on-site energized substation, and a direct connection to the regional transmission network. The Hawesville seller was granted a 6.8% minority equity interest in TeraWulf's Hawesville development entity, which is intended to develop and own a high-performance computing/artificial intelligence data center on the property. The Hawesville seller has the right to request the redemption of its minority interest starting on the first anniversary of the data center's commencement of operations (the "Operations Anniversary Date"). The Hawesville seller will not participate in the development, financing, construction, management or operation of the data center and will not have any obligations to contribute capital, unless its minority interest is not redeemed in full within 30 days after the Operations Anniversary Date. The Hawesville acquisition does not require any third-party consents or regulatory approvals and closed effective February 2, 2026.

Additionally, on February 2, 2026, the Company issued a press release announcing the entry into an Equity and Asset Purchase Agreement (the "Morgantown Purchase Agreement") for the Morgantown generating station in Charles County, Maryland. The Morgantown Purchase Agreement was signed in late 2025 and contemplates the acquisition of the Morgantown generating station, a grid-connected power generation facility with approximately 210 MW of current operational capacity, including electrical infrastructure, associated real property, contracts and other assets ("Morgantown"). The closing of the Morgantown acquisition is subject to certain third-party consents and customary regulatory approvals, including from the Federal Energy Regulatory Commission. The Company expects to close on the Morgantown acquisition in the second quarter of 2026, subject to receiving these consents and approvals.

Results of Operations - Comparative Results for the Years Ended December 31, 2025 and 2024

The Company generates revenue in the form of bitcoin by providing hash computation services to a mining pool operator to mine bitcoin and validate transactions on the global bitcoin network using miners owned by the Company. The earned bitcoin are routinely sold for U.S. dollars. The Company also previously earned revenue by providing bitcoin miner hosting services to third parties.

In July 2025, the Company commenced its HPC leasing operations. HPC lease revenue is generated by leasing datacenter space and providing related services to our HPC customers. These leasing agreements include lease components, nonlease components (such as power delivery, physical security, maintenance), as well as non-component elements such as taxes. Under these leases, customers pay fixed payments (based on electric capacity) and variable payments on a recurring basis. HPC power costs are passed through to the customer without markup and are included on a gross basis in HPC lease revenue.

The Company's business strategy centers on maximizing revenue and profitability of our bitcoin mining fleet while expanding our datacenter infrastructure to support HPC leasing activities. We plan to operate infrastructure necessary for profitable bitcoin mining while pursuing high-value HPC leasing opportunities that leverage our power utilization and digital infrastructure. We are confident our expertise in power infrastructure and digital asset mining can be favorably applied to the design, development, and operation of large-scale datacenters. These datacenters are optimized for high-value applications such as cloud computing, machine learning, and artificial intelligence. We are actively seeking opportunities to expand into these areas using our knowledge, expertise, and existing infrastructure wherever favorable market opportunities arise.

Revenue

The following table presents revenue (in thousands):

	Year Ended December 31,	
	2025	2024
Revenue:		
Digital asset revenue	\$ 151,556	\$ 140,051
HPC lease revenue	16,899	—
Total revenue	\$ 168,455	\$ 140,051
Percentage of total revenue		
Digital asset revenue	90 %	100 %
HPC lease revenue	10 %	0 %
Total revenue	100 %	100 %

Total revenue for the years ended December 31, 2025 and 2024 was \$168.5 million and \$140.1 million, respectively, representing an increase of \$28.6 million.

Digital asset revenue for the years ended December 31, 2025 and 2024 was \$151.6 million and \$140.1 million, respectively, an increase of \$11.5 million. The increase was primarily attributed to an increase in the average price of bitcoin during the year ended December 31, 2025 of \$101,658 as compared to \$65,824 during 2024. This increase was partially offset by a decrease in the total bitcoin mined to 1,496 bitcoin during the year ended December 31, 2025 as compared to 2,177 bitcoin mined during the same period in the prior year. Although the Company expanded its mining infrastructure capacity at the LMD Bitcoin Mining Facilities to approximately 245 MW as of December 31, 2025 as compared to 195 MW as of December 31, 2024, total bitcoin mined decreased due to the halving in April 2024 and the increase in network hashrate.

During the years ended December 31, 2025 and 2024, revenue from bitcoin miner hosting was \$0 and \$0.8 million, respectively, a decrease due to the expiration of the Company's bitcoin miner hosting contract with a customer in February 2024.

HPC lease revenue for the year ended December 31, 2025 was \$16.9 million. In July 2025, the Company commenced its HPC leasing operations and as of December 31, 2025 had energized 18 critical IT MW of HPC leasing capacity at the Lake Mariner Data Campus.

Costs and Expenses

The following table presents cost of revenue (exclusive of depreciation) (in thousands):

	Year Ended December 31,	
	2025	2024
Cost of revenue (exclusive of depreciation)	\$ 82,663	\$ 62,608

Cost of revenue (exclusive of depreciation) for the years ended December 31, 2025 and 2024 was \$82.7 million and \$62.6 million, respectively, an increase of approximately \$20.1 million. Cost of revenues is primarily comprised of power expense which increased for the year ended December 31, 2025 as compared to the year ended December 31, 2024, resulting from higher realized power prices during the 2025 period partially offset by higher proceeds from participation in demand response programs.

Proceeds from participation in demand response programs are recorded as a reduction in cost of revenue in the period in which the underlying program occurs. These proceeds totaled \$17.7 million and \$8.6 million for the years ended December 31, 2025 and 2024, respectively. The Company is actively expanding its enrollment in such available programs in New York State.

The following table presents operating expenses (in thousands):

	Year Ended December 31,	
	2025	2024
Operating expenses	\$ 12,115	\$ 3,387
Operating expenses - related party	7,632	4,262
	\$ 19,747	\$ 7,649

Operating expenses (including related party expenses) for the years ended December 31, 2025 and 2024 were approximately \$19.7 million and \$7.6 million, respectively, a net increase of \$12.1 million. Operating expenses increased primarily due to higher miner repairs of \$2.9 million and increased site labor of \$2.6 million driven by the expansion of operations at the Lake Mariner Data Campus. Operating expense - related party increased primarily due higher rent subsequent to the New Ground Lease in October 2024 of \$4.4 million, partially offset by \$1.0 million of site labor at the Lake Mariner Data Campus which was previously reported in operating expenses-related party and since the acquisition of Beowulf E&D in May 2025 is included in operating expenses.

The following table presents selling, general and administrative expenses (in thousands):

	Year Ended December 31,	
	2025	2024
Selling, general and administrative expenses	\$ 139,465	\$ 57,883
Selling, general and administrative expenses - related party	8,292	12,695
	\$ 147,757	\$ 70,578

Selling, general and administrative expenses (including related party expenses) for the years ended December 31, 2025 and 2024 were \$147.8 million and \$70.6 million, respectively, a net increase of \$77.2 million. Selling, general and administrative expenses increased primarily due to increased expense during the year ended December 31, 2025 as compared to the same period in the prior year of (i) employee compensation and benefits of \$47.7 million, (ii) stock-based compensation of \$20.0 million, (iii) travel expenses of \$2.4 million, (iv) legal and other professional fees of \$5.1 million, (v) and Beowulf E&D acquisition-related costs of \$1.5 million.

Selling, general and administrative expenses – related party decreased a net \$4.5 million primarily due to a full year of fees incurred under the Services Agreement with Beowulf E&D for the year ended December 31, 2024 as compared

to 2025 in which fees were only incurred up to the termination of the Services Agreement in May 2025 upon the acquisition of Beowulf E&D.

Depreciation for the years ended December 31, 2025 and 2024 was \$88.6 million and \$59.8 million, respectively. The increase was primarily due to mining and HPC infrastructure constructed and placed in service between December 31, 2024 and December 31, 2025 at the Lake Mariner Data Campus. Additionally, during the year ended December 31, 2025, the Company recorded accelerated depreciation expense of \$19.6 million related to a certain miner building and related miners of which the Company shortened their useful life based on expected shutdown of operations for purposes of supporting the HPC operations. The increase was partially offset by (i) decrease in depreciation on certain electrical equipment and leasehold improvements related to a change in accounting estimate of useful lives in connection with the New Ground Lease in October 2024 and (ii) accelerated depreciation expense of \$5.1 million during the year ended December 31, 2024 related to certain miners of which the Company shortened their estimated useful lives based on expected replacement by April 2024.

Loss (gain) on fair value of digital assets, net for the years ended December 31, 2025 and 2024 was \$0.6 million and \$(2.2) million due to the volatility in the price of bitcoin during the year ended December 31, 2025 as compared to a steady increase during the year ended December 31, 2024.

Change in fair value of contingent consideration was \$10.4 million during the year ended December 31, 2025 related to fair value remeasurement of contingent consideration liabilities related to the acquisition of Beowulf E&D based on milestones achieved during the year ended December 31, 2025.

During the year ended December 31, 2025, the Company sold or otherwise disposed of 17,228 miners and received proceeds of \$11.6 million resulting in a net loss on disposal of property, plant and equipment of \$4.9 million in the consolidated statement of operations. During the year ended December 31, 2024, the Company sold or otherwise disposed of 62,970 miners and received proceeds of \$23.3 million resulting in a net loss on disposal of property, plant and equipment of \$17.8 million in the consolidated statement of operations.

Interest expense for the years ended December 31, 2025 and 2024 was \$80.2 million and \$19.8 million, respectively, an increase of \$60.4 million. The increase is primarily attributed to stated interest expense of \$58.0 million and amortization of debt issuance costs of \$22.2 million related to the 2030 Secured Notes, 2031 Convertible Notes and 2032 Convertible Notes which were issued during the year ended December 31, 2025 as well as the 2030 Convertible Notes issued in October 2024. The \$19.8 million of interest expense recognized in the year ended December 31, 2024, primarily related to the borrowings under the Loan, Guaranty and Security Agreement with Wilmington Trust (the "Term Loans"), which were fully repaid in July 2024 ahead of maturity.

Change in fair value of warrant and derivative liabilities during the year ended December 31, 2025 was \$429.8 million related to the Google Warrants and the conversion feature of the 2031 Convertible Notes which was originally accounted for separately as a derivative liability.

Loss on extinguishment of debt during the year ended December 31, 2024 was \$6.3 million related to voluntary prepayment of the Term Loans in February and July 2024, reflecting \$1.3 million of prepayment fees and the derecognition of unamortized debt discount of \$5.0 million associated with the principal repaid. No loss on extinguishment of debt was recorded during the year ended December 31, 2025.

Income tax provision was \$76,000 and \$0 for the years ended December 31, 2025 and 2024, respectively. Based upon the level of historical U.S. losses and future projections over the period in which the net deferred tax assets are deductible, at this time, management believes it is more likely than not that the Company will not realize the benefits of the remaining deductible temporary differences, and as a result the Company has recorded a full valuation allowance against its net deferred tax assets as of December 31, 2025 and 2024, except for a \$76,000 deferred tax liability as of December 31, 2025 arising from indefinite-lived assets (e.g., tax-deductible goodwill related to the acquisition of Beowulf E&D) that cannot be used as a source of taxable income to support the realization of deferred tax assets when a full valuation allowance is in place.

Equity in net loss of investee, net of tax for the year ended December 31, 2025 was \$4.1 million which represents TeraWulf's proportional share of net loss of the Abernathy Joint Venture which was formed in October 2025 and has not yet commenced operations. The \$3.4 million equity in net income of investee, net of tax for the year ended December 31, 2024 represents TeraWulf's proportional share of the net income of Nautilus prior to the Company's divestiture of its entire 25% equity interest in Nautilus in October 2024.

Additionally the Company recorded a gain on sale of equity interest in investee of \$22.6 million in the consolidated statement of operations for the year ended December 31, 2024 as a result of the sale of its interest in Nautilus in October 2024.

Non-GAAP Measure

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

We define Adjusted EBITDA as net loss adjusted for (i) impacts of interest, taxes, depreciation and amortization; (ii) stock-based compensation expense, amortization of right-of-use asset 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) one-time, non-recurring transaction-based compensation expense related to the 2030 Convertible Notes (iv) equity in net (loss) income of investee, net of tax, related to the Abernathy Joint Venture and Nautilus and the gain on sale of interest in Nautilus; (v) other income which is related to interest income or income for which management believes is not reflective of the Company's ongoing operating activities; (vi) change in fair value of contingent consideration, change in fair value of warrant and derivative liabilities, loss on extinguishment of debt and net losses on disposals of property, plant and equipment, net, which are not reflective of the Company's general business performance; and (vii) acquisition-related transaction costs which management believes are not reflective of the Company's ongoing operating activities. The Company's 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 (loss) income 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 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.

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 U.S. GAAP and should not be considered as an alternative to net loss or any other measure of performance derived in accordance with U.S. 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 U.S. 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 U.S. GAAP.

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

	Year Ended December 31,	
	2025	2024
Net loss	\$ (661,416)	\$ (72,418)
Adjustments to reconcile net loss to non-GAAP Adjusted EBITDA:		
Gain on sale of equity interest in investee	—	(22,602)
Equity in net loss (income) of investee, net of tax	4,130	(3,363)
Distributions from investee, related to Nautilus	—	22,776
Income tax provision	76	—
Other income	(39,044)	(3,927)
Loss on extinguishment of debt	—	6,300
Change in fair value of warrants and derivatives	429,793	—
Interest expense	80,248	19,794
Loss on disposals of property, plant, and equipment, net	4,895	17,824
Change in fair value of contingent consideration	10,397	—
Depreciation	88,597	59,808
Amortization of right-of-use asset	4,456	1,373
Stock-based compensation expense	50,909	30,927
Transaction-based compensation expense	—	3,885
Related party expense to be settled with respect to common stock	2,375	—
Beowulf E&D acquisition-related transaction costs	1,475	—
Non-GAAP adjusted EBITDA	<u>\$ (23,109)</u>	<u>\$ 60,377</u>

Liquidity and Capital Resources

As of December 31, 2025, the Company had balances of cash and cash equivalents of \$3,266.4 million, working capital of \$1,742.4 million, total stockholders' equity of \$140.4 million and an accumulated deficit of \$993.7 million. The Company incurred a net loss of \$661.4 million for the year ended December 31, 2025. The Company began mining bitcoin in March 2022 and had 9.3 EH/s of operating capacity as of December 31, 2025. In 2025, the Company commenced its HPC operations. To date, the Company has relied primarily on proceeds from the sale of bitcoin, both self-mined and distributed from the joint venture which owned the Nautilus Cryptomine Facility, and its issuances of debt and equity to fund its principal operations.

The principal uses of cash are for the operation and buildout of data center facilities, debt service, and general corporate activities and, to a lesser extent in 2024, investments in the Nautilus joint venture related to mining facility buildout and activities. Cash flow information is as follows (in thousands):

	Year Ended December 31,	
	2025	2024
Cash provided by (used in):		
Operating activities:		
Continuing operations	\$ (123,180)	\$ (24,422)
Discontinued operations	—	—
Total operating activities	(123,180)	(24,422)
Investing activities	(1,368,945)	(91,159)
Financing activities	4,940,835	335,207
Net change in cash and cash equivalents and restricted cash	<u>\$ 3,448,710</u>	<u>\$ 219,626</u>

Operating activities

Cash used in operating activities for continuing operations was \$123.2 million and \$24.4 million for the years ended December 31, 2025 and 2024, respectively, reflecting an increase of \$98.8 million. During the year ended December 31, 2025, the Company began HPC operations which resulted in segment profit of \$7.1 million. While the Company continued to profitably mine bitcoin during the year ended December 31, 2025, the Company reported \$10.9 million lower digital asset segment profit as compared to the prior year primarily due to the halving in April 2024 and the increase in network hashrate as compared to prior year. The Company also received inflows from (i) prepaid rent from customers net of commissions paid of \$51.6 million and (ii) interest income proceeds net of interest paid of \$28.1 million, partially offset by outflows resulting from (i) increased selling, general and administrative expenses (including related party, but exclusive of noncash stock based compensation) of \$57.2 million and (ii) cash paid for unearned HPC tenant fit-out of \$11.0 million, during the year ended December 31, 2025 as compared to the prior year.

Additionally, prior to the repayment of the Term Loans in July 2024, the Company converted its bitcoin holdings nearly immediately to cash and the related proceeds from sales of digital assets of \$97.6 million were included within cash flows from operating activities in the consolidated statements of cash flows.

Investing activities

Cash used in investing activities was \$1,368.9 million and \$91.2 million for the years ended December 31, 2025 and 2024, respectively, reflecting an increase of \$1,277.8 million. The increase is primarily attributed to (i) an increase in purchases of plant and equipment of \$792.2 million related to infrastructure intended to support expansion into HPC leasing operations, (ii) lower proceeds from sales of property, plant and equipment of \$11.7 million, (iii) investments in joint venture of \$450.0 million, and (iv) \$21.7 million for the acquisition of Beowulf E&D. The increase in cash used in investing activities were partially offset by increases in cash provided by investing activities related to proceeds from sales of digital assets of \$84.0 million during the year ended December 31, 2025 as compared to the prior year, as the Company began classifying proceeds from sales of digital assets in investing activities starting July 2024. Additionally, during the year ended December 31, 2024, the Company received proceeds from sale of equity interest in investee of \$86.1 million related to the sale of Nautilus.

Financing activities

Cash provided by financing activities was \$4,940.8 million and \$335.2 million for the years ended December 31, 2025 and 2024, respectively, reflecting an increase of \$4,605.6 million. The increase is primarily attributed to the proceeds from issuance of long-term debt and convertible notes, net of issuance costs paid, of \$5,106.7 million for the year ended December 31, 2025 as compared to \$487.1 million in the prior year. Additionally, the Company purchased treasury stock of \$33.3 million during the year ended December 31, 2025 as compared to \$118.2 million in the prior year. These increases were partially offset by increases in cash used to purchase capped calls of \$40.6 million, payments related to finance leases of \$8.2 million, and payments for tax withholdings related to net share settlements of stock-based compensation awards of \$4.8 million. Additionally, during the year ended December 31, 2024, the Company made principal payments of long-term debt of \$139.4 million as compared to \$0 during the year ended December 31, 2025.

Financial Condition

The Company incurred a net loss of \$661.4 million and reported cash used in operating activities of \$123.2 million for the year ended December 31, 2025. As of December 31, 2025, the Company had balances of cash and cash equivalents of \$3,266.4 million, working capital of \$1,742.4 million, total stockholders' equity of \$140.4 million and an accumulated deficit of \$993.7 million. For the year ended December 31, 2025, the Company leveraged its strategic transition toward HPC leasing and execution of long-term lease agreements with Fluidstack, which benefit from substantial credit support provided by Google, to enable efficient financing and funding of the phased development of the La Lupa and Akela facilities. Prior to these developments, the Company historically relied primarily on proceeds from sales of digital assets, both self-mined and distributed from the joint venture which owned the Nautilus Cryptomine Facility, and its issuances of debt and equity to fund its principal operations.

Critical Accounting Estimates

The above discussion and analysis of the Company's financial condition and results of operations are based upon its consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of the Company's consolidated financial statements requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and accompanying notes. Future events and their effects cannot

be determined with absolute certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results inevitably will differ from those estimates, and such differences may be material to the financial statements.

See Note 2 of the Notes to Consolidated Financial Statements included in Item 8 of this Annual Report for a summary of the Company's significant accounting policies.

HPC Leasing

In December 2024, the Company entered into long-term datacenter lease agreements (the "HPC Leases") with a customer for specified datacenter infrastructure at the Lake Mariner Data Campus to support the customer's HPC operations. In accordance with ASC 842, Leases, the Company determined at contract inception that these agreements contained a lease, comprising lease components related to the right to use datacenter space and nonlease components for power delivery, physical security, and maintenance services. Certain of the HPC Leases commenced in 2025 and the remainder of the HPC Leases are expected to commence in 2026.

The Company has elected the practical expedient available under ASC 842, Leases, to combine the nonlease revenue components that have the same pattern of transfer as the related operating lease components into a single combined component. The single combined component is accounted for under ASC 842 as an operating lease if the lease components are the predominant components and is accounted for under ASC 606 if the nonlease components are the predominant components. The lease components are the predominant components in the Company's long term lease agreements and the single combined component in these arrangements are accounted for under the operating lease guidance of ASC 842. Recognition of HPC lease revenue begins when the Company determines the asset has been made available for the customer's use.

The Company has concluded that it is probable that substantially all of the payments will be collected over the term of the arrangements and recognize the total combined fixed payments under the agreements on a straight-line basis over the noncancellable term. The Company recognizes the difference between straight-line revenue recognized during the period and the lease payments due pursuant to the underlying arrangement as deferred rent liability or accrued rent receivable in the consolidated balance sheets. Certain arrangements include options to extend the term. These extension options are not reasonably certain to be exercised and are excluded from the lease term and calculation of lease payments at lease commencement.

Payments for physical security and other routine maintenance services are included in the fixed lease payments. The lease agreements provide for variable payments for power delivery. Power delivery services represent a stand-ready obligation to make power available to the customer over the coterminous lease term and have the same pattern of transfer as the related operating lease components. Customers are charged monthly for actual power costs incurred at current utility rates. These payments from customers for power delivery are recognized as variable lease payments in accordance with the practical expedient elected. Variable lease payments are presented on a gross basis and are included in HPC lease revenue in the consolidated statements of operations.

The lease agreements also provide for variable payments for certain fit-out services as requested by the customer and the Company recognizes revenues as performance obligations are satisfied. In the course of providing its services, the Company routinely subcontracts for services and incurs other direct costs on behalf of its customers. These costs are passed through to the customers, generally with a mark-up, and, in accordance with U.S. GAAP, are included in the Company's HPC lease revenue.

Digital assets

Digital assets is comprised of bitcoin earned as noncash consideration in exchange for providing hash computation services to a mining pool as well as consideration for bitcoin miner hosting services. From time to time, the Company also receives bitcoin as distributions-in-kind from its joint venture.

Bitcoin are accounted for as intangible assets with indefinite useful life and is included in current assets in the consolidated balance sheets due to the Company's ability to sell it in a highly liquid marketplace and because the Company reasonably expects to liquidate its bitcoin to support operations within the next twelve months. The Company elected to early adopt ASU 2023-08 effective January 1, 2024, which requires digital assets to be valued at fair value each reporting period in accordance with ASC 820 with changes in fair value recorded in net income. Gains and losses from the remeasurement of digital assets are included within gain on fair value of digital assets, net in the consolidated statements of operations. The Company sells bitcoin and gains and losses from such transactions, measured as the difference between the

cash proceeds and the cost basis of bitcoin as determined on a first-in-first-out basis, are also included within gain on fair value of digital assets, net in the consolidated statements of operations.

Prior to the adoption of ASU 2023-08, bitcoin was assessed for impairment annually, or more frequently if events or changes in circumstances indicate it is more likely than not that the asset is impaired. The Company elected to bypass the optional qualitative impairment assessment and to track its bitcoin activity daily for impairment assessment purposes. The Company performed an analysis each day to identify whether events or changes in circumstances, principally decreases in the quoted price of bitcoin on the active trading platform, indicated that it was more likely than not that its bitcoin were impaired. For impairment testing purposes, the lowest intraday trading price of bitcoin was identified at the single bitcoin level (one bitcoin). The excess, if any, of the carrying amount of bitcoin and the lowest daily trading price of bitcoin represented a recognized impairment loss. To the extent an impairment loss was recognized, the loss established the new cost basis of the asset. Subsequent reversal of previously recorded impairment losses was prohibited.

Bitcoin earned through mining activities is recorded as an adjustment in the consolidated statements of cash flows, reconciling net loss to cash flows from operating activities. Bitcoin received as distributions-in-kind from equity investees is disclosed in supplemental noncash investing activities.

Prior to the repayment of the Term Loans in July 2024 (see Note 10), bitcoin sales proceeds were included in cash flows from operating activities, as bitcoin was converted into cash immediately during that period. Following repayment of the Term Loans, bitcoin sales proceeds are now classified under cash flows from investing activities, as the Company no longer converts bitcoin into cash immediately upon mining.

Long-lived Assets

Property, plant and equipment are recorded at cost, net of accumulated depreciation. Judgment is necessary in estimating the Company's various assets' useful lives. This includes evaluating the Company's own usage experience with its currently owned assets, the quality of materials used in construction-related projects and, for its miners, the rate of technological advancement and market-related factors such as the price of bitcoin and the bitcoin network hashrate, which impact the value of the miners. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (generally 5 years for computer equipment and 4 years for miners). Leasehold improvements and electrical equipment are depreciated over the shorter of their estimated useful lives or the lease term. Changes in depreciation and amortization, generally accelerated depreciation, are determined and recorded when estimates of the remaining useful lives or residual values of long-term assets change.

The Company reviews its long-lived assets, including property, plant and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset, or asset group, may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted cash flows expected to be generated by the asset. Significant judgment is used when estimating future cash flows, particularly the price of bitcoin and the network hashrate. Any impairment loss recorded is measured as the amount by which the carrying value of the assets exceeds the fair value of the assets. Should our estimates of useful lives, undiscounted cash flows, or asset fair values change, additional and potentially material impairments may be required, which could have a material impact on our reported financial results.

Stock-based compensation

The Company measures stock-based compensation cost related to share-based payment awards at the grant date of the award, based on the estimated fair value of the award. For restricted stock units ("RSUs") with time-based vesting, the fair value is determined by the Company's common stock price on the date of the grant. For RSUs with vesting based on market conditions ("PSUs"), the effect of the market condition is considered in the determination of fair value on the grant date using a Monte Carlo simulation model. Stock-based compensation expense for PSUs is recorded over the derived service period unless the market condition is satisfied in advance of the derived service period, in which case a cumulative catch-up is recognized as of the date of achievement. Stock-based compensation for PSUs is recorded regardless of whether the market conditions are met unless the service conditions are not met. The Company accounts for forfeitures as they occur. The Company uses significant judgment in determining the likelihood of meeting milestones and market conditions. Inputs into valuation models such as Monte Carlo simulations include both the Company's and guideline public company historical and expected annual volatility and, depending on the inputs selected, the Company could calculate significantly different estimated grant date fair values, materially impacting the valuation of our stock-based awards and the stock-based compensation expense we recognize in future periods.

Income Taxes

The Company accounts for income taxes pursuant to ASC 740, Income Taxes (“ASC 740”), which requires, among other things, an asset and liability approach to calculating deferred income taxes. The asset and liability approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. A valuation allowance is provided to offset any net deferred tax assets for which management believes it is more likely than not that the net deferred tax asset will not be realized. The Company follows the provision of ASC 740 related to accounting for uncertain income tax positions. When tax returns are filed, it is more likely than not that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. In accordance with the guidance of ASC 740, the benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. The tax benefits recognized in the consolidated financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with the tax positions taken that exceeds the amount measured as described above should be reflected as a liability for uncertain tax benefits in the Company’s balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. The most critical estimate for income taxes is the determination of whether to record a valuation allowance for any net deferred tax asset, including net loss carryforwards, whereby management must estimate whether it is more likely than not that the deferred tax asset would be realized.

Assets Acquired and Liabilities Assumed in a Business Combination

The Company accounts for business combinations under the acquisition method of accounting in accordance with ASC 805 - Business Combinations, by recognizing the identifiable tangible and intangible assets acquired and liabilities assumed, measured at the acquisition date fair value. The determination of fair value involves assumptions, estimates and judgments. Any purchase consideration in excess of the estimated fair values of net assets acquired is recorded as goodwill.

Goodwill Impairment

Goodwill is not subject to amortization, and instead, assessed for impairment annually, or more frequently when events or changes in circumstances indicate it is more likely than not that the fair value of a reporting unit is less than its carrying amount in accordance with ASC 350.

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk

The following discussion about our market risk exposures involves forward-looking statements. Actual results could differ materially from those projected in our forward-looking statements. For more information regarding the forward-looking statements used in this section and elsewhere in this Annual Report, see the “Cautionary Note Regarding Forward-Looking Statements” at the forefront of this Annual Report.

Risk Regarding the Price of Bitcoin

Our business and development strategy is focused on maximizing revenue and profitability of our bitcoin mining fleet. As of December 31, 2025, our digital assets balance was comprised of 3 bitcoin recorded at its fair value of \$0.3 million, all of which were produced from our bitcoin mining operations.

We cannot predict the future market price of bitcoin, the future value of which will affect revenue from our operations, and any future declines in the fair value of the bitcoin we mine and hold for our account would be reported in our financial statements and results of operations as a charge against net income, which could have a material adverse effect on the market price for our securities.

A 10% increase or decrease in both the price of bitcoin produced during the year ended December 31, 2025 and the fair value of bitcoin as of December 31, 2025 would have increased or decreased net loss by approximately \$15.2 million.

A 10% increase or decrease in power prices during the year ended December 31, 2025 would have increased or decreased net loss by approximately \$8.3 million.

ITEM 8. Financial Statements and Supplementary Data

The financial statements and schedules listed in Item 15(a)(1) are included in this Report beginning on page [42](#).

TERAWULF INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
TABLE OF CONTENTS

	Page
Consolidated Financial Statements:	
Report of Independent Registered Public Accounting Firms*	43
Consolidated Balance Sheets as of December 31, 2025 and 2024	47
Consolidated Statements of Operations for the years ended December 31, 2025, 2024 and 2023	48
Consolidated Statements of Stockholders' Equity for the years ended December 31, 2025, 2024 and 2023	49
Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024 and 2023	51
Notes to Consolidated Financial Statements	52

*Deloitte & Touche LLP, PCAOB Firm ID No. 34; RSM US LLP, PCAOB Firm ID No. 49

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of TeraWulf Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of TeraWulf Inc. and subsidiaries (the “Company”) as of December 31, 2025 and 2024, the related consolidated statements of operations, stockholders’ equity, and cash flows, for the years then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the 2025 and 2024 financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 27, 2026, expressed an unqualified opinion on the Company’s internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Mining Revenue – Refer to Notes 2 and 5 to the financial statements

Critical Audit Matter Description

The Company participates in a cryptocurrency mining pool (“the mining pool”) to provide hash computation services to the mining pool operator. The Company recognizes revenue as they fulfill their performance obligation over time by providing hash computation services in exchange for Bitcoin. Once the hash computation services are transferred to the mining pool operator, the mining pool operator will compensate the Company for the hash computation services provided with a payout in Bitcoin. For the year ended December 31, 2025, revenue from mining (“mining revenue”) was \$151.6 million.

We identified the auditing of mining revenue as a critical audit matter due to the extent of audit effort required to perform audit procedures over the Company’s hash computation services provided to the mining pool operator, the associated contractual payouts including the blockchain contractual inputs, the Company’s valuation of bitcoin received from the mining pool operator, and evaluating the results of those procedures.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the Company's process for recording mining revenue included the following, among others:

- With the assistance of our Information Technology (IT) specialists, we identified the significant systems used to monitor hash computation and tested the general IT controls over each of these systems, including complementary user entity controls.
- We tested the effectiveness of controls over the Company's mining revenue calculation.
- We tested the amount of the mining revenue recorded by developing an expectation for the amount recorded based on the hash computation services provided to the mining pool operator and the payout method prescribed in the contract with the mining pool operator and comparing our expectation to the amount recorded by the Company.
- We confirmed with the mining pool operator the significant contractual terms utilized in the determination of mining revenue, total mining rewards earned, and the digital asset wallet addresses in which the rewards are deposited.
- We utilized our proprietary audit tool to independently obtain evidence from the Bitcoin blockchain to test the occurrence and accuracy of mining revenue.
- With the assistance of our Valuation specialists, we evaluated the reasonableness of the prices utilized by the Company to value bitcoin by obtaining independent bitcoin prices and comparing those to the prices selected by the Company.

Evaluation of the Accounting for a Related Party Business Combination and the Fair Value of the Contingent Consideration transferred - Refer to Notes 3 and 18 to the financial statements

Critical Audit Matter Description

On May 21, 2025, the Company acquired 100% of the membership interests in Beowulf Electricity & Data LLC, Beowulf E&D (NY) LLC and Beowulf E&D (MD) LLC (collectively, "Beowulf E&D"), a related party due to control by a member of the Company's management. The transaction was accounted for as a business combination between entities not under common control. The fair value of the total consideration transferred in the business combination, including contingent consideration, was \$54.6 million.

We identified the transaction as a critical audit matter due to the existing related party relationship and the significant judgment used by the Company to determine the fair value of contingent consideration transferred.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures performed to address this critical audit matter included the following:

- We tested the effectiveness of controls over management's valuation of the contingent consideration transferred.
- We evaluated the Company's accounting treatment for the business combination in accordance with applicable accounting guidance.
- We read the meeting minutes of the Board of Directors to validate that the transaction was negotiated and approved by the special independent committee.
- We evaluated whether the business assumptions used in the valuation model were reasonable, including the expected timing and probability of achieving the earnout milestones associated with the contingent consideration as outlined within the Membership Interest Purchase Agreement.
- With the assistance of our Valuation specialists, we evaluated the reasonableness of the methodology and the valuation assumptions utilized in the calculation of the fair value of the contingent consideration transferred.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 27, 2026

We have served as the Company's auditor since 2024.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of TeraWulf Inc. and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of operations, stockholders' equity and cash flows, for the year ended December 31, 2023 and the related notes (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the results of its operations and its cash flows for the year ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provide a reasonable basis for our opinion.

/s/ RSM US LLP

We served as the Company's auditor from 2021 to 2024.

Minneapolis, Minnesota
March 19, 2024

TERAWULF INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

AS OF DECEMBER 31, 2025 AND 2024

(In thousands, except number of shares, per share amounts and par value)

	December 31, 2025	December 31, 2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,266,389	\$ 274,065
Restricted cash	189,933	—
Accounts receivable	1,212	475
Digital assets	270	476
Prepaid expenses	6,272	2,493
Other receivables	3,395	3,799
Other current assets	10,802	123
Total current assets	3,478,273	281,431
Property, plant and equipment, net	1,507,699	411,869
Equity in net assets of investee	446,008	—
Goodwill	55,457	—
Operating lease right-of-use asset	103,975	85,898
Finance lease right-of-use asset	119,338	7,285
Restricted cash	266,453	—
Deferred charges	572,888	—
Other assets	8,091	1,028
TOTAL ASSETS	\$ 6,558,182	\$ 787,511
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 65,139	\$ 24,382
Accrued construction liabilities	102,582	16,520
Accrued compensation	1,717	4,552
Accrued interest	52,775	2,559
Accrued lessor costs	27,625	—
Other accrued liabilities	44,828	2,414
Other amounts due to related parties	200	1,391
Current portion of deferred rent liability	58,184	—
Current portion of operating lease liability	2,015	25
Current portion of finance lease liability	2	2
Warrant liabilities	844,698	—
Current portion of long-term debt	46,316	—
Short-term convertible notes	489,767	—
Total current liabilities	1,735,848	51,845
Deferred rent liability, net of current portion	23,285	—
Operating lease liability, net of current portion	22,309	3,427
Finance lease liability, net of current portion	289	292
Long-term debt	3,052,240	—
Convertible notes	1,582,788	487,502
Deferred tax liabilities	76	—
Other liabilities	902	—
TOTAL LIABILITIES	6,417,737	543,066
Commitments and Contingencies (See Note 13)		
STOCKHOLDERS' EQUITY:		
Preferred stock, \$0.001 par value, 100,000,000 authorized at December 31, 2025 and 2024; 0 and 9,566 shares issued and outstanding at December 31, 2025 and 2024, respectively; aggregate liquidation preference of \$0 and \$12,609 at December 31, 2025 and 2024, respectively	—	9,273
Common stock, \$0.001 par value, 950,000,000 and 600,000,000 authorized at December 31, 2025 and 2024, respectively; 444,534,694 and 404,223,028 issued at December 31, 2025 and 2024, respectively; 420,065,944 and 385,654,278 outstanding at December 31, 2025 and 2024, respectively	444	404
Additional paid-in capital	1,285,202	685,261
Treasury stock at cost, 24,468,750 and 18,568,750 at December 31, 2025 and 2024, respectively	(151,509)	(118,217)
Accumulated deficit	(993,692)	(332,276)
Total stockholders' equity	140,445	244,445
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 6,558,182	\$ 787,511

TERAWULF INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(In thousands, except number of shares and loss per common share)

	Year Ended December 31,		
	2025	2024	2023
Revenue:			
Digital asset revenue	\$ 151,556	\$ 140,051	\$ 69,229
HPC lease revenue	16,899	—	—
Total revenue	168,455	140,051	69,229
Costs and expenses:			
Cost of revenue (exclusive of depreciation shown below)	82,663	62,608	27,315
Operating expenses	12,115	3,387	2,116
Operating expenses — related party	7,632	4,262	2,773
Selling, general and administrative expenses	139,465	57,883	23,693
Selling, general and administrative expenses — related party	8,292	12,695	13,325
Depreciation	88,597	59,808	28,350
Loss (gain) on fair value of digital assets, net	612	(2,200)	—
Realized gain on sale of digital assets	—	—	(3,174)
Impairment of digital assets	—	—	3,043
Change in fair value of contingent consideration	10,397	—	—
Loss on disposals of property, plant, and equipment, net	4,895	17,824	1,209
Total costs and expenses	354,668	216,267	98,650
Operating loss	(186,213)	(76,216)	(29,421)
Interest expense	(80,248)	(19,794)	(34,812)
Change in fair value of warrants and derivatives	(429,793)	—	—
Loss on extinguishment of debt	—	(6,300)	—
Other income	39,044	3,927	231
Loss before income tax and equity in net (loss) income of investee	(657,210)	(98,383)	(64,002)
Income tax provision	(76)	—	—
Equity in net (loss) income of investee, net of tax	(4,130)	3,363	(9,290)
Gain on sale of equity interest in investee	—	22,602	—
Loss from continuing operations	(661,416)	(72,418)	(73,292)
Loss from discontinued operations, net of tax	—	—	(129)
Net loss	\$ (661,416)	\$ (72,418)	\$ (73,421)
Loss per common share:			
Continuing operations	\$ (1.66)	\$ (0.21)	\$ (0.35)
Discontinued operations	—	—	—
Basic and diluted	\$ (1.66)	\$ (0.21)	\$ (0.35)
Weighted average common shares outstanding:			
Basic and diluted	397,608,216	351,315,476	209,956,392

See Notes to Consolidated Financial Statements.

TERAWULF INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(In thousands, except number of shares)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Treasury Stock	Accumulated Deficit	Total
	Number	Amount	Number	Amount				
Balances as of December 31, 2022	9,566	\$ 9,273	145,492,971	\$ 145	\$ 294,810	\$ —	\$ (186,474)	\$ 117,754
Common stock reacquired in exchange for warrants	—	—	(12,000,000)	(12)	(12,479)	—	—	(12,491)
Warrant issuance in conjunction with debt modification	—	—	—	—	16,036	—	—	16,036
Warrant offerings	—	—	—	—	14,991	—	—	14,991
Warrant exercise	—	—	25,871,539	27	3,500	—	—	3,527
Common stock offering, net of issuance costs	—	—	99,136,670	98	132,444	—	—	132,542
Convertible promissory notes converted to common stock	—	—	11,762,956	12	4,693	—	—	4,705
Common stock issued for share based liabilities due to related party	—	—	2,460,513	2	14,998	—	—	15,000
Stock-based compensation expense and issuance of stock	—	—	5,586,736	5	5,854	—	—	5,859
Tax withholdings related to net share settlements of stock-based compensation awards	—	—	(1,578,056)	—	(2,013)	—	—	(2,013)
Net loss	—	—	—	—	—	—	(73,421)	(73,421)
Balances as of December 31, 2023	9,566	\$ 9,273	276,733,329	\$ 277	\$ 472,834	\$ —	\$ (259,895)	\$ 222,489
Cumulative effect of change in accounting principle (See Note 2)	—	—	—	—	—	—	37	37
Warrant exercise	—	—	31,853,909	32	4,776	—	—	4,808
Common stock offering, net of issuance costs	—	—	67,368,125	67	189,146	—	—	189,213
Common stock issued for share based liabilities due to related party	—	—	1,083,189	1	2,499	—	—	2,500
Common stock issued for new ground lease to related party	—	—	20,000,000	20	68,740	—	—	68,760
Purchase of capped call	—	—	—	—	(60,000)	—	—	(60,000)
Treasury stock repurchased	—	—	—	—	—	(118,217)	—	(118,217)
Stock-based compensation expense and issuance of stock	—	—	12,241,621	7	30,920	—	—	30,927
Tax withholdings related to net share settlements of stock-based compensation awards	—	—	(5,057,145)	—	(23,654)	—	—	(23,654)
Net loss	—	—	—	—	—	—	(72,418)	(72,418)
Balances as of December 31, 2024	9,566	\$ 9,273	404,223,028	\$ 404	\$ 685,261	\$ (118,217)	\$ (332,276)	\$ 244,445
Conversion of preferred stock to common stock	(9,566)	(9,273)	1,356,738	1	9,260	—	—	(12)
Warrant exercise	—	—	6,166,231	6	5,680	—	—	5,686
Common stock issued for share based liabilities due to related party	—	—	798,319	1	2,374	—	—	2,375
Common stock issued as consideration for business acquisition	—	—	7,968,852	8	39,339	—	—	39,347

Common stock issued for Cayuga lease to related party	—	—	18,554,688	19	110,274	—	—	110,293
2031 Convertible Notes conversion feature	—	—	—	—	511,191	—	—	511,191
Purchase of capped call	—	—	—	—	(100,600)	—	—	(100,600)
Treasury stock repurchased	—	—	—	—	—	(33,292)	—	(33,292)
Stock-based compensation expense and issuance of stock	—	—	10,033,634	5	50,904	—	—	50,909
Tax withholdings related to net share settlements of stock-based compensation awards	—	—	(4,566,796)	—	(28,481)	—	—	(28,481)
Net loss	—	—	—	—	—	—	(661,416)	(661,416)
Balances as of December 31, 2025	—	\$ —	444,534,694	\$ 444	\$ 1,285,202	\$ (151,509)	\$ (993,692)	\$ 140,445

See Notes to Consolidated Financial Statements.

TERAWULF INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(In thousands)**

	Year Ended December 31,		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ (661,416)	\$ (72,418)	\$ (73,421)
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	22,181	11,382	19,515
Related party expense to be settled with respect to common stock	2,375	—	2,917
Common stock issued for interest expense	—	—	26
Stock-based compensation expense	50,909	30,927	5,859
Depreciation	88,597	59,808	28,350
Amortization of right-of-use asset	4,456	1,373	1,001
Revenue recognized from digital asset mining and hosting services	(151,556)	(139,278)	(63,877)
Loss (gain) on fair value of digital assets, net	612	(2,200)	—
Realized gain on sale of digital assets	—	—	(3,174)
Impairment of digital assets	—	—	3,043
Proceeds from sale of digital assets	—	97,559	83,902
Digital assets paid as consideration for services	—	370	—
Change in fair value of contingent consideration	10,397	—	—
Loss on disposals of property, plant, and equipment, net	4,895	17,824	1,209
Change in fair value of warrants and derivatives	429,793	—	—
Loss on extinguishment of debt	—	6,300	—
Deferred income tax provision	76	—	—
Equity in net loss (income) of investee, net of tax	4,130	(3,363)	9,290
Gain on sale of equity interest in investee	—	(22,602)	—
Loss from discontinued operations, net of tax	—	—	129
Changes in operating assets and liabilities:			
Increase in accounts receivable	(914)	—	—
(Increase) decrease in prepaid expenses	(6,592)	2,047	555
Decrease (increase) in other receivables	459	(2,774)	(1,001)
(Increase) decrease in other current assets	(10,672)	288	(215)
Increase in deferred charges	(57,407)	—	—
(Increase) decrease in other assets	(832)	(466)	310
(Decrease) increase in accounts payable	(3,238)	740	(7,272)
Increase in accrued lessor costs	27,625	—	—
Increase (decrease) in accrued compensation and other accrued liabilities	43,217	694	(931)
(Decrease) increase in other amounts due to related parties	(565)	480	(2,013)
Increase in deferred rent liability	81,469	—	—
Decrease in operating lease liability	(781)	(11,113)	(42)
Decrease in other liabilities	(398)	—	—
Net cash (used in) provided by operating activities from continuing operations	(123,180)	(24,422)	4,160
Net cash provided by operating activities from discontinued operations	—	—	103
Net cash (used in) provided by operating activities	(123,180)	(24,422)	4,263
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investments in joint venture, including direct payments made on behalf of joint venture	(450,000)	—	(2,845)
Proceeds from sale of equity interest in investee	—	86,086	—
Purchase of and deposits on plant and equipment	(1,060,189)	(267,940)	(75,168)
Proceeds from sales of property, plant and equipment	11,648	23,324	—
Acquisitions, net of cash acquired	(21,731)	—	—
Proceeds from sale of digital assets	151,327	67,371	—
Net cash used in investing activities	(1,368,945)	(91,159)	(78,013)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of long-term debt, net of issuance costs paid of \$67,062, \$0 and \$0	3,132,938	—	—
Principal payments on long-term debt	—	(139,401)	(6,599)
Payments of prepayment fees associated with early extinguishment of long-term debt	—	(1,261)	—
Principal payments on finance lease	(9,159)	(941)	—
Proceeds from insurance premium and property, plant and equipment financing	—	211	2,513
Principal payments on insurance premium and property, plant and equipment financing	—	(2,103)	(2,738)
Payment for settlement of preferred stock conversion	(12)	—	—
Proceeds from issuance of common stock, net of issuance costs paid of \$0, \$663 and \$1,051	—	188,715	135,917
Proceeds from exercise of warrants	5,686	4,808	2,500
Purchase of capped call	(100,600)	(60,000)	—
Purchase of treasury stock	(33,292)	(118,217)	—
Payments of tax withholding related to net share settlements of stock-based compensation awards	(28,481)	(23,654)	(2,013)
Proceeds from issuance of convertible notes, net of issuance costs paid of \$51,246, \$12,950, and \$0	1,973,755	487,050	—
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	—	—	(10,964)
Net cash provided by financing activities	4,940,835	335,207	119,866
Net change in cash, cash equivalents and restricted cash	3,448,710	219,626	46,116
Cash, cash equivalents and restricted cash at beginning of year	274,065	54,439	8,323

Cash, cash equivalents and restricted cash at end of year	\$	3,722,775	\$	274,065	\$	54,439
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Cash paid during the year for:

Interest	\$	13,999	\$	6,957	\$	19,572
Income taxes	\$	—	\$	—	\$	—

See Notes to Consolidated Financial Statements.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION

Organization

TeraWulf Inc. (“TeraWulf” or the “Company”) is a vertically integrated owner and operator of next-generation digital infrastructure, powered by low-carbon energy. The Company develops and operates high-performance datacenters optimized for bitcoin mining and high-performance computing (“HPC”) workloads, leveraging clean, cost-effective, and reliable energy sources to promote long-term sustainability in digital infrastructure.

TeraWulf derives the majority of its revenue by providing hash computation services to a mining pool operator, facilitating transaction validation of transactions on the global bitcoin network using the Company’s fleet of application-specific integrated circuit (“ASIC”) miners. Bitcoin earned as consideration is routinely converted to U.S. dollars. The Company also previously generated revenue by hosting third-party bitcoin miners. While capable of mining other digital assets, the Company has no current plans to do so.

In 2024, the Company launched WULF Compute LLC (“WULF Compute”), which is focused on development and deployment of scalable digital infrastructure to support a broader HPC strategy. This business aims to diversify revenue by offering HPC leasing and colocation, cloud, and connectivity services for GPU-based workloads (see Note 8). Starting in December 2024, the Company has entered into long-term datacenter lease agreements with customers for specified datacenter infrastructure at its Lake Mariner Data Campus in upstate New York (the “Lake Mariner Data Campus”) to support those customers’ HPC operations. With growing demand for high-density compute, TeraWulf’s assets are well-positioned to deliver low-cost, low-carbon power to support these workloads.

As of December 31, 2025, TeraWulf owned and operated bitcoin mining activities at the Lake Mariner Data Campus, which began mining bitcoin in March 2022, and had energized 245 MW of capacity across five buildings and supporting infrastructure at the site. As of December 31, 2025, TeraWulf had energized 18 critical IT MW of HPC leasing capacity at the Lake Mariner Data Campus.

On May 21, 2025 (the “Acquisition Date”), the Company acquired 100.0% of the membership interests of each of Beowulf Electricity & Data LLC, Beowulf E&D (MD) LLC, and Beowulf E&D (NY) LLC (collectively, “Beowulf E&D”). The fair value of total consideration for the transaction was approximately \$54.6 million, including \$3.0 million in cash and 5.0 million shares of the Company’s common stock (“Common Stock”) issued on the Acquisition Date. The purchase agreement also included up to \$19.0 million in contingent cash payments and up to \$13.0 million in additional Common Stock, subject to the achievement of several earnout milestones related to the expansion of the Company’s datacenter business and project financing initiative (see Note 3). As part of the acquisition, 94 employees of Beowulf E&D, including site staff at the Lake Mariner Data Campus and corporate personnel, were transitioned to TeraWulf. In addition, the existing Administrative and Infrastructure Services Agreement (the “Services Agreement”) (see Note 18) with Beowulf E&D was terminated on the Acquisition Date.

The Company previously had bitcoin mining activities at the Nautilus Cryptomine Facility in central Pennsylvania (the “Nautilus Cryptomine Facility”), developed through a joint venture (see Note 12). The Nautilus Cryptomine Facility commenced bitcoin mining operations in February 2023 and achieved full energization of TeraWulf’s 50 MW share by April 2023. In October 2024, TeraWulf sold its 25% equity interest in the Nautilus joint venture (the “Nautilus Joint Venture”), reallocating capital to expand its wholly owned infrastructure and advance its HPC strategy at the Lake Mariner Data Campus.

On October 27, 2025, the Company, through its subsidiary Big Country Wulf LLC (the “TeraWulf Member”), and Fluidstack CS I Inc. (“Fluidstack Member”) (each a “Member” and collectively the “Abernathy Members”) entered into an amended and restated limited liability company agreement (the “Abernathy Joint Venture Agreement”) to govern the terms of operation of FS CS I LLC (the “Abernathy Joint Venture”), which will construct and operate a 168 MW critical IT load datacenter campus in Abernathy, Texas (the “Abernathy HPC Campus”). The Fluidstack Member is a subsidiary of Fluidstack Ltd., a leading AI cloud platform.

In December 2021, TeraWulf completed a strategic business combination (the “Merger”) with IKONICS Corporation (“IKONICS”), a Minnesota corporation, pursuant to which, among other things, the Company effectively acquired IKONICS and became a publicly traded company on the National Association of Securities Dealers Automated Quotations

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(“Nasdaq”), which was the primary purpose of the business combination. As of the date of the Merger, TeraWulf classified the IKONICS business as held for sale and discontinued operations in its consolidated financial statements. During the year ended December 31, 2023, the Company completed the sale of substantially all IKONICS’ historical net assets (see Note 3). Subsequent to the asset sales, IKONICS’ name was changed to RM 101 Inc. (“RM 101”).

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). All intercompany balances and transactions have been eliminated. Certain prior period amounts have been reclassified to conform with current period presentation.

Use of Estimates in the Financial Statements

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used for (but are not limited to) such items as the fair values of assets acquired and liabilities assumed in business combinations, fair value of contingent consideration issued in a business combination, the establishment of useful lives for property, plant and equipment and intangible assets, the fair value of equity securities or warrants to purchase the Company’s Common Stock issued individually or as a component of a debt or equity offering, the fair value of changes to the conversion terms of embedded conversion features, the fair value and requisite service periods of stock-based compensation, the fair value of assets received in nonmonetary transactions, the establishment of right-of-use assets and lease liabilities that arise from leasing arrangements, the timing of commencement of capitalization for plant and equipment, impairment of indefinite-lived intangible assets, impairment of long-lived assets, recoverability of deferred tax assets, amortization of deferred issuance costs and debt discount, the fair value of leased assets for the purpose of lease classification, and the recording of various accruals. These estimates are made after considering past and current events and assumptions about future events. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenue under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 606, Revenue from Contracts with Customers (“ASC 606”). The core principle of the revenue standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The following five steps are applied to achieve that core principle:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when the Company satisfies a performance obligation

In order to identify the performance obligations in a contract with a customer, a company must assess the promised goods or services in the contract and identify each promised good or service that is distinct. A performance obligation meets ASC 606’s definition of a “distinct” good or service (or bundle of goods or services) if both of the following criteria are met: the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e., the good or service is capable of being distinct), and the entity’s promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e., the promise to transfer the good or service is distinct within the context of the contract). If a good or service is not distinct, the good or service is combined with other promised goods or services until a bundle of goods or services is identified that is distinct.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. When determining the transaction price, an entity must consider the effects of all of the following:

- Variable consideration
- Constraining estimates of variable consideration
- The existence of a significant financing component in the contract
- Noncash consideration
- Consideration payable to a customer

Variable consideration is included in the transaction price only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The transaction price is allocated to each performance obligation on a relative standalone selling price basis. The transaction price allocated to each performance obligation is recognized when that performance obligation is satisfied, at a point in time or over time as appropriate.

Mining Pool

The Company has entered into an arrangement with a cryptocurrency mining pool (the Foundry USA Pool) to perform hash computations (i.e. hashrate) for the mining pool in exchange for consideration. Providing hash computation services to a mining pool is an output of the Company's ordinary activities. The provision of such hash computation services is the sole performance obligation. The mining pool arrangement is terminable at any time without substantial penalty by Foundry USA Pool and may be terminated without substantial penalty by the Company upon providing one Contract Day's, as defined, prior written notice. The Company's enforceable right to compensation only begins when and continues while the Company provides hash computation services to its customer, the mining pool operator. Accordingly, the contract term with Foundry USA Pool is deemed to be less than 24 hours and to continuously renew throughout the day. Additionally, the Company concluded that the mining pool operator's (i.e., the customer's) renewal right is not a material right because the renewal rights do not include any discounts; that is, the terms, conditions, and compensation amounts are at the then-current market rates.

There is no significant financing component in these transactions.

The mining pool applies the Full Pay Per Share ("FPPS") payout model. Under the FPPS model, in exchange for providing hash computation services to the pool, the Company is entitled to pay-per-share base amount and transaction fee reward compensation, calculated on a daily basis, at an amount that approximates the total bitcoin that could have been mined and transaction fees that could have been awarded using the Company's hash computation services, based upon the then current blockchain difficulty. Under this model, the Company is entitled to compensation, payable in bitcoin, regardless of whether the pool operator successfully records a block to the bitcoin blockchain.

The transaction consideration the Company receives, if any, is noncash consideration and is all variable. Because digital assets are considered noncash consideration, fair value of the digital asset award received would generally be determined using the quoted price of the related digital asset in the Company's principal market at the time of contract inception. The Company has adopted an accounting policy to aggregate individual contracts with individual terms less than 24 hours within each intraday period and apply a consistent valuation point, the start of day Coordinated Universal Time (00:00:00 UTC), to value the related noncash consideration. Revenue is recognized when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur, which is the same day that control of the contracted service transfers to the mining pool and is the same day as the contract inception. After every 24-hour contract term, the mining pool transfers the digital asset consideration to the Company's designated digital currency wallets.

Consideration payable to the customer in the form of a pool operator fee, which is incurred only to the extent that the Company has generated FPPS consideration, is deducted from the bitcoin the Company receives and is recorded as contra-revenue, as it does not represent a payment for a distinct good or service.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company recorded revenue from mining of \$151.6 million, \$139.3 million, and \$61.7 million during the years ended December 31, 2025, 2024, and 2023, respectively.

Bitcoin Miner Hosting

The Company had one bitcoin miner hosting contract which expired in February 2024. At the time of contract inception, the quoted price of bitcoin in the Company's principal market was approximately \$38,000. The Company recorded bitcoin miner hosting revenue of \$0.8 million and \$7.5 million during the years ended December 31, 2024 and 2023, respectively.

HPC Leasing

In December 2024 and August 2025, the Company entered into long-term datacenter lease agreements (the "Core42 HPC Leases" and the "Fluidstack HPC Leases", respectively, and collectively, the "HPC Leases") with customers for specified datacenter infrastructure at the Lake Mariner Data Campus to support the customers' HPC operations. In accordance with ASC 842, *Leases*, the Company determined at contract inception that these agreements contained a lease, comprising lease components related to the right to use datacenter space and nonlease components for power delivery, physical security, and maintenance services. Certain of the Core42 HPC Leases commenced in 2025 and the remainder of the HPC Leases are expected to commence in 2026.

The Company has elected the practical expedient available under ASC 842 to combine the nonlease revenue components that have the same pattern of transfer as the related operating lease components into a single combined component. The single combined component is accounted for under ASC 842 as an operating lease if the lease components are the predominant components and is accounted for under ASC 606 if the nonlease components are the predominant components. The lease components are the predominant components in the Company's HPC Leases and the single combined component in these arrangements are accounted for under the operating lease guidance of ASC 842. Recognition of HPC lease revenue begins when the Company determines the asset has been made available for the customer's use.

The Company has concluded that it is probable that substantially all of the payments will be collected over the term of the arrangements and recognizes the total combined fixed payments under the agreements on a straight-line basis over the noncancellable term. The Company recognizes the difference between straight-line revenue recognized during the period and the lease payments due pursuant to the underlying arrangement as deferred rent liability or accrued rent receivable in the consolidated balance sheets. Certain arrangements include options to extend the term. These extension options are not reasonably certain to be exercised and are excluded from the lease term and calculation of lease payments at lease commencement.

Payments for physical security and other routine maintenance services are included in the fixed lease payments. The lease agreements provide for variable payments for power delivery. Power delivery services represent a stand-ready obligation to make power available to the customer over the coterminous lease term and have the same pattern of transfer as the related operating lease components. Customers are charged monthly for actual power costs incurred at current utility rates. These payments from customers for power delivery are recognized as variable lease payments in accordance with the practical expedient elected. Variable lease payments are presented on a gross basis and are included in HPC lease revenue in the consolidated statements of operations.

The lease agreements also provide for variable payments for certain fit-out services as requested by the customer and the Company recognizes revenues as performance obligations are satisfied. In the course of providing its services, the Company routinely subcontracts for services and incurs other direct costs on behalf of its customers. These costs are passed through to the customers, generally with a mark-up, and, in accordance with GAAP, are included in the Company's HPC lease revenue.

For the year ended December 31, 2025, the Company recorded HPC lease revenue of \$16.9 million. There was no HPC lease revenue recorded during the years ended December 31, 2024 and 2023.

Cost of Revenue

Cost of revenue for mining pool revenue is comprised primarily of direct costs of electricity, but excludes depreciation which is separately presented. Cost of revenue for bitcoin miner hosting is comprised primarily of direct costs of electricity,

TERAWULF INC. AND SUBSIDIARIES**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

labor and internet provision. Cost of revenue for HPC lease revenue is comprised primarily of direct costs of electricity and also includes costs incurred by the Company in connection with its fit-out services under the HPC Leases.

Power Curtailment Credits

Proceeds from participation in demand response programs are recorded as a reduction in cost of revenue in the consolidated statements of operations for the period in which the corresponding demand response program occurs. The Company recorded demand response program amounts of approximately \$17.7 million, \$8.6 million and \$3.5 million during the years ended December 31, 2025, 2024 and 2023, respectively.

Cash and Cash Equivalents

Highly liquid instruments with an original maturity of three months or less are classified as cash equivalents. As of December 31, 2025 and 2024, the Company had cash and cash equivalents of \$3,266.4 million and \$274.1 million, respectively.

The Company maintains cash and cash equivalent balances primarily at three financial institutions that are insured by the Federal Deposit Insurance Corporation (“FDIC”). The Company’s accounts at these institutions are insured, up to \$250,000, by the FDIC. As of December 31, 2025, the Company bank balances exceeded the FDIC insurance limit by \$3,649.0 million. To reduce its risk associated with the failure of such financial institutions, the Company evaluates at least annually the rating of the financial institutions in which it holds deposits.

Restricted Cash

The Company considers cash and marketable securities to be restricted when withdrawal or general use is legally restricted. The Company reports restricted cash in the consolidated balance sheets and determines current or noncurrent classification based on the expected duration of the restriction. The Company had restricted cash of \$189.9 million and \$266.5 million classified as current and noncurrent assets, respectively, in the consolidated balance sheet as of December 31, 2025. The Company had no restricted cash as of December 31, 2024.

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated balance sheets that total to the amounts shown in the consolidated statements of cash flows (in thousands):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash and cash equivalents	\$ 3,266,389	\$ 274,065
Restricted cash (current)	189,933	—
Restricted cash (noncurrent)	266,453	—
Cash, cash equivalents and restricted cash	<u>\$ 3,722,775</u>	<u>\$ 274,065</u>

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Supplemental Cash Flow Information

The following table shows supplemental cash flow information (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Supplemental disclosure of noncash activities:			
Cumulative-effect adjustment due to the adoption of Accounting Standard Update 2023-08	\$ —	\$ 37	\$ —
Purchases of and deposits on plant and equipment in accounts payable, accrued construction liabilities, other accrued liabilities and long-term debt	\$ 167,356	\$ 27,661	\$ 5,182
Purchases of and deposits on plant and equipment with digital assets	\$ —	\$ 316	\$ 437
Increase in plant and equipment for miners assigned in connection with sale of equity interest in investee	\$ —	\$ 15,715	\$ —
Investment in joint venture in other accrued liabilities, other amounts due to related parties and long-term debt	\$ —	\$ —	\$ 452
Contribution of plant and equipment or deposits on plant and equipment to joint venture	\$ —	\$ —	\$ 35,792
Decrease to investment in joint venture due to bitcoin received as distribution from investee	\$ —	\$ 22,776	\$ 21,949
Decrease to investment in joint venture and increase in plant and equipment for distribution or transfer of nonmonetary assets	\$ —	\$ —	\$ 6,868
Operating right-of-use asset obtained in exchange for lease obligation	\$ 13,192	\$ 77,056	\$ —
Finance right-of-use asset obtained in exchange for lease obligation	\$ —	\$ 6,577	\$ —
Debt issuance costs in other accrued liabilities	\$ 38,312	\$ —	\$ —
Common stock issued to related party pursuant to operating lease	\$ —	\$ 63,368	\$ —
Common stock issued to related party pursuant to finance lease	\$ 110,293	\$ 5,392	\$ —
Common stock issued for share based liabilities due to related party	\$ 2,375	\$ 2,500	\$ 15,000
Common stock issued for business acquisition	\$ 39,347	\$ —	\$ —
Consideration related to transition services agreement for business acquisition	\$ 1,300	\$ —	\$ —
Settlement of preexisting relationships in business acquisition	\$ 2,315	\$ —	\$ —
Convertible promissory notes converted to common stock	\$ —	\$ —	\$ 4,666
Convertible preferred stock converted to common stock	\$ 9,265	\$ —	\$ —
Common stock warrants issued for deferred charges	\$ 515,481	\$ —	\$ —
Common stock warrants issued for discount on long-term debt	\$ —	\$ —	\$ 16,036
Common stock reacquired in exchange for warrants	\$ —	\$ —	\$ 12,491

Nonmonetary Transactions

The Company accounts for goods and services exchanged in nonmonetary transactions at fair value unless the underlying exchange transaction lacks commercial substance or the fair value of the assets received or relinquished is not reasonably determinable, in which case the nonmonetary exchange would be measured based on the recorded amount of the nonmonetary asset relinquished.

Digital Assets

Digital assets consists of bitcoin earned as noncash consideration for providing hash computation services to a mining pool and for bitcoin miner hosting services, in accordance with the Company's revenue recognition policy. From time to time, the Company also received bitcoin as distributions-in-kind from its Nautilus Joint Venture. Digital assets is classified as a

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

current asset in the consolidated balance sheets as it is highly liquid and the Company expects to sell it within the next twelve months to support operations.

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2023-08, Intangibles – Goodwill and Other – Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets (“ASU 2023-08”). The new standard requires certain crypto assets to be subsequently measured at fair value, with changes recognized in net income each reporting period. The Company elected to early adopt ASU 2023-08 effective January 1, 2024, resulting in a cumulative-effect change of \$37,000, increasing the digital asset balance and decreasing the opening balance of accumulated deficit in the consolidated balance sheet as of January 1, 2024.

Following adoption of ASU 2023-08, the Company measures digital assets at fair value each reporting period in accordance with ASC 820, Fair Value Measurement (“ASC 820”). Fair value is determined using Level 1 inputs based on quoted prices from the active trading platform on which the Company regularly transacts, which is considered its principal market for bitcoin. Because bitcoin is continuously traded, the Company uses the midnight UTC price to align with its revenue recognition policy. Gains and losses from remeasurement are included within “loss (gain) on fair value of digital assets, net” in the consolidated statements of operations.

For bitcoin sales, gains and losses are calculated as the difference between cash proceeds and the cost basis, using a first-in, first-out (FIFO) method. These gains and losses are also included within “loss (gain) on fair value of digital assets, net” in the consolidated statements of operations. During the years ended December 31, 2025 and 2024, the Company recorded loss (gain) on fair value of digital assets, net of \$0.6 million and \$(2.2) million, respectively.

Accounting for Digital Assets Prior to ASU 2023-08

Before adopting ASU 2023-08, the Company accounted for bitcoin as an indefinite-lived intangible asset. Under this model, digital assets were not amortized, but assessed for impairment annually, or more frequently if events indicated a potential impairment. An impairment loss was recognized if the carrying amount exceeded fair value, determined using Level 1 inputs under ASC 820.

For impairment testing, the Company bypassed the optional qualitative assessment and monitored daily bitcoin price movements. The lowest intraday trading price was used to determine impairment at the single bitcoin level, with any excess of the carrying amount over the lowest daily trading price recorded as an impairment loss. Once impaired, the new cost basis was established, and subsequent reversals were prohibited. During the year ended December 31, 2023, the Company recognized digital assets impairment losses of \$3.0 million.

Statement of Cash Flows Treatment

Bitcoin earned through mining activities is recorded as an adjustment in the consolidated statements of cash flows, reconciling net loss to cash flows from operating activities. Bitcoin received as distributions-in-kind from equity investees is disclosed in supplemental noncash investing activities.

Following the repayment of the Term Loans in July 2024 (see Note 10), the Company no longer converts bitcoin into cash immediately. Prior to the repayments of the Term Loans in July 2024, proceeds from sales of digital assets were included in cash flows from operating activities in the consolidated statements of cash flows as bitcoin was converted nearly immediately into cash during that period. Subsequently, proceeds from sales of digital assets are included within cash flows from investing activities in the consolidated statements of cash flows as bitcoin has not been converted nearly immediately into cash.

Concentrations

During 2025, the Company contracted with one supplier for the provision of bitcoin miners and, historically, primarily contracted with two suppliers for the provision of bitcoin miners. In addition, the Company primarily contracted with one mining pool operator during the years ended December 31, 2025, 2024, and 2023. During the year end December 31, 2025, the Company’s HPC lease revenue was generated from one customer. The Company does not believe that these counterparties represent a significant performance risk. Revenue from one bitcoin miner hosting customer represented 10.9% of consolidated revenue for the year ended December 31, 2023. During the years ended December 31, 2025, 2024,

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

and 2023, the Company operations were predominately bitcoin mining. If the market value of bitcoin declines significantly, the consolidated financial condition and results of operations of the Company may be adversely affected.

Business Combinations

The Company includes the results of operations of the businesses it acquires as of the acquisition date. The Company allocates the purchase price of the acquisitions to the assets acquired and liabilities assumed based on their estimated fair values. The excess of the purchase price over the fair values of identifiable assets and liabilities is recorded as goodwill. Contingent consideration is included within the purchase price and is recognized at its fair value on the acquisition date. A liability resulting from contingent consideration is remeasured to fair value as of each reporting date until the contingency is resolved, and subsequent changes in fair value are recognized in earnings.

While the Company uses its best estimates and assumptions to accurately apply preliminary values to assets acquired and liabilities assumed at the acquisition date as well as contingent consideration, where applicable, these estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, the Company records adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of the assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded in the consolidated statements of operations. Accounting for business combinations requires management to make significant estimates and assumptions, especially at the acquisition date, including estimates for assets acquired, liabilities assumed, and contingent consideration, where applicable. Although the Company believes the assumptions and estimates it has made have been reasonable and appropriate, they are based in part on historical experience and information obtained from management of the acquired companies and are inherently uncertain. Critical estimates include valuation of the contingent consideration transferred, and assets acquired and liabilities assumed. Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates, or actual results. Acquisition-related expenses are recognized separately from the business combination and are expensed as incurred.

Goodwill

The Company evaluates goodwill for impairment annually or more frequently when an event occurs or circumstances change that indicate the carrying value may not be recoverable. The Company may elect to utilize a qualitative assessment to evaluate whether it is more likely than not that the fair value of a reporting unit is less than its carrying value and if so, it performs a quantitative test.

If a quantitative test is required, the Company estimates the fair value of the reporting unit using discounted cash flows. The Company's analyses require significant assumptions and judgments, including assumptions about future economic conditions, revenue growth, and operating margins, among other factors. Events or changes in circumstances considered in the qualitative analysis, many of which are subjective in nature, include: a significant negative trend in the Company's industry or overall economic trends, a significant change in how the Company uses the acquired assets, a significant change in business strategy, a significant decrease in the market value of the asset, and a significant change in regulations or in the industry that could affect the value of the asset. The Company compares the carrying value of each reporting unit to its estimated fair value and if the fair value is determined to be less than the carrying value, the Company would recognize an impairment loss for the difference.

Equity Method of Accounting

Investee companies that are not consolidated, but over which the Company exercises significant influence, are accounted for under the equity method of accounting. Whether or not the Company exercises significant influence with respect to an investee depends on an evaluation of several factors including, among others, representation on the investee company's board of directors and ownership level, which is generally a 20% to 50% interest in the voting securities of the investee company. Under the equity method of accounting, an investee company's accounts are not reflected within the Company's consolidated balance sheets and statements of operations; however, the Company's share of the earnings or losses of the investee company is reflected in equity in net (loss) income of investee, net of tax in the consolidated statements of operations. The Company's carrying value in an equity method investee company is reflected in equity in net assets of investee in the consolidated balance sheets.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Interest related to construction of assets at equity method investee companies is capitalized when the financial statement effect of capitalization is material, construction of the asset at the equity method investee has begun, the equity method investee has not commenced its principal operations and interest is being incurred. Interest capitalization ends at the earlier of the asset being substantially complete and ready for its intended use, the equity method investee commences principal operations or when interest costs are no longer being incurred.

Equity method investments are regularly reviewed to determine whether a significant event or change in circumstances has occurred that may impact the fair value of each investment. If the fair value of the investment has dropped below the carrying amount, management considers several factors when determining whether an other-than-temporary decline in market value has occurred, including the length of time and extent to which the market value has been below cost, the financial condition and near-term prospects of the issuer, the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in market value and other factors influencing the fair market value, such as general market conditions.

When the Company's carrying value in an equity method investee company is reduced to zero, no further losses are recorded in the Company's consolidated financial statements unless the Company has guaranteed obligations of the investee company or has committed additional funding. When the investee company subsequently reports income, the Company will not record its share of such income until it equals the amount of its share of losses not previously recognized.

Variable Interest Entities

Variable interest entities ("VIE") are legal entities in which equity investors do not have (i) sufficient equity at risk for the legal entity to finance its activities without additional subordinated financial support, or (ii) as a group, the power, through voting or similar rights, to direct the activities of the legal entity that most significantly impact the entity's economic performance, or (iii) the obligation to absorb the expected losses of the legal entity or the right to receive expected residual returns of the legal entity. The Company would consolidate any VIE in which it has a controlling financial interest through being deemed to be the primary beneficiary of the VIE. The primary beneficiary of a VIE has both of the following characteristics: (1) the power to direct the activities of the VIE that most significantly impact its economic performance; and (2) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could be significant to the VIE. If both characteristics are met, the Company considers itself to be the primary beneficiary and therefore will consolidate that VIE into its consolidated financial statements.

The Company determines whether it is the primary beneficiary of a VIE upon initial involvement with a VIE and reassesses whether it is the primary beneficiary of a VIE on an ongoing basis. The determination of whether an entity is a VIE and whether the Company is the primary beneficiary of a VIE is based upon facts and circumstances for the VIE and requires significant judgments such as whether the entity is a VIE, whether the Company's interest in a VIE is a variable interest, the determination of the activities that most significantly impact the economic performance of the entity, whether the Company controls those activities, and whether the Company has the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could be significant to the VIE.

Abernathy Joint Venture

In 2025, the Company entered into the Abernathy Joint Venture. The Company determined the Abernathy Joint Venture is a VIE, and while the Company has the ability to exercise significant influence over the Abernathy Joint Venture, the Company determined that it did not have the power to direct the activities that most significantly impact its economic performance. As such, the Company determined that it was not the primary beneficiary of the Abernathy Joint Venture and, therefore, will account for this entity under the equity method of accounting. There is no basis difference between the carrying amount of our investment and our share of the underlying net assets. See Note 12 for additional information.

Nautilus Joint Venture

In 2021, the Company entered into a joint venture, Nautilus Cryptomine LLC ("Nautilus"), with an unrelated co-venturer to develop, construct and operate up to 300 MW of zero-carbon bitcoin mining in Pennsylvania. Due to the initial nature of the Nautilus Joint Venture and the continued commitment for additional financing, the Company determined Nautilus was a VIE. While the Company had the ability to exercise significant influence over Nautilus, the Company determined that it did not have the power to direct the activities that most significantly impact the economic performance of Nautilus.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Initially, the power to direct the activities of Nautilus that most significantly impact Nautilus' economic performance were shared equally by both parties within the Nautilus Joint Venture due to the requirement for both equity holders to approve many of the key operating decisions and when not equally shared, were predominantly under the control of the co-venturer, including through the co-venturer's majority representation on the board of managers. As such, the Company determined that it was not the primary beneficiary of Nautilus and, therefore, had accounted for this entity under the equity method of accounting. Risks associated with the Company's involvement with Nautilus included a commitment to potentially fund additional equity investments. In October 2024, the Company sold its entire 25% equity interest in the Nautilus Joint Venture. See Note 12 for additional information.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (generally 5 years for computer equipment and 4 years for miners). Leasehold improvements and electrical equipment are depreciated over the shorter of their estimated useful lives (25 years) or the lease term. Changes in depreciation and amortization, generally accelerated depreciation and variable amortization, are determined and recorded when estimates of the remaining useful lives or residual values of long-term assets change. Property, plant and equipment included deposits on miners amounting to approximately \$0 and \$53.9 million as of December 31, 2025 and 2024, respectively, which would be included in property, plant and equipment upon receipt.

Interest related to construction of assets is capitalized when the financial statement effect of capitalization is material, construction of the asset has begun, and interest is being incurred. Interest capitalization ends at the earlier of the asset being substantially complete and ready for its intended use or when interest costs are no longer being incurred.

Impairment of Long-lived Assets

The Company reviews its long-lived assets, including property, plant and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset, or asset group, may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted future cash flows expected to be generated by the asset. Any impairment loss recorded is measured as the amount by which the carrying value of the assets exceeds the fair value of the assets. During the years ended December 31, 2025, 2024 and 2023, the Company recorded no impairment charges for long-lived assets.

Leases

In accordance with ASC 842, at inception of a contract, the Company determines whether the contract is or contains a lease. If the Company is the lessee, the lease is classified as an operating or finance lease at the commencement date. Operating leases are included in operating lease right-of-use ("ROU") asset, current portion of operating lease liability, and operating lease liability, net of current portion in the consolidated balance sheets. Finance leases are included in finance lease right-of-use asset, current portion of finance lease liabilities, and finance lease liabilities, net of current portion in the consolidated balance sheets. The Company does not recognize a ROU asset or lease liability for short-term leases having initial terms of 12 months or less and instead recognizes rent expense on a straight-line basis over the lease term. As of December 31, 2025, the Company had one short-term lease. The Company did not have any short-term leases as of December 31, 2024.

In an arrangement that is determined to be or contain a lease, the Company includes both the lease and nonlease components as a single component and accounts for it as a lease when the Company would otherwise recognize the cost associated with both the lease and nonlease components in a similar fashion.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date, and subsequently remeasured upon changes to the underlying lease arrangement, based on the present value of lease payments over the lease term. If the rate implicit in the lease is not readily determinable, the Company generally uses an estimate of its incremental borrowing rate based on the estimated rate of interest for collateralized borrowing over a similar term of the lease payments at the commencement date. The ROU asset also includes any lease prepayments made and excludes lease incentives. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Costs associated with operating lease ROU assets are recognized on a straight-line basis within operating expenses or selling, general and administrative, as appropriate, over the term of the lease. Variable lease costs are recognized as incurred and primarily consist of common area maintenance charges not included in the measurement of right-of-use assets and operating lease liabilities. Finance lease ROU assets are amortized within operating expenses or selling, general and administrative expenses, as appropriate, on a straight-line basis over the shorter of the estimated useful lives of the assets or, in the instance where title does not transfer at the end of the lease term, the lease term. The interest component of a finance lease is included in interest expense and recognized using the effective interest method over the lease term.

Debt Issuance Costs and Debt Discount

Debt issuance costs and debt discount are recorded as a direct reduction of the carrying amount of the debt and are amortized to interest expense using the effective interest method over the contractual term of the debt and in consideration of expected future principal payments including, when applicable, payments subject to an excess cash flow sweep (see Note 10). Debt issuance costs include incremental third-party costs directly related to debt issuance such as attorney and financial advisor fees. Debt discount includes upfront fees and proceeds allocated to other components included in the debt issuance. The allocation of proceeds between the debt instrument and any other components included in the debt issuance, including Common Stock or warrants to purchase Common Stock, is generally based on the relative fair value allocation method. All warrants granted by the Company as a component of debt transactions are classified as equity in the consolidated balance sheets as of December 31, 2025 and 2024.

Debt Modification

The Company evaluates amendments to its debt instruments in accordance with ASC 470-50, *Debt Modifications and Extinguishments*. This evaluation includes comparing (1) if applicable, the change in fair value of an embedded conversion option to that of the carrying amount of the debt immediately prior to amendment and (2) the net present value of future cash flows of the amended debt to that of the original debt to determine, in each case, if a change greater than 10% occurred. In instances where the net present value of future cash flows or the fair value of an embedded conversion option, if any, changed more than 10%, the Company applies extinguishment accounting. In instances where the net present value of future cash flows and the fair value of an embedded conversion option, if any, changed less than 10%, the Company accounts for the amendment to the debt as a debt modification. For debt that has been amended more than once in a twelve-month period, the debt terms that existed just prior to the earliest amendment occurring in the prior twelve months are applied to the 10% test, provided modification accounting was previously applied. Gains and losses on debt amendments that are considered extinguishments are recognized in current earnings. Debt amendments that are considered debt modifications are accounted for prospectively through yield adjustments, based on the revised terms. Legal fees and other costs incurred with third parties that are directly related to debt modifications are expensed as incurred and generally are included in interest expense in the consolidated statements of operations. Amounts paid by the Company to the lenders, including upfront fees and the fair value of warrants issued, are included in future cash flows for accounting treatment determination and, if debt modification is applicable, are also included in the determination of yield adjustment.

Convertible Instruments

The Company accounts for its issuance of convertible debt and convertible equity instruments in accordance with applicable U.S. GAAP. In connection with that accounting, the Company assesses the various terms and features of the agreement in accordance with ASC 480, *Distinguishing Liabilities from Equity* ("ASC 480"), and ASC 815, *Derivatives and Hedging Activities* ("ASC 815"). ASC 480 requires liability accounting for certain financial instruments, including shares that embody an unconditional obligation to transfer a variable number of shares, provided that the monetary value of the obligation is based solely or predominantly on one of the following three characteristics: (1) a fixed monetary amount known at inception, (2) variations in something other than the fair value of the issuer's equity shares or (3) variations in the fair value of the issuer's equity shares, but the monetary value to the counterparty moves in the opposite direction as the value of the issuer's shares. In accordance with ASC 815, the Company assesses the various terms and features of the agreement to determine whether or not they contain embedded derivative instruments that are required under ASC 815 to be accounted for separately from the host contract and recorded on the balance sheet at fair value. The fair value of derivative liabilities, if any, is required to be revalued at each reporting date, with corresponding changes in fair value recorded in the current period's operating results.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Derivatives

The Company does not apply hedge accounting to its derivatives. Rather, changes in the fair values of derivatives for a particular period are recognized in the consolidated statements of operations. The Company evaluates its contracts to determine if they meet the definition of a derivative instrument. If a contract meets the definition, the Company evaluates whether it qualifies for the normal purchases and normal sales exemption and may elect the exemption if the criteria is met.

Warrants

The Company applies ASC 480 and ASC 815 to assist in the determination of whether warrants issued for the purchase of Common Stock should be classified as liabilities or equity. Warrants that are determined to require liability classification are measured at fair value upon issuance and are subsequently remeasured to their then fair value at each subsequent reporting period with changes in fair value recorded in current earnings. Warrants that are determined to require equity classification are measured at fair value upon issuance and are not subsequently remeasured unless they are required to be reclassified. As of December 31, 2025, the Company had recorded warrant liabilities of \$844.7 million relating to the warrants issued in connection with the Google Backstop (see Note 8). All other outstanding warrants granted by the Company have been classified as equity.

Stock Issuance Costs

Stock issuance costs are recorded as a reduction to issuance proceeds. Stock issuance costs incurred prior to the closing of the related issuances, including under shelf registration statements, are recorded in other assets in the consolidated balance sheets if the closing of the related issuance is deemed probable.

Stock-based Compensation

The Company periodically issues restricted stock units (“RSU”) and restricted stock to employees and non-employees in non-capital raising transactions for services. In accordance with ASC 718, Compensation – Stock Compensation (“ASC 718”), the Company measures stock-based compensation cost at the grant date, based on the estimated fair value of the award. For RSUs with time-based vesting, the fair value is determined by the Company’s stock price on the date of grant. For RSUs with vesting based on market conditions (“PSUs”), the effect of the market condition is considered in the determination of fair value on the grant date using a Monte Carlo simulation model. As of December 31, 2025, the Company has not issued stock options.

Expense for RSUs is recognized on a straight-line basis over the employee’s or non-employee’s requisite service period, including the derived service period for RSUs with market conditions. Expense for restricted stock is recognized on the date of grant as the awards are fully vested on the grant date. Stock-based compensation for PSUs is recorded over the derived service period unless the market condition is satisfied in advance of the derived service period, in which case a cumulative catch-up is recognized as of the date of achievement. Stock-based compensation for PSUs is recorded regardless of whether the market conditions are met unless the service conditions are not met. The Company accounts for forfeitures as they occur. The Company recognizes excess tax benefits or deficiencies on vesting or settlement of awards as discrete items within income tax benefit or provision within net loss and the related cash flows are classified within operating activities.

Other Income

Other income consists primarily of interest income on bank deposits.

Income Taxes

The Company accounts for income taxes pursuant to the provision of ASC 740, Accounting for Income Taxes (“ASC 740”), which requires, among other things, an asset and liability approach to calculating deferred income taxes. The asset and liability approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. A valuation allowance is provided to offset any net deferred tax assets for which management believes it is more likely than not that the net deferred tax asset will not be realized. The Company follows the provision of ASC 740 related to accounting for uncertain income tax positions. When tax returns are filed, it is more likely than not that some positions taken would be sustained upon

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. In accordance with the guidance of ASC 740, the benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. The tax benefits recognized in the consolidated financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with the tax positions taken that exceeds the amount measured as described above are reflected as a liability for uncertain tax benefits in the accompanying balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination.

The Company's policy is to recognize interest and penalties that would be assessed in relation to the settlement value of unrecognized tax benefits as a component of income tax expense. The Company did not record any interest or penalties for the years ended December 31, 2025, 2024 and 2023.

Loss per Share

The Company computes earnings (loss) per share using the two-class method required for participating securities. The two-class method requires income available to common stockholders for the period to be allocated between Common Stock and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed.

Basic loss per share of Common Stock is calculated by dividing the Company's net loss by the weighted average number of shares of Common Stock outstanding during the period. Convertible preferred stock is considered a participating security because it shares on a pro rata basis in any dividends declared on Common Stock. However, since it does not participate in the Company's losses, it is excluded from the computation of basic net loss per share. Diluted loss per share reflects the potential dilution that could occur if other instruments were converted into Common Stock, using the treasury stock method or if-converted method, as applicable. However, for periods in which the Company reports a net loss, all potentially dilutive instruments are excluded from the calculation of diluted loss per share, as their inclusion would be anti-dilutive. Subsequent to December 31, 2023, the Company determined that its preferred stock dividends would be excluded as a reduction to net loss on the Company's consolidated statements of operations, and accordingly be excluded from the Company's computation of basic loss per common share. Previously, the Company had included dividends in this calculation.

The Company's dilutive instruments or participating securities as of December 31, 2025 included Common Stock warrants, convertible notes, and RSUs issued for services. The Company's dilutive instruments or participating securities as of December 31, 2024 included convertible preferred stock, Common Stock warrants, convertible notes, and RSUs issued for services. As of December 31, 2025, Common Stock warrants outstanding were 84,568,084 with a weighted average strike price of \$0.21 and total RSUs outstanding were 15,588,545.

Segment Reporting

The Company has two operating segments: "Digital Asset Mining," consisting of providing hash computation services to a mining pool operator and "HPC Leasing," consisting of providing high-density colocation services to third parties for HPC operations and all operations are domiciled in the United States of America. The reportable segments are identified based on the types of services performed. The Company's HPC Leasing operations met the criteria to be considered a new segment during the third quarter of 2025. The Digital Asset Mining segment generates revenue from operating owned digital infrastructure and computer equipment as part of a pool of users that process transactions conducted on one or more blockchain networks. In exchange for these services, the Company receives digital assets. The HPC Leasing segment generates revenue through lease agreements providing the right to use datacenter space and providing power delivery, physical security, and maintenance services.

The Company's operations are evaluated regularly by the chief operating decision maker, or decision-making group ("CODM"), which is composed of the Chief Executive Officer, Chief Technology Officer and Chief Strategy Officer, to assess performance and allocate resources. The CODM uses segment profit (loss) to evaluate performance and allocate resources. Segment profit (loss) is used to evaluate actual results against expectations, which are based on comparable prior results, and current budget. Segment profit (loss) is also used in deciding how profits and cash flows will be reinvested or

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

otherwise deployed. No asset information for reportable segments is provided to the CODM as the CODM does not evaluate performance or allocate resources based on segment asset or liability information; accordingly, the Company has not presented a measure of assets by segment. The segments' accounting policies are the same as those described in the summary of significant accounting policies. The Company excludes certain operating expenses and other expenses from the allocations to operating segments.

Prior to the third quarter of 2025, the Company had one segment, Digital Asset Mining, such that the CODM was regularly provided only with consolidated expense data, as presented in the consolidated statements of operations. The CODM managed this segment using consolidated net loss as the primary measure of performance. In the third quarter of 2025, the Company changed the composition of its reportable segments and, accordingly, has recast its segment information for the year ended December 31, 2024 (see Note 19).

Held for Sale and Discontinued Operations Classification

The Company classifies a business as held for sale in the period in which management commits to a plan to sell the business, the business is available for immediate sale in its present condition, an active program to complete the plan to sell the business is initiated, the sale of the business within one year is probable and the business is being marketed at a reasonable price in relation to its fair value.

Newly acquired businesses that meet the held-for-sale classification criteria upon acquisition are reported as discontinued operations. Upon a business' classification as held for sale, net assets are measured for impairment. An impairment loss is recorded for long-lived assets held for sale when the carrying amount of the asset exceeds its fair value less cost to sell. Other assets and liabilities are generally measured for impairment by comparing their carrying values to their respective fair values. A long-lived asset is not depreciated or amortized while it is classified as held for sale.

Recent Accounting Standards

Adopted

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"). ASU 2023-09 expands existing income tax disclosures for rate reconciliations by requiring disclosure of certain specific categories and additional reconciling items that meet the quantitative threshold and expands disclosures for income taxes paid by requiring disaggregation by certain jurisdictions, amount of income taxes separated by federal and individual jurisdiction, and the amount of income (loss) from continuing operations before income tax expense (benefit) disaggregated between federal, state, and foreign. The amendments in this update are effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The adoption of this new standard did not have a material impact on our consolidated financial statements.

In August 2023, the FASB issued an ASU 2023-05, Business Combinations - Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement, that requires a joint venture, upon formation, to measure its assets and liabilities at fair value in its standalone financial statements. A joint venture must recognize the difference between the fair value of its equity and the fair value of its identifiable assets and liabilities as goodwill (or an equity adjustment, if negative) using the business combination accounting guidance regardless of whether the net assets meet the definition of a business. The adoption of this new standard did not have a material impact on our consolidated financial statements.

Issued — Not Yet Adopted

In December 2025, the FASB issued ASU No. 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements (ASU 2025-11), which clarifies interim disclosure requirements and the applicability of Topic 270. The amendments are effective for annual periods beginning after December 15, 2027. Early adoption is permitted. Upon adoption, the guidance can be applied prospectively or retrospectively. The Company is currently evaluating the impact of this standard will have on the Company's disclosures in the consolidated financial statements.

In September 2025, the FASB issued ASU 2025-07, Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Scope Clarification and Accounting for Certain Contracts and Customer Share-Based Consideration ("ASU 2025-07"), which narrows the types of contracts subject to derivative accounting by excluding those whose payouts depend solely on an entity's own operational metrics, rather than market-based variables, and clarifies that

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

share-based or warrant consideration received from a customer is accounted for under Topic 606 until the right to retain the instrument is unconditional, after which the guidance in Topic 815 and 321 applies. The amendments are effective for annual periods beginning after December 15, 2026, with early adoption permitted, and may be applied prospectively or on a modified retrospective basis with an option to elect or revoke the fair value option for certain instruments upon transition. The Company is currently evaluating the impact this standard will have on the Company's accounting and related disclosures in the consolidated financial statements.

In May 2025, the FASB also issued ASU 2025-04, Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Clarifications to Share-Based Consideration Payable to a Customer, to address diversity in practice and improve the operability of accounting for share-based consideration granted to customers. The amendments clarify how to distinguish between service and performance conditions for vesting, require entities to estimate forfeitures for all share-based consideration payable to customers, and specify that variable consideration guidance in ASC 606 does not apply when measuring such awards. The guidance is effective for fiscal years beginning after December 15, 2026, with early adoption permitted. The Company is currently evaluating the impact this standard will have on the Company's accounting and related disclosures in the consolidated financial statements.

In May 2025, the FASB issued ASU 2025-03, Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity, which amends existing guidance to allow entities to apply the same principles used in other business combinations when determining the accounting acquirer in a transaction involving a variable interest entity (VIE) that is a business and where consideration is primarily in the form of equity interests. This update addresses comparability concerns and provides for more consistent application of acquisition accounting principles. The amendments are effective for annual periods beginning after December 15, 2026, and interim periods within those years, with early adoption permitted. The Company is currently evaluating the impact this standard will have on the Company's accounting and related disclosures in the consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03") which requires disaggregated disclosure of income statement expenses for public business entities. Additionally, in January 2025, the FASB issued ASU 2025-01 to clarify the effective date of ASU 2024-03. The ASU does not change the expense captions an entity presents on the face of the income statement; rather, it requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. This guidance applies to all public business entities and is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The requirements will be applied prospectively with the option for retrospective application. The Company is currently reviewing this ASU to determine the impact on its disclosures within the footnotes to its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-04, *Induced Conversions of Convertible Debt Instruments (Topic 470)* ("ASU 2024-04"). ASU 2024-04 clarifies the assessment of whether a transaction should be accounted for as an induced conversion or extinguishment of convertible debt when changes are made to conversion features as part of an offer to settle the instrument. ASU 2024-04 is effective for fiscal years beginning after December 15, 2025, with early adoption permitted. The Company is currently evaluating the impact this new standard will have on the Company's accounting and related disclosures in the consolidated financial statements.

NOTE 3 – BUSINESS COMBINATIONS AND DISCONTINUED OPERATIONS

Beowulf E&D

On the Acquisition Date, the Company entered into a Membership Interest Purchase Agreement (the "Purchase Agreement") with Beowulf E&D Holdings Inc., a related party due to control by a member of the Company's management (the "Seller"), pursuant to which, among other things, the Company acquired 100% of the issued and outstanding membership interests of Beowulf E&D. The Purchase Agreement and the transaction were negotiated and approved by a special independent committee of the Company's Board of Directors comprised entirely of independent directors. The transaction was accounted for as a business combination between entities not under common control, the purpose of which was to acquire a business comprised of 94 employees with deep experience in the development and operation of power generation assets and related electrical infrastructure. Integrating this capability directly into TeraWulf supports the Company's long-term growth strategy, especially as power generation becomes increasingly integral to HPC operations.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the Purchase Agreement, in full consideration of the acquisition of Beowulf E&D, the Company agreed to pay the Seller:

- On the Acquisition Date (i) \$3.0 million in cash and (ii) 5.0 million shares of Common Stock.
- Upon the date on which the Company closes the breakers to the busway which energizes the data hall for the CB-1 Project (the “CB-1 Earnout Milestone”), (i) \$6.0 million in cash and (ii) Common Stock valued at \$6.5 million calculated on the basis of a 60-day trailing volume weighted average price (“VWAP”) as of the date the CB-1 Earnout Milestone is achieved.
- Upon the execution by the Company of definitive documentation for a project financing of the CB-1 Project and the CB-2 Project (the “Project Financing Closing”), Common Stock valued at \$6.5 million, calculated on the basis of a 60-day trailing VWAP as of the date the Project Financing Closing is achieved.
- Upon the execution by the Company of a datacenter lease for the CB-3 Project (the “CB-3 Earnout Milestone”), \$13.0 million in cash.

Prior to the transaction, Beowulf E&D also performed certain administrative services to certain affiliates of the Seller. Concurrent with Purchase Agreement, the Company entered into a transition services agreement (the “TSA”) through which the Company, along with Beowulf E&D, agreed to provide to certain affiliates of the Seller, who are related parties of the Company due to control by a member of the Company’s management, certain transition services including, but not limited to, services related to tax and accounting, human resources and payroll, information technology, legal, and other general services for a period of two years, unless terminated early in accordance with the provisions of the TSA. In consideration for the services, the Seller affiliates agreed to pay the Company a quarterly fee of \$100 as well as reimbursement for third-party expenses incurred in the performance of the services. The Company determined that the TSA is not separate from the business combination and represented additional consideration transferred in the business combination. Accordingly, the Company recorded a liability at fair value at the Acquisition Date of \$1.3 million to be amortized over the two-year term of the TSA. The Company had a \$0.9 million liability related to the future services to be provided under the TSA included in other liabilities in the consolidated balance sheet as of December 31, 2025.

The following table summarizes the Acquisition Date fair value of the aggregate consideration paid for Beowulf E&D pursuant to the Purchase Agreement (in thousands):

Cash consideration ⁽¹⁾	\$	3,000
Equity instruments: 5,000,000 shares of Common Stock ⁽²⁾		19,550
Contingent consideration: CB-1 Earnout Milestone ⁽³⁾		12,500
Contingent consideration: Project Financing Closing ⁽⁴⁾		3,500
Contingent consideration: CB-3 Earnout Milestone ⁽⁵⁾		12,400
Consideration related to TSA ⁽⁶⁾		1,300
Settlement of preexisting relationships in business acquisition ⁽⁷⁾		2,315
	\$	54,565

(1) The cash paid at close represents the gross contractual amount paid. Net cash paid, which accounts for the cash acquired of \$0.3 million, was \$2.7 million million and is reflected as an investing activity in the consolidated statement of cash flows for the year ended December 31, 2025.

(2) The fair value of the Common Stock issued as part of the consideration paid for Beowulf E&D was determined on the basis of the closing market price of Common Stock on the Acquisition Date.

(3) The fair value of the CB-1 Earnout Milestone was estimated using a Monte Carlo and Geometric Brownian Motion (GBM) simulation in a risk-neutral framework and measured based on significant inputs not observable in the market which ASC 820 refers to as Level 3 inputs. Key assumptions include the expected timing and probability of achieving the CB-1 Earnout Milestone and future stock price volatility.

(4) The fair value of the Project Financing Closing was estimated using a GBM simulation in a risk-neutral framework and measured based on significant inputs not observable in the market which ASC 820 refers to as Level 3 inputs. Key assumptions include the expected timing and probability of achieving the Project Financing Closing and future stock price volatility.

(5) The fair value of the CB-3 Earnout Milestone was estimated using a discounted cash flow method and measured based on significant inputs not observable in the market which ASC 820 refers to as Level 3 inputs. Key assumptions include the expected timing and probability of achieving the CB-3 Earnout Milestone.

(6) The fair value of the TSA liability was estimated using the differential cash flow method, assessing the differential in compensation for the services provided based on contractual TSA rates relative to compensation at “market” rates.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (7) The Company determined the acquisition of Beowulf E&D in effect settled the preexisting relationships between the Company and Beowulf E&D and increased the consideration transferred by \$2.3 million reflecting the effective termination of the Services Agreement and the related net receivables due to the Company from Beowulf E&D as of the Acquisition Date. The Services Agreement was determined to be comparable when compared with pricing for current market transactions for the same or similar items.

During the year ended December 31, 2025, (i) the CB-1 Earnout Milestone was achieved and the Company paid \$6.0 million in cash and issued 1.8 million shares of Common Stock to the Seller, (ii) the CB-3 Earnout Milestone was achieved and the Company paid \$13.0 million in cash to the Seller and (iii) the Project Financing Closing was achieved and the Company issued 1.2 million shares of Common Stock to the Seller. The Company recognized the difference between the carrying value of the contingent consideration liabilities and the fair value of consideration transferred upon achievement of the respective earnout milestones of \$10.4 million in change in fair value of consideration in the consolidated statement of operations for the year ended December 31, 2025.

The Company recorded the assets acquired and liabilities assumed at their estimated acquisition-date fair values, with the difference between the fair value of the net assets acquired and the purchase consideration reflected in goodwill. The total purchase price of \$54.6 million was allocated using information available to the Company at the time of acquisition. The purchase price allocation was based on preliminary valuations and subject to revision as more detailed analyses are completed and additional information about the fair value of assets acquired and liabilities assumed becomes available, including certain tax matters, during the measurement period (up to one year from the Acquisition Date).

In connection with the acquisition, the Company recorded goodwill of \$55.5 million which is primarily a result of the value of Beowulf E&D's specialized assembled workforce acquired and expected synergies of combining operations. The Company determined that all of the goodwill is expected to be deductible for tax purposes.

The following table summarizes the preliminary allocation of the purchase price as of the Acquisition Date (in thousands):

Cash and cash equivalents	\$	269
Prepaid expenses		117
Other receivables		55
Other current assets		7
Property, plant and equipment, net		1,087
Goodwill		55,457
Operating lease right-of-use asset		8,101
Other assets		74
Accounts payable		(320)
Accrued compensation		(1,384)
Other accrued liabilities		(437)
Current portion of operating lease liability		(580)
Operating lease liability, net of current portion		(7,881)
	\$	<u>54,565</u>

The operating lease right-of-use asset includes a \$(0.4) million adjustment to reflect unfavorable terms of a lease when compared to market terms.

During the year ended December 31, 2025, there were no measurement period adjustments identified and recorded. As of the date these consolidated financial statements were issued, the purchase accounting related to this acquisition was incomplete as the valuation of certain working capital balances, deferred taxes and contingent consideration were not yet finalized. The Company has reflected the provisional amounts in these consolidated financial statements. As such, the above balances may be adjusted in a future period as the valuation is finalized and these adjustments may be material to the consolidated financial statements.

The Purchase Agreement also includes customary change of control provisions which provide for accelerated vesting of the earnout consideration in the event of a change of control as well as certain governance rights and additional cash payments.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company further agreed to form an eligible employee trust administered by a third-party trustee for the benefit of certain individuals that were employed by or provided services to the acquired Beowulf E&D companies or its affiliates, and to fund the trust annually with an amount equal to 2% of the Company's annual capital expenditures, calculated in accordance with U.S. GAAP, for the development and build out the Company's HPC datacenters, as determined in good faith by the Company's Board of Directors.

The Company determined the eligible employee trust is a VIE and that the Company is the primary beneficiary of the trust as the Company has the power to direct the activities that most significantly impact the economic performance of the trust and the obligation to absorb losses or the right to receive benefits of the trust that could potentially be significant.

The Company incurred acquisition-related costs of \$1.5 million which are included in selling, general and administrative expenses in the consolidated statement of operations for the year ended December 31, 2025.

Results of operations of the business acquired have been included in the Company's consolidated financial statements subsequent to the Acquisition Date, which included no revenue, \$7.0 million in selling, general and administrative expenses and \$0.8 million, in selling, general and administrative expenses – related party in the consolidated statement of operations for the year ended December 31, 2025.

During the year ended December 31, 2025, prior to the Acquisition Date, and for the years ended December 31, 2024 and 2023, substantially all of Beowulf E&D's revenues were earned pursuant to the services it provided to the Company under the Services Agreement, which would be considered intercompany and eliminate on a pro forma basis. Additionally, the expenses incurred by Beowulf E&D in providing the services to the Company per the Services Agreement prior to the Acquisition Date are reflected in the fees previously paid by the Company, such that Beowulf E&D's pro forma expenses, prior to the Acquisition Date, are included in selling, general and administrative expenses – related party and operating expenses – related party in the consolidated statements of operations for the years ended December 31, 2025, 2024 and 2023 (see Note 18).

Accordingly, the Company determined its consolidated financial statements for the years ended December 31, 2025, 2024 and 2023, in all material respects, reflect on a pro forma basis what the Company's revenues and earnings would have been if the business acquisition had occurred at the beginning of the prior year.

RM 101

In December 2021, the Company completed the Merger with RM 101 pursuant to which, among other things, the Company effectively acquired RM 101 and became a publicly traded company on the Nasdaq. The consideration in the Merger included, among other things, contractual contingent value rights ("CVR") per a Contingent Value Rights Agreement (the "CVR Agreement"). Pursuant to the CVR Agreement, each shareholder of RM 101 as of immediately prior to the Merger, received one non-transferable CVR for each outstanding share of common stock of RM 101 then held. The holders of the CVRs were entitled to receive 95% of the Net Proceeds (as defined in the CVR Agreement), if any, from the sale, transfer, disposition, spin-off, or license of all or any part of the pre-merger business of RM 101.

As of December 31, 2023, all net assets held for sale had been sold. During the year ended December 31, 2023, the Company made payments of the CVR liability related to proceeds from sales of net assets held for sale of \$11.0 million such that as of December 31, 2023, the Company had made all of the aggregate required distributions of proceeds to the CVR Holders and the CVR Agreement was deemed terminated.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company recorded no loss from discontinued operations, net of tax for the years ended December 31, 2025 and 2024. The loss from discontinued operations, net of tax for the year ended December 31, 2023 presented in the consolidated statements of operations includes the following results of RM 101 (in thousands):

	Year Ended December 31, 2023
Selling, general and administrative expenses	\$ 88
Loss from discontinued operations before other income	(88)
Other income	23
Loss from discontinued operations before income tax	(65)
Income tax expense	—
Loss from discontinued operations, net of tax	\$ (65)

Loss from discontinued operations, net of tax in the consolidated statements of operations also included a loss on CVR remeasurement of \$0.1 million for the year ended December 31, 2023.

NOTE 4 – FAIR VALUE MEASUREMENTS

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability.

As a basis for considering such assumptions, a three-level fair value hierarchy prioritizing the inputs to valuation techniques is used to measure fair value. This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. The levels are as follows:

(Level 1) observable inputs such as quoted prices in active markets for identical assets or liabilities;

(Level 2) observable inputs for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs other than quoted prices that are observable either directly or indirectly from market data; and

(Level 3) unobservable inputs for which there is little or no market data, which require the Company to develop its own assumptions.

The following tables present the Company's financial instruments that are measured and recorded at fair value on the Company's consolidated balance sheets on a recurring basis, segregated by hierarchy fair value levels as of December 31, 2025 and 2024 (in thousands):

	Fair Value Measured as of December 31, 2025			
	Carrying Value	Level 1	Level 2	Level 3
Digital assets	\$ 270	\$ 270	\$ —	\$ —
Warrant liabilities	844,698	—	—	844,698
	\$ 844,968	\$ 270	\$ —	\$ 844,698

	Fair Value Measured as of December 31, 2024			
	Carrying Value	Level 1	Level 2	Level 3
Digital assets	\$ 476	\$ 476	\$ —	\$ —
	\$ 476	\$ 476	\$ —	\$ —

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Other Fair Value Measurements

The Company has determined the fair value of the 2030 Convertible Notes, 2031 Convertible Notes, 2032 Convertible Notes, and 2030 Secured Notes to be approximately \$814.5 million, \$1,180.3 million, \$896.6 million, and \$3,300.7 million, respectively, as of December 31, 2025 (see Note 10) using Level 1 inputs. The carrying values of cash and cash equivalents, restricted cash, accounts receivable, prepaid expenses, other receivables, other current assets, accounts payable, accrued construction liabilities, accrued compensation, accrued interest, accrued lessor costs, other accrued liabilities and other amounts due to related parties are considered to be representative of their respective fair values principally due to their short-term maturities.

Nonrecurring Fair Value Measurements

There were no additional material non-recurring fair value measurements as of December 31, 2025 and 2024, except for (i) the calculation of fair value of Common Stock issued in connection with the New Ground Lease (see Note 16), (ii) the calculation of fair value of Common Stock warrants issued in connection with amendments to the Company's long-term debt agreement (see Note 10), in connection with the issuance of Common Stock (see Note 16), in connection with a Common Stock exchange agreement and on a standalone basis, (iii) and the calculation of fair value of nonmonetary assets distributed from the Company's joint venture (see Note 12), (iv) the calculation of PSUs granted to employees as stock-based compensation (see Note 17) (v) the calculation of the fair value of components of total consideration transferred in the business acquisition of Beowulf E&D, including contingent consideration, and the allocation of the purchase price to the fair values of the assets acquired and liabilities assumed, (vi) the calculation of fair value of Common Stock issued in connection with the Cayuga Lease (see Note 8), (vii) the calculation of fair value of embedded derivatives in the Company's 2031 Convertible Notes (see Note 10) and (viii) the calculation of fair value of the Google Warrants (see Note 8).

The Company utilized a Black-Scholes option pricing model to value its Common Stock warrants issued in connection with the Google Backstop (see Note 8). The estimated fair value of the warrants is classified as Level 3 measurement due to the use of unobservable inputs. Key assumptions used in the valuation model included expected share-price volatility, expected term, risk-free interest rate, and dividend yield. Expected volatility was based on historical and implied stock price volatility of the Company. The risk-free interest rate was derived from U.S. Treasury yields on the grant date with a maturity corresponding to the expected life of the warrants. The Company applied a dividend yield of zero, consistent with historical practice and expectations. The Company recognized a loss of \$329.2 million during the year ended December 31, 2025, for the change in fair value of the Google Warrants (see Note 8) which is included in change in fair value of warrants and derivative liabilities in the consolidated statement of operations.

The Company estimated the fair value of the conversion feature of the 2031 Convertible Notes using a "with-and-without" approach as the difference between the value of the 2031 Convertible Notes with and without the conversion feature. The value of the 2031 Convertible Notes under the "with" scenario was estimated using a binomial lattice model in a risk-neutral framework (a special case of the Income Approach), taking into consideration the various conversion and redemption features of the 2031 Convertible Notes. The value of the 2031 Convertible Notes was then calculated as the probability-weighted present value over all future modeled payoffs. Under the "without" scenario, the 2031 Convertible Notes were modeled using a discounted cash flow analysis. Key assumptions used in the valuation model included expected share-price volatility, expected term, risk-free interest rate, and dividend yield. Expected volatility was based on market yields. The risk-free interest rate was derived from U.S. Treasury yields based on a term-matched risk-free rate. The Company applied a dividend yield of zero, consistent with historical practice and expectations.

The Company utilized a Monte Carlo simulation in a risk-neutral framework to estimate the fair value of the contingent consideration in the business acquisition, incorporating historical and expected annual volatility of approximately 110%, based on both the Company's and peer public companies' data. Key assumptions used in the valuation model also included the risk-free interest rate is derived from U.S. Treasury yields on the Acquisition Date with a maturity corresponding to the expected timing of achieving each contingent milestone. The Company applied a dividend yield of zero, consistent with historical practice and expectations.

The Company utilized a Black-Scholes option pricing model, along with a discount for lack of marketability ("DLOM"), to value its Common Stock warrants issued in connection with the Term Loans (as defined in Note 10). The DLOM reflects contractual restrictions on the exercise of the warrants. The estimated fair value of the warrants is classified as Level 3 measurement due to the use of unobservable inputs. Key assumptions used in the valuation model include expected share-

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

price volatility, expected term, risk-free interest rate, dividend yield, and DLOM. Expected volatility is based on historic volatility of a peer group of publicly traded companies over the expected term of the warrants, which is assumed to be equal to the contractual term. The risk-free interest rate is derived from U.S. Treasury yields on the grant date with a maturity corresponding to the expected life of the warrants. The Company applies a dividend yield of zero, consistent with historical practice and expectations. The Company applied a DLOM of 20% to value the warrants issued in connection with the first amendment of the LGSA and a DLOM of 30% for warrants issued in connection with the Fifth Amendment to the Term Loans.

In addition, the Company used a Monte Carlo simulation model to estimate the fair value of PSUs, incorporating historical and expected annual volatility of approximately 120%, based on both the Company's and peer public companies' data.

A DLOM of 10% was applied in determining the fair value of Common Stock issued in connection with the New Ground Lease. A DLOM of 9% was applied in determining the fair value of Common Stock issued on the Effective Date of the Cayuga Lease and a DLOM of 4.5% was applied in determining the fair value of additional Common Stock issued on September 30, 2025 relating to the Cayuga Lease (see Note 8).

NOTE 5 — DIGITAL ASSETS

The following table presents information about the Company's digital asset holdings as of December 31, 2025 and 2024 (in thousands, except for quantity of digital assets):

	Quantity	Amount
Balance as of January 1, 2025	5	\$ 476
Revenue recognized from digital asset mining	1,496	151,556
Change in digital assets receivable	2	177
Losses from remeasurement, net	—	(612)
Dispositions	(1,500)	(151,327)
Balance as of December 31, 2025	3	\$ 270
Cost basis as of December 31, 2025 ⁽¹⁾		\$ 269

	Quantity	Amount
Balance as of January 1, 2024	43	\$ 1,838
Revenue recognized from digital asset mining and hosting services	2,179	139,278
Bitcoin received as distribution from investee	395	22,776
Gains from remeasurement, net	—	2,200
Dispositions	(2,600)	(164,930)
Digital assets paid as consideration for services	(5)	(370)
Digital assets paid for purchases of and deposits on plant and equipment	(7)	(316)
Balance as of December 31, 2024	5	\$ 476
Cost basis as of December 31, 2024 ⁽¹⁾		\$ 477

⁽¹⁾ The cost basis of digital assets represents the valuation of digital asset at the time the Company earns the digital assets through mining activities.

	Year Ended December 31,		
	2025	2024	2023
Realized (losses) gains on sales of digital assets, net ⁽²⁾	\$ (613)	\$ 2,193	\$ 3,174

⁽²⁾ Digital assets are sold on a first in, first out (FIFO) basis. During the year ended December 31, 2025 and 2024, realized net gains are included in loss (gain) on fair value of digital assets, net in the consolidated statements of operations.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company's digital asset holdings are not subject to contractual sale restrictions. As of December 31, 2025 and 2024, the Company held no digital assets other than bitcoin.

NOTE 6 — PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consisted of the following (in thousands):

	December 31, 2025	December 31, 2024
Miners	\$ 213,655	\$ 192,655
Construction in process	1,069,059	107,624
Leasehold improvements	265,010	91,614
Electrical and computer equipment	91,158	32,031
Office furniture and fixtures	375	—
Vehicles	194	104
Deposits on miners	—	53,913
	<u>1,639,451</u>	<u>477,941</u>
Less: accumulated depreciation	<u>(131,752)</u>	<u>(66,072)</u>
	<u>\$ 1,507,699</u>	<u>\$ 411,869</u>

The Company capitalizes a portion of the interest on funds borrowed to finance its capital expenditures. Capitalized interest is recorded as part of an asset's cost and is depreciated over the same period as the related asset. Capitalized interest costs were \$9.7 million, \$0 and \$2.2 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Depreciation expense was \$88.6 million, \$59.8 million and \$28.4 million for the years ended December 31, 2025, 2024 and 2023, respectively. During the year ended December 31, 2025, the Company recorded accelerated depreciation expense of \$19.6 million related to a certain miner building and related miners of which the Company shortened their useful lives based on expected shutdown of operations for purposes of supporting the HPC operations. During the year ended December 31, 2024, the Company recorded accelerated depreciation expense of \$5.1 million related to certain miners of which the Company shortened their estimated useful lives based on replacement by April 30, 2024.

During the year ended December 31, 2025, the Company sold or otherwise disposed of 17,228 miners and received proceeds of \$11.6 million resulting in a net loss on disposal of property, plant and equipment of \$4.9 million in the consolidated statement of operations. During the year ended December 31, 2024, the Company sold or otherwise disposed of 62,970 miners and received proceeds of \$23.3 million resulting in a net loss on disposal of property, plant and equipment of \$17.8 million in the consolidated statement of operations. During the year ended December 31, 2023, the Company recorded a loss on disposal of property, plant and equipment of \$1.2 million. The Company recorded no impairment during the years ended December 31, 2025, 2024 and 2023, respectively, other than impairment of \$0.4 million for certain miners that were reclassified as held for sale and subsequently sold during the year ended December 31, 2024 which is included in loss on disposal of property, plant and equipment in the consolidated statement of operations.

During the year ended December 31, 2024, the Company entered into a Future Sales and Purchase Agreement and Supplemental Agreement with Bitmain Technologies Delaware Limited ("Bitmain Delaware") which provided the Company the right, but not the obligation, to purchase up to 7,020 PH (approximately 30,000 miners) of S21 Pro miners for a purchase price of \$112.3 million (the "Bitmain Call Option"). During the year ended December 31, 2024, the Company exercised its option pursuant to the Bitmain Call Option to purchase 30,000 S21 Pro units and, as of December 31, 2024, the deposits on miners of \$53.9 million represented payment to Bitmain Delaware for approximately 14,400 S21 Pro miners purchased under the Bitmain Call Option which were received in 2025.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 – GOODWILL

The following table summarizes the change in the carrying amount of goodwill during the year ended December 31, 2025 (in thousands):

	<u>Gross Carrying Amount</u>	<u>Accumulated Impairment</u>	<u>Goodwill</u>
Balance as of December 31, 2024	\$ —	\$ —	\$ —
Acquisition of Beowulf E&D	55,457	—	55,457
Balance as of December 31, 2025	<u>\$ 55,457</u>	<u>\$ —</u>	<u>\$ 55,457</u>

Goodwill attributed to the acquisition of Beowulf E&D reflects the Company's allocation of purchase consideration in excess of the estimated fair values of net assets acquired.

Prior to the third quarter of 2025, the Company had one segment, Digital Asset Mining. In the third quarter of 2025, the Company's HPC Leasing operations met the criteria to be considered a new segment. Accordingly, the Company determined the change in composition of its reportable segments resulted in the identification of two reporting segments (HPC Leasing and Digital Asset Mining) and reassigned goodwill to the reporting segments affected using a relative fair value allocation approach, resulting in goodwill of \$53.4 million and \$2.1 million allocated to the HPC Leasing reporting segment and Digital Asset Mining reporting segment, respectively, as of December 31, 2025.

The Company's annual impairment evaluation resulted in no impairment during the year ended December 31, 2025.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 — LEASES

Lessee Accounting

The New Ground Lease

In May 2021, the Company entered into a ground lease (as amended from time to time, the “Ground Lease”), related to the Lake Mariner Data Campus in New York with a counterparty which is a related party due to control by a member of Company management (the “Ground Lease Lessor”). The Ground Lease had a term of eight years and was classified as an operating lease remeasured as of the date of the second amendment in July 2022 utilizing a discount rate of 12.6%, which was an estimate of the Company’s incremental borrowing rate based on the estimated rate of interest for collateralized borrowing over a similar term of the lease payments at the remeasurement date.

In October 2024, the Company terminated its existing Ground Lease and entered into a new agreement with the same related party counterparty (the “New Ground Lease”) for the Lake Mariner Data Campus. The New Ground Lease expanded the acreage of real property covered by the prior lease to support both cryptocurrency mining and HPC leasing datacenter operations. The New Ground Lease includes both fixed and variable payments, including an annual escalation factor and the Company’s proportionate share of the landlord’s cost to own, operate and maintain the premises. It has an initial term of 35 years, commencing on October 9, 2024, and will automatically renew for up to nine additional five-year periods unless the Company provides written notice of termination at least six months prior to the end of the initial or the then-current renewal term. Upon expiration of the New Ground Lease, all buildings and improvements on the premises will revert to the Ground Lease Lessor in good condition. As consideration for terminating the prior lease and entering into the New Ground Lease, the Company issued 20.0 million shares of Common Stock with a fair value of \$68.8 million and paid \$12.0 million in cash (the “Cash Lease Prepayment”) to the parent company of the Ground Lease Lessor in October 2024. The Company determined that this transaction constituted a lease modification under ASC 842.

The New Ground Lease contains two lease components: land and building. The land component was classified as an operating lease, while the building component was classified as a finance lease, as the 35 years initial term represents a major portion of the building’s remaining economic life. As of October 9, 2024, the Company remeasured the lease liabilities for both components using a discount rate of 6.9%, which reflects the estimated incremental borrowing rate for a collateralized loan with a term comparable to the lease payments.

In May 2025 in connection with acquisition of Beowulf E&D, the New Ground Lease was amended and restated (as amended and restated, the “A&R Lease”). While the A&R Lease did not change the parties, term or payments under the lease, the A&R Lease grants the Ground Lease Lessor the right to participate in TeraWulf’s board of directors meetings as a non-voting observer for the remainder of the A&R Lease term, provided that the Ground Lease Lessor (together with its affiliates) continues to beneficially own at least 15 million shares of Common Stock. The A&R Lease also provides that (a) Beowulf E&D has been, and is currently providing certain services in its capacity as the exclusive operator of the Lake Mariner Data Campus, (b) so long as TeraWulf is an affiliate of the Ground Lease Lessor, the lessee may designate TeraWulf or one or more of its wholly owned subsidiaries as operator of the premises (together with Beowulf E&D, each and collectively “TeraWulf Operator”), and (c) as long as TeraWulf Operator is not in material default of its services, TeraWulf Operator may not be replaced or removed as operator without the prior written consent of the Ground Lease Lessor, with such consent not to be unreasonably withheld, conditioned or delayed.

In August 2025, the A&R Lease was amended and restated (the “Second A&R Lease”). Pursuant to the terms of the Second A&R Lease, Lake Mariner Data LLC (“Lake Mariner”), an indirect wholly owned subsidiary of the Company, assigned its right, title and interest in the premises to its parent company, TeraWulf Brookings LLC (“Brookings”) and the parties adjusted the leased acreage to Lake Mariner’s current bitcoin mining operations. On the same date, the Ground Lease Lessor and Brookings entered into three new ground leases for the remaining acreage (collectively, the “Somerset-Brookings Leases”). The Somerset-Brookings Leases and the Second A&R Lease collectively cover 162.7 acres of real property and grant the respective tenants access to power and infrastructure equipment for up to 750 MW at the Lake Mariner Data Campus. This internal lease restructuring was not a substantive modification to the A&R Lease as it did not result in a change to the underlying right-of-use assets, lease term or total consideration transferred under the leasing arrangement. This restructuring enabled the Company to allocate power and infrastructure resources to its bitcoin mining and HPC subsidiaries via different subleases tailored to its datacenter customers.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Cayuga Lease

On August 12, 2025 (the “Effective Date”), the Company entered into a lease agreement (the “Cayuga Lease”), related to the Company’s Lake Hawkeye site in New York with a counterparty which is a related party due to control by a member of Company management (the “Cayuga Lease Lessor”), The Cayuga Lease leases a portion of Cayuga Lease Lessor’s real property consisting of approximately 183 acres, including all structures, equipment, facilities and fixtures located thereon which the Company expects to use primarily for HPC datacenter operations. The Cayuga Lease has an initial term of 80 years with no renewal rights and the Company prepaid rent consisting of (i) \$95.0 million in the form of Common Stock determined on the basis of a 15-day trailing VWAP by issuing 18.6 million shares of Common Stock and (ii) \$3.0 million in cash during the year ended December 31, 2025. The Company is also responsible for its proportionate share of certain costs, expenses and disbursements incurred by Cayuga Lease Lessor to own, operate and maintain any other portions of the real property necessary or useful to reasonably support the Company’s use of the premises.

Any time after the 50th anniversary of the Effective Date (i) the Company may elect to purchase the premises for \$100, either as an asset acquisition or through the purchase of all membership interests in the Cayuga Lease Lessor, and (ii) the Cayuga Lease Lessor and its parent may require the Company to purchase the premises on the same terms. In addition, following the Cayuga Lease Lessor’s reasonable determination that the premises will be subject to material environmental damage arising during the term resulting from the Company’s use of the premises, the Cayuga Lease Lessor may require the Company to purchase the premises for \$100 either as an asset acquisition or through the purchase of all the membership interests in the Cayuga Lease Lessor. Any such sale will be on an “as is” “where is” basis. Upon expiration of the Cayuga Lease, all buildings and improvements on the premises will revert to the Cayuga Lease Lessor in good condition. The Cayuga Lease contained three lease components: land, buildings and equipment. All three components were classified as finance leases, due to the bargain purchase option. The Company measured the lease liabilities for the three components using a discount rate of 7.5%, which reflects the estimated incremental borrowing rate for a collateralized loan with a term comparable to the expected lease term.

Other Lessee Arrangements

In April 2025, the Company entered into an office lease in New York (the “NY Hudson Lease”). The NY Hudson Lease, which was classified as an operating lease, commenced in September 2025 with an initial term ending March 31, 2033 and includes two five-year renewal options. The Company measured the right-of-use asset and lease liability of the NY Hudson Lease in accordance with ASC 842 using a discount rate of 6.2%, which reflects the estimated incremental borrowing rate for a collateralized loan with terms comparable to the lease payments. In connection with the execution of the NY Hudson Lease, the Company posted a letter of credit for \$1.4 million as security for the lease which shall remain in effect through the term of the NY Hudson Lease. The Company is required to maintain a balance of \$1.4 million in a deposit account as collateral to the letter of credit, which is included in restricted cash (noncurrent) in the consolidated balance sheet as of December 31, 2025.

In connection with the acquisition of Beowulf E&D, the Company acquired four office leases of Beowulf E&D, including (i) one lease with a remaining lease terms of less than twelve months, for which the Company elected an accounting policy to not recognize this short-term leases on its balance sheet as allowed under ASC 842 as well as one lease for office space in Washington D.C. with nominal rent payments over a 13-month term, (ii) an acquired lease for a property in New York with a related party counterparty due to control by members of the Company’s management (the “NY Lease”), which was classified as an operating lease with a remaining term of 11.3 years as of the Acquisition Date, and (iii) an acquired lease for office space in Maryland with a related party counterparty due to control by a member of the Company’s management (the “MD Lease”), which was classified as an operating lease with a remaining term of 6.1 years as of the Acquisition Date. The Company measured the right-of-use assets and lease liabilities of the NY Lease and the MD Lease as of May 21, 2025 in accordance with ASC 842 using a discount rate of 6.9% and 6.5%, respectively, which reflects the estimated incremental borrowing rates for a collateralized loan with terms comparable to the lease payments.

In September 2025, the Company entered an equipment lease for certain standby power generation equipment which is expected to commence in February 2026 (the “Equipment Lease”). The Equipment Lease includes fixed and variable payments over an initial term of one year with options to extend in six-month increments, up to four years. The Equipment Lease also includes a purchase option to purchase the equipment under lease with certain credits applied for fixed payments made during the term of the lease. The Company anticipates the lease will qualify as a finance lease upon commencement and prepaid \$6.2 million of rent during the year ended December 31, 2025 which is included within other assets in the consolidated balance sheet as of December 31, 2025.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

During the year ended December 31, 2025, the Company recorded operating lease expense of \$5.4 million, including variable expense of \$1.4 million and made cash lease payments of \$2.7 million. Of the total operating lease expenses, \$3.7 million is included in operating expenses – related party, \$0.9 million is included in selling, general and administrative expenses, and \$0.8 million is included in selling, general and administrative expenses – related party, respectively, in the consolidated statement of operations. During the years ended December 31, 2024 and 2023, the Company recorded operating lease expense of \$1.7 million and \$1.3 million, respectively, including variable expense of \$0.2 million and \$0.2 million, respectively, in operating expenses – related party in the consolidated statements of operations and made cash lease payments of \$11.5 million and \$0.9 million, respectively, in addition to the issuance of the aforementioned Common Stock for the New Ground Lease.

During the years ended December 31, 2025 and 2024, the Company recorded amortization of the right-of-use assets related to its finance leases of \$2.5 million and \$0.1 million, respectively, including variable expense of \$1.2 million and \$0, respectively, in operating expenses – related party in the consolidated statements of operations and made cash payments of \$9.2 million and \$0.9 million, respectively, in addition to the issuance of the aforementioned Common Stock for the New Ground Lease and the Cayuga Lease. The Company recorded interest expense on finance lease liabilities of \$20,000 and \$5,000 included in interest expense in the consolidated statements of operations for the year ended December 31, 2025 and 2024, respectively. The Company recorded no amortization of ROU and interest expense on finance lease liabilities or made payments for finance leases during the year ended December 31, 2023.

As of December 31, 2025, the remaining operating and finance lease terms were 11.8 years and 33.9 years, respectively, and the weighted-average discount rate of operating and finance leases were 6.5% and 6.9%, respectively.

The following is a maturity analysis of the annual undiscounted cash flows of the estimated operating and finance lease liabilities as of December 31, 2025 (in thousands):

Year ending December 31:	Operating Lease Liability	Finance Lease Liability
2026	\$ 3,527	\$ 22
2027	3,543	22
2028	3,559	22
2029	3,612	22
2030	3,703	22
Thereafter	17,840	635
	<u>\$ 35,784</u>	<u>\$ 745</u>

A reconciliation of the undiscounted cash flows to the operating lease and finance lease liabilities recognized in the consolidated balance sheet as of December 31, 2025 follows (in thousands):

	Operating Lease Liability	Finance Lease Liability
Undiscounted cash flows of the operating lease	\$ 35,784	\$ 745
Unamortized discount	11,460	454
Total operating lease liability	24,324	291
Current portion of operating lease liability	2,015	2
Operating lease liability, net of current portion	<u>\$ 22,309</u>	<u>\$ 289</u>

Lessor Accounting

In December 2024, the Company entered into long-term HPC leases with a customer (the “Core42 HPC Leases”) for specified datacenter infrastructure at the Lake Mariner Data Campus to support the customer’s HPC operations. The Company determined at contract inception that these arrangements contain a lease, comprising lease components related to the right to use datacenter space and nonlease components for power delivery, physical security, and maintenance services.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2025, two of the Core42 HPC Leases had commenced in July and August 2025, respectively. The other two leases are expected to begin in early 2026. The Core42 HPC Leases included an initial 10-year term, two five-year renewal options, and a now-expired provision for near-term capacity expansion. In August 2025, the Company entered into change orders on the Core42 HPC Leases whereby the parties agreed to additional work and an adjustment of the base lease rent and modified the 10-year term to commence upon the achievement of certain specified additional work.

The Core42 HPC Leases provide for certain prepaid rent amounts (“Prepaid Rent”) representing the first 12 months base rent under each lease for a total of \$90.0 million which shall be applied towards 50% of each month’s base rent commencing on the respective commencement date of each lease until the Prepaid Rent is exhausted. During the year ended December 31, 2025, the Company received the \$90.0 million of Prepaid Rent from the customer and as of December 31, 2025, has recorded \$58.2 million and \$23.3 million in current portion of deferred rent liability and deferred rent liability, net of current portion, respectively, in the consolidated balance sheet.

In August 2025, the Company entered in long-term HPC leases with a customer (the “Fluidstack HPC Leases”) for specified datacenter infrastructure at the Lake Mariner Data Campus to support the customer’s HPC operations. The Company determined at contract inception that these arrangements contain a lease, comprising lease components related to the right to use datacenter space—currently under construction—and nonlease components for power delivery, physical security, and maintenance services. As of December 31, 2025, none of the Fluidstack HPC Leases had commenced. Each Fluidstack HPC Lease is expected to begin at various dates in 2026 and includes an initial 10-year term and two five-year renewal options.

In connection with the Fluidstack HPC Leases, the Company entered into recognition agreements with Fluidstack USA I Inc. (“Fluidstack”) and Google LLC (“Google”) (the “Google Recognition Agreements”), pursuant to which Google agreed to backstop (the “Google Backstop”) certain obligations of Fluidstack under the Fluidstack HPC Leases. The Google Backstop under each Google Recognition Agreement becomes effective as of the commencement date under the corresponding Fluidstack HPC Lease. In the event of a payment default under a Fluidstack HPC Lease, or if Fluidstack becomes subject to an insolvency event, following notice from the Company, Google will have the option to either (i) pay the termination fee under such Fluidstack HPC Lease (the “Termination Fee”) or (ii) pay all rent currently due under the Fluidstack HPC Lease and assume the Fluidstack HPC Lease as the tenant thereunder.

In consideration of Google providing the Google Backstop, the Company entered into Warrant Agreements with Google, pursuant to which the Company issued to Google warrants (the “Google Warrants”) to purchase a total of 73,580,000 shares of Common Stock for an exercise price of \$0.01 per share of Common Stock. The Google Warrants have an exercise period beginning on the earlier of the commencement date of each respective Fluidstack HPC Lease or 180 days after the target commencement date, as defined, of each respective Fluidstack HPC Lease and expiring on August 13, 2030 for 41,011,803 of the Google Warrants and August 17, 2030 for 32,568,197 of the Google Warrants. If the Google Warrants are not exercised by these dates and the market value of Common Stock exceeds the exercise price, the Google Warrants are automatically exercised on a net basis. As a condition to receiving the Google Warrants prior to the effective date applicable to the Google Backstop, Google has agreed to pledge the Google Warrants for the benefit of the lenders under certain financing transactions in connection with construction of the HPC buildings pursuant to a customary warrant pledge agreement until such time as the Google Backstop becomes effective. Google entered into this pledge agreement with the Company and Wilmington Trust, National Association, as collateral agent, in connection with the Company’s \$3200.0 million 2030 Senior Secured Notes financing in October 2025 (see Note 10).

The Company recorded an asset of \$515.5 million based on the fair value of the Google Warrants at issuance, which is in deferred charges in the consolidated balance sheet as of December 31, 2025. The Company will amortize this asset over the life of the Fluidstack HPC Leases on a straight-line basis to recognize the benefit derived from the Google Backstop. The Company recorded the Google Warrants in warrant liabilities in the consolidated balance sheet as of December 31, 2025 and changes in the fair value are recorded in change in fair value of warrants and derivatives in the consolidated statement of operations during the year ended December 31, 2025.

The Company entered into commission agreements in connection with its HPC Leases. The commissions were earned upon execution of the HPC Leases and receipt of Prepaid Rent, as applicable, and the Company recorded assets for the commission charges as initial direct costs and will amortize these assets over the life of the respective HPC Leases on the same basis as lease income. Certain of the commission payments become payable upon future events, including commencement of the respective HPC Leases. As of December 31, 2025, the Company reported unamortized initial direct

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

costs of \$57.4 million included in deferred charges and \$27.6 million in accrued lessor costs, respectively, in the consolidated balance sheet.

The components of HPC lease revenue for the operating leases were as follows:

	Year Ended December 31,		
	2025	2024	2023
Lease income relating to lease payments	\$ 13,750	\$ —	\$ —
Variable lease payments	\$ 3,149	\$ —	\$ —

The following table represents the maturity analysis of commenced minimum operating lease payments expected to be received as of December 31, 2025, and thereafter (in thousands):

	Operating Lease
2026	\$ 14,144
2027	21,702
2028	30,111
2029	31,014
2030	31,944
Thereafter	178,844
	<u>\$ 307,759</u>

Leased property, plant and equipment, net consisted of the following (in thousands):

	December 31, 2025	December 31, 2024
Computer equipment	\$ 2,867	\$ —
Electrical equipment	43,200	—
Leasehold improvements	126,927	—
Total	172,994	—
Less: accumulated depreciation	(2,655)	—
Leased property, plant and equipment, net	<u>\$ 170,339</u>	<u>\$ —</u>

NOTE 9 – INCOME TAXES

The components of net loss before income tax for continuing operations (comprised of the total of loss before income tax and equity in net (loss) income of investee and equity in net (loss) income of investee, net of tax) for the years ended December 31, 2025, 2024 and 2023 are as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Domestic	\$ (661,340)	\$ (72,417)	\$ (73,419)
Foreign	—	—	—
Total	<u>\$ (661,340)</u>	<u>\$ (72,417)</u>	<u>\$ (73,419)</u>

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company's income tax provision for continuing operations for the years ended December 31, 2025, 2024 and 2023 are as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Current:			
Federal	\$ —	\$ —	\$ —
State and local	—	—	—
Foreign	—	—	—
Total current income tax provision	—	—	—
Deferred:			
Federal	73	—	—
State and local	3	—	—
Foreign	—	—	—
Total deferred income tax provision	76	—	—
Income tax provision	\$ 76	\$ —	\$ —

The effective tax rate of the Company's provision for income taxes differs from the federal statutory rate for the year ended December 31, 2025 as follows:

	Year Ended December 31, 2025	
	Amount	%
Federal statutory rate	\$ (138,881)	21.0 %
State and local income taxes, net of federal income tax effect	1	— %
Foreign tax effects	—	— %
Effect of changes in tax laws or rates enacted in the current period	—	— %
Effect of cross-border tax laws	—	— %
Tax credits	—	— %
Changes in valuation allowances	33,183	(5.0)%
Nontaxable or nondeductible items		
Change in fair value of warrants and derivatives	90,256	(13.7)%
Non-deductible compensation	18,423	(2.8)%
Excess tax deduction on stock compensation	(3,242)	0.5 %
Other	271	— %
Changes in unrecognized tax benefits	—	— %
Other items	65	— %
Effective tax rate	\$ 76	— %

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A reconciliation between income tax provision and the expected tax provision at the statutory rate for the years ended December 31, 2024 and 2023 are as follows:

	Year Ended December 31,	
	2024	2023
Federal statutory rate	21.0 %	21.0 %
State taxes, net of federal benefit	4.3 %	0.4 %
Permanent differences	(0.1)%	0.8 %
Non-deductible compensation	(14.6)%	(1.3)%
Change in valuation allowance	(17.6)%	(15.6)%
Share based liabilities	7.0 %	(4.5)%
Change in fair value of warrants and derivatives	— %	— %
Other items	— %	(0.8)%
Effective tax rate	— %	— %

Deferred income taxes reflect the net tax effects of (a) temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, and (b) operating losses and tax credit carryforwards.

The tax effects of significant items comprising the Company's deferred taxes as of December 31, 2025 and 2024 are as follows (in thousands):

	December 31, 2025	December 31, 2024
Deferred tax assets:		
Net operating losses	\$ 72,174	\$ 48,552
Accruals and reserves	399	1,082
Lease liabilities	5,201	892
Stock compensation	1,848	337
Interest expense limitation carryforward	13,737	5,665
Goodwill and acquired intangibles	1,910	—
Other	166	—
Gross deferred tax assets	95,435	56,528
Valuation allowance	(85,162)	(53,705)
Deferred tax assets, net	10,273	2,823
Deferred tax liabilities:		
Lease right-of-use asset	(6,548)	(880)
Property, plant and equipment	(3,801)	(1,943)
Gross deferred tax liabilities	(10,349)	(2,823)
Deferred tax liabilities, net	\$ (76)	\$ —

ASC 740 requires a valuation allowance to reduce the deferred tax assets reported if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. As of December 31, 2025 and 2024, the Company estimated a portion of its deferred tax assets will be utilized to offset the Company's deferred tax liabilities. Based upon the level of historical U.S. losses and future projections over the period in which the net deferred tax assets are deductible, at this time, management believes it is more likely than not that the Company will not realize the benefits of the remaining deductible temporary differences, and as a result the Company has recorded a valuation

TERAWULF INC. AND SUBSIDIARIES**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

allowance as of December 31, 2025 and 2024, for the amount of deferred tax assets that will not be realized. The increase in the December 31, 2025 valuation allowance of \$33.2 million is primarily attributable to the current year net loss.

As of December 31, 2025 and 2024, for federal income tax purposes the Company had total net operating loss carryforwards of approximately \$330.0 million and \$211.1 million, respectively. As of December 31, 2025, the net operating losses will have an indefinite carryforward as a result of the Tax Cuts and Jobs Act, but may be limited in utilization to 80% of taxable income. For state income tax purposes, as of December 31, 2025 and 2024 the Company had state net operating loss carryforwards of approximately \$47.2 million and \$65.3 million, respectively, which begin to expire in 2041.

As of December 31, 2025 and 2024, the Company did not have any available federal or state research and development tax credit carryforwards.

Under the provisions of the Internal Revenue Code, the net operating loss carryforwards are subject to review and possible adjustment by the Internal Revenue Service and state tax authorities. The Company has not completed a formal study to conclude whether an annual limitation may exist. Net operating loss carryforwards may become subject to an annual limitation in the event of certain cumulative changes in the ownership interest of significant shareholders over a three-year period in excess of 50%, as defined under Sections 382 and 383 of the Internal Revenue Code, respectively, as well as similar state provisions. This could limit the amount of tax attributes that can be utilized annually to offset future taxable income or tax liabilities. The amount of the annual limitation is determined based on the value of the Company immediately prior to the ownership change. Subsequent ownership changes may further affect the limitation in future years.

The Company follows the provisions of ASC 740 which specifies how tax benefits for uncertain tax positions are to be recognized, measured, and recorded in the consolidated financial statements; requires certain disclosures of uncertain tax matters; specifies how reserves for uncertain tax positions should be classified on the consolidated balance sheet; and provides transition and interim period guidance, among other provisions. As of December 31, 2025 and 2024, the Company had not recorded any long-term liabilities for uncertain tax positions. The Company's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its consolidated statements of operations. For the years ended December 31, 2025 and 2024, no estimated interest or penalties were recognized on uncertain tax positions.

The Company files income tax returns in the U.S. federal tax jurisdiction and various state jurisdictions. Since the Company is in a loss carryforward position, the Company is generally subject to examination by the U.S. federal, state and local income tax authorities for all years in which a loss carryforward is available. The statute of limitations for assessment by federal and state tax jurisdictions in which the Company has business operations is open for the tax year ended December 31, 2025. The tax years subject to examination vary by jurisdiction.

NOTE 10 – DEBT**Long-Term Debt**

Long-term debt consists of the following (in thousands):

	December 31, 2025	December 31, 2024
Term debt	\$ 3,200,000	\$ —
Debt issuance costs and debt discount	(101,444)	—
Property, plant and equipment finance agreement	—	—
	3,098,556	—
Less current portion of long-term debt	46,316	—
Total long-term debt, net of current portion	<u>\$ 3,052,240</u>	<u>\$ —</u>

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Senior Secured Notes

On October 22, 2025, the Company, through its wholly owned subsidiary Wulf Compute LLC (“Wulf Compute”), completed a private offering of \$3,200.0 million aggregate principal amount of 7.75% Senior Secured Notes due 2030 (the “2030 Secured Notes”). The 2030 Secured Notes have a maturity date of October 15, 2030. The net proceeds of the 2030 Secured Notes are being used to finance a portion of the cost of the HPC buildout at the Lake Mariner Data Campus.

Principal payments on the 2030 Secured Notes are due on a semi-annual basis on April 15 and October 15 of each year following completion of the initial phase of the Lake Mariner Data Campus buildout. The Company is also required to make an offer to holders to repurchase the 2030 Secured Notes based on excess cash flows, as defined, on or before each semiannual payment date. Interest payments are due in arrears on April 15 and October 15 of each year, beginning on April 15, 2026.

The 2030 Notes are fully and unconditionally guaranteed by Wulf Compute’s subsidiaries, La Lupa Data LLC, Akela Data Holdings LLC and Akela Data LLC (collectively, the “Guarantors”). The 2030 Secured Notes and related guarantees are secured by first-priority liens on (i) substantially all the assets of Wulf Compute and the Guarantors, other than certain excluded property, (ii) all equity interests of Wulf Compute held by Brookings, the direct parent company of Wulf Compute, and (iii) a designated lockbox account of Fluidstack. Additionally, in connection with the 2030 Secured Notes, Google and the Company entered into a pledge agreement. Under the pledge agreement, Google assigned and pledged to the collateral agent, its successors and permitted assigns, for the benefit of the lenders, and granted to the collateral agent, its successors and permitted assigns, for the benefit of the lenders, a security interest in all of Google’s right, title and interest in, to and under the Google Warrants. The security interests associated with the Google Warrants shall automatically terminate and/or be released upon the earlier of (i) the occurrence of the commencement date of the respective Fluidstack HPC Leases and the (ii) the payment and discharge in full of the 2030 Secured Notes.

In connection with the 2030 Secured Notes, an affiliate of Google unconditionally agreed with the collateral agent for the benefit of the lenders that it shall (or shall cause Google to) pay the Termination Fee in accordance with the timing requirements set forth in the respective Google Recognition Agreements.

The Company has provided customary completion guarantees with respect to the HPC buildout at the Lake Mariner Data Campus under which it will fund Wulf Compute as necessary to ensure the timely completion of the HPC data center buildings.

The Company may redeem some or all of the 2030 Secured Notes at any time on or after October 15, 2027 at the redemption price, plus accrued and unpaid interest. Prior to October 15, 2027, the Company may redeem some or all of the 2030 Secured Notes at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, plus the applicable “make-whole” premium set forth in the agreement. Prior to October 15, 2027, the Company may also redeem up to 40% of the aggregate principal amount of the 2030 Secured Notes (which includes additional notes, if any) in an amount not to exceed the amount of the proceeds of certain equity offerings at set redemption prices, plus accrued and unpaid interest. Certain events, as described in the 2030 Secured Notes, required mandatory prepayment.

The 2030 Secured Notes related guarantees rank (i) equally in right of payment with all existing and future senior indebtedness of Wulf Compute and the Guarantors, (ii) senior in right of payment to all existing and future indebtedness of the Wulf Compute and the Guarantors that are, by their terms, expressly subordinated in right of payment to the 2030 Secured Notes, (iii) effectively senior to all existing and future unsecured indebtedness of Wulf Compute and the Guarantors to the extent of the value of the Collateral, (iv) effectively senior to all existing and future indebtedness of Wulf Compute and the Guarantors secured by a junior-priority lien on the collateral, to the extent of the value of the collateral, (v) effectively junior to all indebtedness of Wulf Compute and the Guarantors that is secured by assets not constituting collateral, to the extent of the value of such assets, and (vi) structurally subordinated to all obligations of each of the Issuer’s subsidiaries that is not a guarantor of the 2030 Senior Notes.

The 2030 Secured Notes contain certain customary negative covenants. The negative covenants restrict or limit Wulf Compute to, among other things, incur debt, create liens, divest or acquire assets and make distributions or pay dividends. The 2030 Secured Notes also contain usual and customary events of default (subject to certain threshold amounts and grace periods). If an event of a default occurs and is continuing, the then outstanding obligations under the 2030 Secured Notes may become immediately due and payable.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In connection with the offering, the Company incurred issuance costs and up-front fees, totaling \$105.4 million. These amounts represented debt issuance costs which are being amortized as an adjustment of interest expense over the term of the 2030 Secured Notes. The 2030 Secured Notes have an effective interest rate of 8.7% which includes the stated interest of 7.75%.

Loan, Guarantee and Security Agreement (the "LGSA")

On December 1, 2021, the Company entered into the LGSA with Wilmington Trust, National Association, as administrative agent, which consisted of total Term Loans of \$146.0 million (the "Term Loans") with an interest rate of 11.5% and a maturity date of December 1, 2024.

Subsequent to an amendment to the LGSA in March 2023 (the "Fifth Amendment"), the Company was required to pay amounts subject to an excess cash flow sweep, as defined, on a quarterly basis which automatically extended to the maturity of the Term Loans in the event the Company repaid at least \$40.0 million of the principal balance of the Term Loans by April 1, 2024, which the Company did in February 2024. Interest payments were due quarterly in arrears prior to the Fifth Amendment and were due monthly in arrears subsequent to the Fifth Amendment. The Company had the option to prepay all or any portion of the Term Loans in increments of at least \$5.0 million subject to certain prepayment fees equal to an amount of 2.0% of the prepaid principal, applicable to approximately 85% of the outstanding principal. Certain events, as described in the LGSA, required mandatory prepayment.

During the year ended December 31, 2023, the Company repaid \$6.6 million of the principal balance in accordance with the excess cash flow sweep. During the year ended December 31, 2024, the Company repaid \$139.4 million of the principal balance, including voluntary prepayments of \$74.5 million. In connection with the voluntary prepayments, the Company recorded a loss on extinguishment of debt of \$6.3 million which is included in the consolidated statement of operations, consisting of \$1.3 million of prepayment fees and the immediate write-off of \$5.0 million of unamortized debt discount associated with the principal repaid. The Company fully repaid the principal balance of the Term Loans in July 2024.

In connection with the Term Loans under the LGSA, the Company issued to the holders of the Term Loans certain shares of Common Stock, warrants to purchase shares of Common Stock and incurred issuance costs and up-front fees, which included \$29.8 million in December 2021 in connection with the original issuance, \$3.5 million in July 2022 in connection with the first amendment of the LGSA, \$2.9 million in October 2022 in connection with the third amendment of the LGSA, and \$16.0 million in March 2023 in connection with the Fifth Amendment. These amounts represented debt issuance costs and debt discount which were being amortized as an adjustment of interest expense over the term of the LGSA.

LGSA Warrants

In 2022, in connection with the first and third amendments of the LGSA, the Company issued warrants to the lenders to purchase 8,455,410 shares of Common Stock at \$0.01 per share. During the years ended December 31, 2025, 2024 and 2023, 0, 0 and 2,740,587 warrants, respectively, issued in connection with the LGSA were exercised for issuance of the same number of shares of Common Stock for aggregate proceeds to the Company of \$0, \$0, and \$27,000, respectively.

In March 2023, in connection with the Fifth Amendment to the LGSA the Company entered into a warrant agreement (the "Warrant Agreement") to issue the following warrants to the lenders: (i) 27,759,265 warrants to purchase an aggregate number of shares of the Company's Common Stock equal to 10.0% of the fully diluted equity of the Company as of the Fifth Amendment effective date with an exercise price of \$0.01 per share of the Company's Common Stock (the "Penny Warrants") and (ii) 13,879,630 warrants to purchase an aggregate number of shares of the Company's Common Stock equal to 5.0% of the fully diluted equity of the Company as of the Fifth Amendment effective date with an exercise price of \$1.00 per share of the Company's Common Stock (the "Dollar Warrants"). The Penny Warrants were exercisable during the period beginning on April 1, 2024 and ending on December 31, 2025, and the Dollar Warrants are exercisable during the period beginning on April 1, 2024 and ending on December 31, 2026. In March 2023, in connection with the issuance of the warrants pursuant to the Warrant Agreement, the Company entered into a registration rights agreement pursuant to which the Company has agreed to provide customary shelf and piggyback registration rights to the LGSA lenders with respect to the Common Stock issuable upon exercise of the warrants described above.

During the year ended December 31, 2025, 5,445,316 warrants issued in connection with the LGSA were exercised for issuance of the same number of shares of Common Stock, comprising 141,726 Penny Warrants and 5,303,590 Dollar

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Warrants, for aggregate proceeds to the Company of \$5.3 million. During the year ended December 31, 2024, 31,534,861 warrants issued in connection with the LGSA were exercised for issuance of the same number of shares of Common Stock, comprising 27,617,539 Penny Warrants and 3,917,322 Dollar Warrants, for aggregate proceeds to the Company of \$4.2 million.

All warrants granted by the Company as a component of debt transactions are classified as equity in the consolidated balance sheets as of December 31, 2025 and 2024.

Convertible Notes

The following is a summary of the Company's convertible notes as of December 31, 2025 (in thousands):

	Principal Amount	Unamortized Debt Discount and Issuance Costs	Net Carrying Amount
Short-term convertible notes:			
2030 Convertible notes	\$ 500,000	\$ (10,233)	\$ 489,767
Convertible notes:			
2031 Convertible notes	\$ 1,000,000	\$ (416,301)	\$ 583,699
2032 Convertible notes	\$ 1,025,000	\$ (25,911)	999,089
			\$ 1,582,788

The following is a summary of the Company's convertible notes as of December 31, 2024 (in thousands):

	Principal Amount	Unamortized Debt Discount and Issuance Costs	Net Carrying Amount
2030 Convertible notes	\$ 500,000	\$ (12,498)	\$ 487,502

2030 Convertible Notes

In October 2024, the Company completed a private offering of 2.75% convertible senior notes due 2030 (the "2030 Convertible Notes"). The 2030 Convertible Notes, which are unsecured, were sold under a purchase agreement entered into by and between the Company and Cantor Fitzgerald & Co. ("Cantor") as representative of the initial purchasers named therein (the "Initial Purchasers"), for resale to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"). The aggregate principal amount of notes sold in the offering was \$500.0 million, which included \$75.0 million aggregate principal amount of notes issued pursuant to an option to purchase additional notes granted to the Initial Purchasers under the purchase agreement, which the Initial Purchasers exercised in full. The notes were issued at a price equal to 100% of their principal amount. The net proceeds from the sale of the notes were approximately \$487.1 million after deducting the Initial Purchasers' commissions and offering expenses of \$12.9 million in total. The 2030 Convertible Notes have an effective interest rate of 3.3% which includes the stated interest of 2.75% that is payable semi-annually in arrears on May 1 and November 1 of each year, beginning on May 1, 2025.

The 2030 Convertible Notes will mature on February 1, 2030 (the "2030 Convertible Notes Maturity Date"), unless earlier converted by the noteholders or redeemed or repurchased by the Company. The initial conversion rate of the 2030 Convertible Notes was 117.9245 shares of Common Stock per \$1,000 principal amount of 2030 Convertible Notes, which is equal to an initial conversion price of approximately \$8.48 per share. The conversion rate is subject to adjustment upon the occurrence of events specified in the indenture to the 2030 Convertible Notes but will not be adjusted for accrued and unpaid interest on any 2030 Convertible Notes being converted. In addition, upon the occurrence of a make-whole fundamental change (as defined) during the make-whole fundamental change period (as defined), the Company will, in certain circumstances, increase the conversion rate by the number of additional shares described in the indenture to the

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2030 Convertible Notes for a holder that elects to convert such holders' 2030 Convertible Notes in connection with such make-whole fundamental change. As of December 31, 2025, there have been no changes to the initial conversion rate.

Before November 1, 2029, noteholders will have the right to convert their 2030 Convertible Notes only upon the occurrence of the following events:

- during any calendar quarter (and only during such calendar quarter) commencing after March 31, 2025, if the last reported sale price per share of Common Stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day (the "2030 Sale Price Conversion Event");
- during the five business day period after any ten consecutive trading day period (the "Measurement Period") in which the trading price, as defined, per \$1,000 principal amount of notes for each trading day of the Measurement Period was less than 98% of the product of the last reported sale price per share of Common Stock and the conversion rate on such trading day;
- if the Company calls any or all of the 2030 Convertible Notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date, but only with respect to the 2030 Convertible Notes called (or deemed called) for redemption; or
- upon the occurrence of certain specified corporate events as set forth in the indenture governing the 2030 Convertible Notes.

In October 2025, the 2030 Convertible Notes became convertible at the option of the holder based on the achievement of the 2030 Sale Price Conversion Event. Accordingly, the 2030 Convertible Notes are classified as short-term convertible notes in the consolidated balance sheet as of December 31, 2025. Upon conversion of the 2030 Convertible Notes, the Company will pay or deliver, as the case may be, cash or a combination of cash and shares of Common Stock, at the Company's election. The 2030 Convertible Notes will be redeemable, in whole or in part (subject to certain limitations), for cash at the Company's option at any time, and from time to time, on or after November 6, 2027, but only if the last reported sale price per share of the Company's Common Stock exceeds 130% of the conversion price for a specified period of time (as set forth in the indenture to the 2030 Convertible Notes). The redemption price will be equal to the principal amount of the 2030 Convertible Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

On or after November 1, 2029, noteholders may convert all or any portion of their 2030 Convertible Notes at any time at their option until the close of business on the second scheduled trading day immediately before the 2030 Convertible Notes Maturity Date.

If certain corporate events that constitute a "Fundamental Change" (as defined in the indenture governing the 2030 Convertible Notes) occur, then noteholders may require the Company to repurchase for cash all or any portion of their 2030 Convertible Notes at a fundamental change repurchase price equal to 100% of the principal amount of the 2030 Convertible Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date. The definition of Fundamental Change includes certain business combination transactions involving the Company and certain de-listing events with respect to the Company's Common Stock.

In connection with the offering of the 2030 Convertible Notes, the Company entered into privately negotiated capped call transactions with certain counterparties (the "2030 Capped Calls"). The 2030 Capped Calls, which terminate on February 1, 2030 (the "Capped Calls Termination Date"), each have an initial strike price of \$8.48 per share, subject to certain adjustments, which correspond to the initial conversion price of the Convertible Notes. The 2030 Capped Calls have an initial cap price of \$12.80 per share, subject to certain adjustments. The 2030 Capped Calls cover, subject to anti-dilution adjustments, the aggregate number of shares of Common Stock that initially underlie the 2030 Convertible Notes, and are expected generally to reduce potential dilution to the Company's Common Stock upon any conversion of 2030 Convertible Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of converted 2030 Convertible Notes, as the case may be, with such reduction and/or offset subject to a cap, based on the cap price of the 2030 Capped Calls. The conditions that cause adjustments to the initial strike price of the 2030 Capped Calls mirror the conditions that result in corresponding adjustments for the 2030 Convertible Notes. The 2030 Capped Calls automatically

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

exercise in daily ratable amounts between December 5, 2029 and the Capped Calls Termination Date. Additionally, upon the repurchase, redemption or conversion of a quantity of 2030 Convertible Notes, the Company may, but is not required to, effect an early termination of the number of Capped Call options in proportion to such 2030 Convertible Notes repurchased, redeemed or converted. The Company may elect cash settlement or combination settlement, which includes shares of Common Stock or a combination of cash and shares of Common Stock. For accounting purposes, the 2030 Capped Calls are separate transactions, and not part of the terms of the 2030 Convertible Notes. As these transactions meet certain accounting criteria, the 2030 Capped Calls are recorded in stockholders' equity and are not accounted for as derivatives. The cost of \$60.0 million incurred in connection with the 2030 Capped Calls was recorded as a reduction to additional paid in capital in the consolidated balance sheet as of December 31, 2024.

The indenture governing the 2030 Convertible Notes contains customary terms and covenants, including that upon certain events of default occurring and continuing, either the trustee, as defined, or the holders of at least 25% in principal amount of the outstanding 2030 Convertible Notes may declare 100% of the principal of, and accrued and unpaid additional interest, if any, on all the 2030 Convertible Notes to be due and payable.

2031 Convertible Notes

In August 2025, the Company completed a private offering of 1.00% Convertible Senior Notes due 2031 (the "2031 Convertible Notes"). The unsecured notes were sold pursuant to a purchase agreement between the Company and Morgan Stanley & Co. LLC, as representative of the initial purchasers (the "Initial 2031 Purchasers"), for resale to qualified institutional buyers under Rule 144A under the Securities Act.

The total aggregate principal amount of the offering was \$1,000.0 million, including \$150.0 million issued pursuant to the Initial 2031 Purchasers' full exercise of their option to purchase additional notes. The 2031 Convertible Notes were issued at par, and net proceeds totaled approximately \$975.3 million after deducting \$24.7 million in purchasers' commissions and offering expenses. The 2031 Convertible Notes have an effective interest rate of 10.9% which includes the stated interest of 1.00% that is payable semi-annually in arrears on March 1 and September 1 of each year, beginning on March 1, 2026.

The 2031 Convertible Notes mature on September 1, 2031 (the "2031 Convertible Notes Maturity Date"), unless earlier converted redeemed or repurchased. The initial conversion rate is 80.4602 shares of Common Stock per \$1,000 principal amount, equivalent to a conversion price of approximately \$12.43 per share, subject to customary anti-dilution adjustments outlined in the indenture. The conversion rate will not be adjusted for accrued but unpaid interest.

In the event of a make-whole fundamental change (as defined in the indenture), the Company may be required to increase the conversion rate for holders that elect to convert their notes during the designated make-whole fundamental change period. As of December 31, 2025, there were no changes to the initial conversion rate.

Prior to June 1, 2031, holders may convert their notes only upon the occurrence of specific conditions, including:

- If, during any calendar quarter commencing after December 31, 2025, the last reported sale price per share of Common Stock is at least 130% of the conversion price for at least 20 out of the last 30 consecutive trading days of the preceding quarter;
- During the five business days following any 10 consecutive trading-day measurement period in which the trading price of the 2031 Convertible Notes was less than 98% of the product of the Common Stock price and the conversion rate on each trading day;
- If the Company calls any or all of the 2031 Convertible Notes for redemption prior to the scheduled redemption date; or
- Upon the occurrence of certain specified corporate events, as defined in the indenture

Upon conversion, the Company may settle the 2031 Convertible Notes in cash or a combination of cash and shares of Common Stock, at its election. The Company's ability to elect to settle conversions in a combination of cash and shares of Common Stock was subject to its receipt of stockholder approval for an increase in the number of the Company's authorized shares of Common Stock. As of closing of the 2031 Convertible Notes in August 2025, the Company was not

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

initially allowed to elect combination settlement (cash and shares of Common Stock) until after the Company's Articles of Incorporation were amended to increase the number of authorized shares of Common Stock, subject to stockholder approval, such that the conversion feature was required to be bifurcated from the 2031 Convertible Notes and accounted for separately as a derivative liability of \$410.6 million. The Company recognized the change in fair value of the derivative liability of \$100.6 million which is included in change in fair value of warrant and derivative liabilities in the consolidated statements of operations for the year ended December 31, 2025. On September 30, 2025, the Company increased the number of authorized shares of Common Stock such that the Company may elect combination settlement (cash and shares of Common Stock) such that the conversion feature met the criteria for equity classification and the Company reclassified the fair value of the derivative liability of \$511.2 million to additional paid in capital in the consolidated balance sheet.

Beginning September 6, 2028, the Company may redeem the 2031 Convertible Notes, in whole or in part, for cash, provided the Common Stock trades above 130% of the conversion price for a specified period, as outlined in the indenture. The redemption price will equal the principal amount plus accrued and unpaid interest, if any, up to but excluding the redemption date.

On or after June 1, 2031, holders may convert their notes at any time until the second scheduled trading day immediately preceding the Maturity Date.

If a "Fundamental Change" occurs, as defined in the indenture—including certain business combinations or delisting events—holders may require the Company to repurchase all or part of their notes at 100% of principal plus accrued and unpaid interest.

In connection with the offering, the Company entered into privately negotiated capped call transactions (the "2031 Capped Calls") with certain counterparties. The 2031 Capped Calls have a strike price of \$12.43 per share and an initial cap price of \$18.76 per share, each subject to adjustment. They cover the same number of shares initially underlying the 2031 Convertible Notes and are intended to reduce potential dilution and/or offset any cash payments the Company may be required to make above the principal amount upon conversion.

The 2031 Capped Calls will automatically settle or exercise in daily ratable amounts between July 2, 2031, and August 28, 2031, if such capped calls are in-the-money. In the event of a repurchase, redemption, or conversion of the 2031 Convertible Notes, the Company may—but is not obligated to—terminate a corresponding portion of the 2031 Capped Calls options. The Company may elect cash settlement or combination settlement, which includes shares of Common Stock or a combination of cash and shares of Common Stock. The 2031 Capped Calls are accounted for as separate equity transactions and not as derivatives. The \$100.6 million cost of the 2031 Capped Calls was recorded as a reduction to additional paid-in capital on the consolidated balance sheet.

The indenture includes customary covenants and events of default. If an event of default occurs and is continuing, the trustee or holders of at least 25% of the outstanding principal amount may declare the 2031 Convertible Notes immediately due and payable.

2032 Convertible Notes

In October 2025, the Company completed a private offering of 0.00% Convertible Senior Notes due 2032 (the "2032 Convertible Notes"). The unsecured notes were sold pursuant to a purchase agreement between the Company and Morgan Stanley & Co. LLC, as representative of the initial purchasers (the "Initial 2032 Purchasers"), for resale to qualified institutional buyers under Rule 144A under the Securities Act.

The total aggregate principal amount of the offering was \$1,025.0 million, including \$125.0 million issued pursuant to the Initial 2032 Purchasers full exercise of their option to purchase additional notes. The 2032 Convertible Notes were issued at par, and net proceeds totaled approximately \$998.4 million after deducting \$26.6 million in purchasers' commissions and offering expenses. The 2032 Convertible Notes have an effective interest rate of 0.4% and do not bear regular interest.

The 2032 Convertible Notes mature on May 1, 2032 (the "2032 Convertible Notes Maturity Date"), unless earlier converted redeemed or repurchased. The initial conversion rate is 50.1567 shares of Common Stock per \$1,000 principal

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

amount, equivalent to a conversion price of approximately \$19.94 per share, subject to customary anti-dilution adjustments outlined in the indenture. The conversion rate will not be adjusted for accrued but unpaid special interest.

In the event of a make-whole fundamental change (as defined in the indenture), the Company may be required to increase the conversion rate for holders that elect to convert their notes during the designated make-whole fundamental change period. As of December 31, 2025, there were no changes to the initial conversion rate.

Prior to February 1, 2032, holders may convert their notes only upon the occurrence of specific conditions, including:

- If, during any calendar quarter commencing after December 31, 2025, the last reported sale price per share of Common Stock is at least 130% of the conversion price for at least 20 out of the last 30 consecutive trading days of the preceding quarter;
- During the five business days following any 10 consecutive trading-day measurement period in which the trading price of the 2031 Convertible Notes was less than 98% of the product of the Common Stock price and the conversion rate on each trading day;
- If the Company calls any or all of the 2032 Convertible Notes for redemption prior to the scheduled redemption date; or
- Upon the occurrence of certain specified corporate events, as defined in the indenture

Upon conversion of the 2032 Convertible Notes, the Company will pay or deliver, as the case may be, cash or a combination of cash and shares of Common Stock, at the Company's election. The 2032 Convertible Notes will be redeemable, in whole or in part (subject to certain limitations), for cash at the Company's option at any time, and from time to time, on or after November 6, 2027, but only if the last reported sale price per share of the Company's Common Stock exceeds 130% of the conversion price for a specified period of time (as set forth in the Indenture to the 2032 Convertible Notes). The redemption price will be equal to the principal amount of the 2032 Convertible Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

On or after February 1, 2032, noteholders may convert all or any portion of their 2032 Convertible Notes at any time at their option until the close of business on the second scheduled trading day immediately before the 2032 Convertible Notes Maturity Date.

If certain corporate events that constitute a "Fundamental Change" (as defined in the indenture governing the 2032 Convertible Notes) occur, then noteholders may require the Company to repurchase for cash all or any portion of their 2032 Convertible Notes at a fundamental change repurchase price equal to 100% of the principal amount of the 2032 Convertible Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date. The definition of Fundamental Change includes certain business combination transactions involving the Company and certain de-listing events with respect to the Company's Common Stock.

The indenture includes customary covenants and events of default. If an event of default occurs and is continuing, the trustee or holders of at least 25% of the outstanding principal amount may declare the 2032 Convertible Notes immediately due and payable.

The Company recorded stated interest on long-term debt and convertible notes of \$64.2 million for the year ended December 31, 2025, of which (i) \$6.1 million was capitalized interest to property, plant and equipment, net in the consolidated balance sheet as of December 31, 2025 and (ii) \$58.1 million was included within interest expense in the consolidated statement of operations for the year ended December 31, 2025. The Company recorded \$8.4 million of stated interest expense for the year ended December 31, 2024, included within interest expense in the consolidated statement of operations.

During the year ended December 31, 2025, the Company amortized \$25.9 million of debt issuance costs related to long-term debt and convertible notes, inclusive of the discount stemming from the bifurcation of the conversion feature for the 2031 Convertible Notes, of which (i) \$3.6 million was capitalized interest to property, plant and equipment, net and \$0.1 million was capitalized to equity in net assets of investee in the consolidated balance sheet as of December 31, 2025 and

TERAWULF INC. AND SUBSIDIARIES**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(ii) \$22.2 million was included within interest expense in the consolidated statement of operations for the year ended December 31, 2025.

During the year ended December 31, 2024, the Company amortized total debt issuance costs and debt discount of \$11.4 million which was recorded as interest expense in the consolidated statement of operations. During the year ended December 31, 2023, the Company amortized total debt issuance costs and debt discount of \$21.2 million, of which \$19.5 million was recorded as interest expense in the consolidated statement of operations, \$1.2 million was capitalized interest in property, plant and equipment, net in the consolidated balance sheet, and \$0.5 million was capitalized interest in equity in net assets of investee in the consolidated balance sheet.

Principal maturities of outstanding debt and convertible notes as of December 31, 2025 are as follows (in thousands):

Year ending December 31:

2026	\$	46,316
2027		278,004
2028		299,404
2029		304,030
2030		2,772,246
Thereafter		2,025,000
Total principal maturities	\$	5,725,000

NOTE 11 – CONVERTIBLE PROMISSORY NOTES**Convertible Promissory Notes**

In November 2022, the Company issued convertible promissory notes (the “Convertible Promissory Notes”) in an aggregate principal amount of approximately \$3.4 million to certain accredited investors, including to members of Company management in the amount of \$1.7 million. The Convertible Promissory Notes were issued in privately negotiated transactions as part of a private placement exempt from registration under the Securities Act. In December 2022, the Company amended the Convertible Promissory Notes to (a) change the conversion date to March 1, 2023 and (b) allow for the conversion price to be reduced if an additional Qualified Financing were to occur prior to the conversion date at a price lower than the then existing Convertible Promissory Notes conversion price. As a result of a private placement which was a Qualified Financing, the conversion price was \$0.40 per share of Common Stock. In January 2023, the Convertible Promissory Notes were amended to change the conversion date to the third business day following the Shareholder Approval Date (as defined in Note 16). In March 2023, the Convertible Promissory Notes and accrued but unpaid interest were converted into 8,628,024 shares of Common Stock.

In January 2023, the Company entered into a convertible promissory note (the “January Convertible Promissory Note”) to an accredited investor in a privately negotiated transaction as part of a private placement exempt from registration under Section 4(a)(2) and/or Regulation D under the Securities Act in an aggregate principal amount of \$1.3 million. The January Convertible Promissory Note had a maturity date of April 1, 2025 and accrued annual interest at a rate of 4.0%. The January Convertible Promissory Note was automatically convertible into Common Stock on the third business day following a shareholder meeting ultimately held in February 2023 at a conversion price equal to the lowest price per share paid by investors purchasing equity securities in any sale of equity securities by the Company between November 25, 2022 and the date of the shareholder meeting held in February 2023 with an aggregate gross sales price of not less than \$5.0 million, subject to certain exclusions set forth in the January Convertible Promissory Note. The conversion price was \$0.40 per share of Common Stock upon issuance. In March 2023, the January Convertible Promissory Note and accrued but unpaid interest were converted into 3,134,932 shares of Common Stock.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 – JOINT VENTURES

Abernathy Joint Venture

In October 2025, the Company entered into the Abernathy Joint Venture Agreement with the Fluidstack Member to govern the terms of operation of the Abernathy Joint Venture, which will develop and operate the Abernathy HPC Campus. Pursuant to the terms of the Abernathy Joint Venture Agreement, the TeraWulf Member will be required to make equity contributions to the Abernathy Joint Venture and, upon such contributions, the percentage of equity owned by the TeraWulf Member will be adjusted up to 51% accordingly. If additional capital contributions are required to fund the Abernathy Joint Venture, the Fluidstack Member and the TeraWulf Member each have the right to contribute a pro rata portion of such additional capital contributions according to the percentage of equity they own in the Abernathy Joint Venture, with the TeraWulf Member being required to contribute any shortfall that the Fluidstack Member elects not to contribute, and the percentage of equity owned by each will be adjusted accordingly.

During the period beginning on the two-year anniversary of the date upon which the Abernathy HPC Campus commences operations (the “RFS Date”) and ending on the three-year anniversary of the RFS Date, the Fluidstack Member has the right to purchase from the TeraWulf Member a minimum of 6% and a maximum of 11% of the total equity of the Abernathy Joint Venture, unless the RFS Date is delayed over six months from the agreed target commencement date.

In connection with the Abernathy Joint Venture Agreement, the TeraWulf Member simultaneously entered into (i) a contribution agreement (the “Contribution Agreement”) and (ii) a development agreement (the “Development Agreement”).

The Contribution Agreement provided for the TeraWulf Member to purchase from the Fluidstack Member membership interests of the Abernathy Joint Venture representing a 50.1% ownership percentage, for an aggregate purchase price of \$450.0 million, payable in installments during 2025 in accordance with and pursuant to the terms of the Abernathy Joint Venture Agreement. In addition, the Contribution Agreement provided for the TeraWulf Member to pay up to additional \$50.0 million on or before December 31, 2025 to the extent reasonably agreed by the Members for a maximum total ownership percentage of 51.0%. As of December 31, 2025, the Company paid \$450.0 million in cash for 50.1% of the Abernathy Joint Venture and did not purchase any additional membership interests pursuant to the Contribution Agreement.

The Development Agreement between the Members and the Abernathy Joint Venture governs the terms and conditions of certain development, construction management and financial services to be provided by each of the respective Members in connection with the design, infrastructure, site preparation, construction and financing of the Abernathy HPC Campus.

On December 29, 2025, the Abernathy Joint Venture completed a private offering of 7.250% Senior Secured Notes due 2030 (the “JV Notes”). The aggregate principal amount of JV Notes sold in the offering was \$1,300.0 million. The net proceeds will be used to finance a portion of the cost of construction of the Abernathy HPC Campus, to fund debt reserves, to fund \$75.0 million of cash collateral to secure the Guarantor’s obligations under a certain letter of credit, and to pay fees and expenses in connection with the foregoing.

Concurrent with the issuance of the JV Notes, the Abernathy Members amended the Abernathy Joint Venture Agreement, the Contribution Agreement and the Development Agreement for the parties to agree to modified timing of the TeraWulf Member installment contributions to the Abernathy Joint Venture as well as to provide for additional construction management rights over the development of the Abernathy HPC Campus.

The Company capitalized a portion of the interest on funds borrowed to finance its investments in the Abernathy Joint Venture prior to the Abernathy Joint Venture commencing its principal operations. Capitalized interest costs were \$0.1 million for the year ended December 31, 2025.

The Abernathy Joint Venture is a VIE accounted for using the equity method of accounting.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The condensed results of operations for the year ended December 31, 2025, and the condensed financial position as of December 31, 2025 of the Abernathy Joint Venture are summarized below (in thousands):

	Year Ended December 31, 2025
Condensed statement of operations information:	
Revenue	\$ —
Operating expense	8,244
Net loss	\$ 8,244
	December 31, 2025
Condensed balance sheet information:	
Current assets	\$ 1,408,962
Noncurrent assets	1,226,382
Total assets	\$ 2,635,344
Current liabilities	\$ 63,249
Noncurrent liabilities	1,682,135
Members' equity	889,960
Total liabilities and members' equity	\$ 2,635,344

Nautilus Joint Venture

In May 2021, the Company and a subsidiary of Talen Energy Corporation (“Talen”) (each a “Member” and collectively the “Members”) entered into the Nautilus Joint Venture (“Nautilus”) to develop, construct and operate up to 300 MW of zero-carbon bitcoin mining in Pennsylvania which was subsequently amended in August 2022 (the “A&R Nautilus Agreement”) and in March 2023 (the “Second A&R Nautilus Agreement”). In connection with the Nautilus Joint Venture, Nautilus simultaneously entered into (i) a ground lease (the “Nautilus Ground Lease”), which included an electricity supply component, with a related party of Talen, (ii) a Facility Operations Agreement (the “FOA”) originally with a related party of the Company and subsequently amended with a related party of Talen and (iii) a Corporate Services Agreement (the “CSA”) with a related party of Talen. The Company originally held a 50% interest in the Joint Venture which was subsequently reduced to 25% per the Second A&R Nautilus Agreement. The Nautilus Cryptomine Facility initially required 200 MW of electric capacity.

In March 2024, a subsidiary of Talen sold substantially all its assets to an unaffiliated third party, including the land that Nautilus utilizes pursuant to the Nautilus Ground Lease. In connection with the sale, the Nautilus Ground Lease was assigned from Talen to the purchaser of the assets.

The Company capitalized a portion of the interest on funds borrowed to finance its investments in Nautilus prior to Nautilus commencing its principal operations. Capitalized interest costs were \$0, \$0, and \$0.9 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Distributions were made periodically in accordance with each Member’s respective hashrate contributions after deducting primarily each Member’s share of power and operational costs. The Company received bitcoin distributions from Nautilus with a fair value of \$0, \$22.8 million and \$21.9 million during the years ended December 31, 2025, 2024 and 2023, respectively.

On October 2, 2024, the Company sold its entire 25% equity interest in Nautilus to the Talen Member (the “Nautilus Sale”). The total consideration transferred was \$102.1 million comprised of: (i) \$86.1 million paid in cash, including a customary working capital adjustment, (ii) \$0.3 million distributed in bitcoin on a pro rata basis for bitcoin mined and held by Nautilus, and (iii) \$15.7 million of miners and equipment assigned to the Company by Nautilus, reflecting the fair value

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

of all of Nautilus' miners, including miners contributed by the Talen Member, as well as certain other related equipment owned by Nautilus. The Nautilus Sale included customary representations and warranties and customary covenants, including, among others, that the Talen Member will pay to the Company 25% of the net proceeds received in excess of \$300.0 million in the aggregate in any future sale of all or substantially all of the assets, or a majority of the equity interests of Nautilus. In connection with the Nautilus Sale, the Company derecognized its investment in Nautilus of \$79.5 million and recorded a gain on sale of equity interest in investee of \$22.6 million in the consolidated statement of operations for the year ended December 31, 2024.

Prior to the Nautilus Sale, Nautilus was a VIE accounted for using the equity method of accounting. In August 2022, due to the change in Member ownership percentage and governance rights under the A&R Nautilus Agreement, Talen determined it controlled the Nautilus Joint Venture from an accounting perspective and thereby was required to fair value the identifiable assets and liabilities of the Nautilus Joint Venture for its internal accounting purposes. Under the CSA, Talen was responsible for maintaining the books and records of the Nautilus Joint Venture and elected to push down the fair value adjustments to Nautilus' books and records. The Company accounted for the Nautilus Joint Venture as an equity method investment and the change in ownership percentage did not impact the Company's method of accounting or basis. Therefore, there was a basis difference between the books and records of Nautilus and the Company's accounting basis in the Nautilus Joint Venture.

The condensed results of operations for the period from January 1, 2024 to October 2, 2024 (the date of the Nautilus Sale) and the year ended December 31, 2023 and the condensed financial position as of October 2, 2024 of Nautilus are summarized below (in thousands):

	January 1, 2024 to October 2, 2024 ⁽¹⁾⁽²⁾	Year Ended December 31, 2023 ⁽¹⁾
Condensed statement of operations information:		
Revenue	\$ 90,530	\$ 108,001
Operating expense	78,461	95,142
Net income	<u>\$ 12,069</u>	<u>\$ 12,859</u>
October 2, 2024⁽¹⁾⁽²⁾		
Condensed balance sheet information:		
Current assets		\$ 11,124
Noncurrent assets		134,217
Total assets		<u>\$ 145,341</u>
Current liabilities		\$ 12,816
Noncurrent liabilities		29,434
Equity		103,091
Total liabilities and equity		<u>\$ 145,341</u>

- (1) The condensed statements of operations information for the period from January 1, 2024 to October 2, 2024 (the date of the Nautilus Sale) and the year ended December 31, 2023 and the condensed balance sheet information as of October 2, 2024 reflect the impact of the Talen-estimated fair value measurements of Nautilus which, resulting from the application of ASC 805, Business Combinations, have been pushed down to the books and records of Nautilus by Talen, as discussed above. The Company's basis in the assets and liabilities of Nautilus continue to be recorded at historical value on the accompanying consolidated balance sheets.
- (2) The condensed results of operations and financial position are presented as of and for the period from January 1, 2024 to October 2, 2024, the date of the Nautilus Sale.

In February, March and April 2023, the Company, as allowed under the A&R Nautilus Agreement, transferred control of approximately 4,900 MinerVA miners from Nautilus to its Lake Mariner Data Campus, including certain miners that had yet to be shipped from MinerVA. Accordingly, the Company recorded the miners at an estimated fair value of \$6.9 million, determined based on a contemporaneous observed market price for similar assets, in property, plant and equipment, net and the Company reduced the equity in net assets of investee balance by \$20.4 million, the book value of the miners in

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Nautilus' books and records, in the consolidated balance sheet as of December 31, 2023 and recorded a loss of \$13.6 million as a component of equity in net loss of investee, net of tax in the consolidated statement of operations for the year ended December 31, 2023. The Company had recorded \$0.8 million in deposits on miners related to approximately 600 miners that had yet to be shipped from MinerVA. As of December 31, 2023, the Company determined it not probable that the miners would be received and, accordingly, recognized a loss on disposal of deposits on miners of \$0.8 million, which is included within loss on disposals of property, plant, and equipment in the consolidated statement of operations for the year ended December 31, 2023.

As contemplated in the A&R Nautilus Agreement, members are allowed to make contributions of miners up to the effective electrical capacity of their owned infrastructure percentage. During the years ended December 31, 2023, the Company contributed to Nautilus certain miners with a fair value, determined based on miner vendor contracts, of \$36.7 million. Accordingly, as of December 31, 2023, the Company increased the equity in net assets of investee balance by \$36.7 million and reduced the property, plant and equipment, net balance by the same amounts in the consolidated balance sheet. The Company made no contributions of miners to Nautilus during the year ended December 31, 2024.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Litigation

The Company is not a party to any material legal proceedings and is not aware of any pending or threatened claims. From time to time, the Company may be subject to various legal proceedings, regulatory inquiries and claims that arise in the ordinary course of its business activities.

NOTE 14 – DEFINED CONTRIBUTION PLAN

The TeraWulf Inc. 401(k) Plan is a safe harbor defined contribution plan which qualified under section 401(k) of the Internal Revenue Code. A participant's right to claim a distribution of his or her account balance is dependent on the plan, Employee Retirement and Income Security Act guidelines and Internal Revenue Service regulations. All active participants are fully vested in all contributions to the 401(k) plan. During the years ended December 31, 2025, 2024 and 2023, the Company expensed approximately \$0.5 million, \$0.1 million, and \$0.2 million, respectively, for Company matching contributions.

NOTE 15 – CONVERTIBLE PREFERRED STOCK

TeraWulf Convertible Preferred Stock

In March 2022, TeraWulf entered into Series A Convertible Preferred Stock Subscription Agreements (the "Subscription Agreements") with certain accredited and institutional investors (collectively, the "Holders"). Pursuant to the Subscription Agreements, the Company sold 9,566 shares (of 10,000 shares authorized) of Series A Convertible Preferred Stock, par value \$0.001 per share (the "Convertible Preferred Stock") to the Purchasers for an aggregate purchase price of \$9.6 million. The Subscription Agreements contain customary representations, warranties, covenants and agreements of the Company. The offer and sale of the Convertible Preferred Stock were made pursuant to the prospectus and prospectus supplement forming a part of the 2022 Registration Statement.

Holders of the Convertible Preferred Stock accumulated cumulative dividends at an annual rate of 10.0% on the stated amount per share plus the amount of any accrued and unpaid dividends on such share, accumulating on a daily basis and payable, if declared by the Company's Board of Directors, quarterly on March 31st, June 30th, September 30th and December 31st, respectively, in each year and commencing June 30, 2022. Commencing June 30, 2022, unpaid dividends were accreted to the liquidation preference. The initial liquidation preference was \$1,000 per share. Holders of the Convertible Preferred Stock were also entitled to such dividends paid to holders of the Company's Common Stock, if applicable, as if such Holders of the Convertible Preferred Stock had converted their Preferred Shares into Common Stock (without regard to any limitations on conversions) and had held such shares of the Company's Common Stock on the record date for such dividends and distributions. No such payments were made during the years ended December 31, 2025, 2024 or 2023. Holders of Convertible Preferred Stock did not generally have the right to vote at any meeting of stockholders, except for certain protective voting rights, as defined.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Holders of the Convertible Preferred Stock had a right to effect an optional conversion of all or any whole number of shares of the Convertible Preferred Stock at any time and from time to time. The Company had a right to effect a mandatory conversion of the Convertible Preferred Stock after the third anniversary of the issuance date if the Last Reported Sale Price (as defined in the Company's Series A Convertible Preferred Certificate of Designations) per share of Common Stock exceeds 130.0% of the Conversion Price, as defined, on each of at least five (5) trading days (whether or not consecutive) during the fifteen consecutive trading days ending on, and including, the trading day immediately before the mandatory conversion notice date for such mandatory conversion. The number of shares of Common Stock issuable upon conversion were equal to the liquidation preference, including accumulated and unpaid dividends, divided by the Conversion Price, as defined. The Conversion Price is determined by dividing \$1,000 by the Conversion Rate, as defined, which was initially 100 shares of Common Stock per \$1,000 liquidation preference of Convertible Preferred Stock. During the year ended December 31, 2025, (i) one Holder of the Convertible Preferred Stock exercised their right to effect an optional conversion of 8 shares of Convertible Preferred Stock and the Company exercised its option to settle such conversion in cash for \$12,000, (ii) one Holder of the Convertible Preferred Stock exercised their right to effect an optional conversion of 1,000 shares of Convertible Preferred Stock to 141,948 shares of Common Stock, and (iii) the Company exercised its right to effect a mandatory conversion of the remaining 8,558 shares of the Convertible Preferred Stock to 1,214,790 shares of Common Stock.

No dividends were paid during the years ended December 31, 2025, 2024 and 2023.

NOTE 16 – COMMON STOCK

On September 30, 2025, the Company held a Special Meeting of Stockholders (the "Special Meeting"). As a result of the matters submitted to a stockholder vote at the Special Meeting, the Company's stockholders adopted a charter amendment increasing the number of authorized shares of Common Stock from 600,000,000 to 950,000,000. Consequently, as of September 30, 2025, TeraWulf's Certificate of Incorporation provides for authorized shares of 1,050,000,000 divided into (a) 950,000,000 shares of Common Stock, with par value of \$0.001 per share and (b) 100,000,000 shares of Preferred Stock, with par value of \$0.001 per share. Each holder of a share of Common Stock shall be entitled to one vote of each common share held. Each holder of a share of Preferred Stock shall not be entitled to any voting powers, except as provided in an applicable Certificate of Designations. The board of directors may authorize one or more series of Preferred Stock and may fix the number of shares in such series and the designation, powers, preferences, rights, qualifications, limitations and restrictions in respect of the shares of such series. One series of preferred stock, the Convertible Preferred Stock, was authorized as of December 31, 2025.

In April 2022, the Company entered into a sales agreement with Cantor Fitzgerald & Co. ("Cantor"), B. Riley Securities, Inc. ("B. Riley Securities") and D.A. Davidson & Co. ("D.A. Davidson"), pursuant to which the Company may offer and sell, from time to time, through or to the agents thereunder, shares of Common Stock, par value \$0.001 per share, having an aggregate offering price of up to \$200.0 million. The April 2022 sales agreement was amended in August 2023 to terminate the agreement with respect to D.A. Davidson and add Northland Securities, Inc. ("Northland") and Compass Point Research & Trading, LLC ("Compass Point") as agents (as so amended, the "Original ATM Sales Agreement"). The Company incurred a commission up to 3.0% of the gross sales price from each sale of shares. In May 2024, the Company and B. Riley Securities mutually agreed to terminate the Original ATM Sales Agreement with respect to B. Riley Securities and the Company entered into Amendment No. 2 to the Original ATM Sales Agreement with Cantor, Northland, Compass Point ATB Capital Markets USA Inc. ("ATB Capital Markets"), Roth Capital Partners, LLC ("Roth Capital Partners"), Stifel Nicolaus Canada Inc. ("Stifel Canada") and Virtu Americas LLC (each, individually, an "Agent" and, collectively, the "ATM Agents") pursuant to which the Company may offer and sell, from time to time, through or to the ATM Agents, shares of Common Stock, par value \$0.001 per share, having an aggregate offering price of up to \$200.0 million (the "Amended ATM Sales Agreement," together with the Original ATM Sales Agreement, the "ATM Program"). The Company incurs a commission up to 3.0% of the gross sales price from each sale of shares. The Company is not obligated to sell any shares under the ATM Program. The issuance and sale of the shares by the Company under the ATM Program have been made pursuant to the Company's effective registration statement on Form S-3 (Registration statement No. 333-262226), including final prospectus supplements dated April 26, 2022 and May 23, 2024.

During the years ended December 31, 2025, 2024, and 2023, the Company sold pursuant to the ATM Program 0, 67,368,125, and 56,985,498 shares of Common Stock, respectively, for net proceeds of \$0, \$189.4 million, and \$105.5 million, respectively. In May 2025, the Board of Directors authorized an increase of \$112.9 million of shares of Common Stock under the ATM Program. As of December 31, 2025, the remaining capacity of the ATM Program to offer and sell shares of Common Stock is \$200.0 million.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In October 2022, the Company entered into unit subscription agreements with certain accredited investors in privately negotiated transactions (collectively, the “October Purchasers”) as part of a private placement (the “October Private Placement”) exempt from registration under the Securities Act. Pursuant to the agreements, the Company sold 7,481,747 units, each consisting of one share of Common Stock and one warrant (the “October Warrants”), exercisable at a price of \$1.93 per Common Share, to the October Purchasers for an aggregate purchase price of approximately \$9.4 million. Approximately \$3.5 million of the aggregate purchase price related to investments by entities controlled by members of Company management. The Company allocated the proceeds between Common Stock and the October Warrants based on the relative fair values of the financial instruments, with \$5.1 million allocated to the Common Stock and \$4.3 million allocated to the October Warrants. During the years ended December 31, 2025, 833,333 October Warrants were exercised for issuance of 720,915 shares of Common Stock for aggregate proceeds to the Company of \$0.4 million. During the years ended December 31, 2024, 319,048 October Warrants were exercised for issuance of the same number of shares of Common Stock for aggregate proceeds to the Company of \$0.6 million. As of December 31, 2025, there were 6,329,366 of the October Warrants outstanding which are classified as equity.

In December 2022, the Company entered into subscription agreements or unit subscription agreements with certain accredited and institutional investors in privately negotiated transactions (the “December Purchasers”) as part of a private placement (the “December Private Placement”) exempt from registration under the Securities Act as amended. Pursuant to these agreements, the Company issued for an aggregate purchase price of \$6.7 million (i) 16,850,000 shares of Common Stock at a purchase price of \$0.40 per share of Common Stock and (ii) 11,250,000 warrants (the “December Warrants”) exercisable for 8,750,000 shares of Common Stock, at an exercise price equal to \$0.40 per share of Common Stock. The December Warrants became exercisable on January 16, 2023 and expired on January 31, 2023. In connection with the issuance of the December Warrants, the Company and the December Purchasers entered into a Registration Rights Agreement, pursuant to which the Company agreed to provide customary shelf and piggyback registration rights to the December Purchasers with respect to the shares of Common Stock underlying the December Warrants. The Company allocated the proceeds between Common Stock and the December Warrants based on the relative fair values of the financial instruments, with \$5.4 million allocated to Common Stock and \$1.3 million allocated to the December Warrants. In January 2023, 50% of the December Warrants were exercised for proceeds of \$1.8 million while the remaining 50% of the December Warrants expired. In January 2023, the Company entered into additional subscription agreements with certain December Purchasers pursuant to which such December Purchasers purchased from the Company shares of Common Stock, at a purchase price of \$0.40 per share of Common Stock, in private placement transactions exempt from registration under Section 4(a)(2) and/or Regulation D under the Securities Act for an aggregate purchase price of \$1.8 million (the “January Private Placement”). The January Private Placement effectively replaced the then 50% unexercised December Warrants at the same purchase price of \$0.40 per share of Common Stock. The closing of the January Private Placement was subject to certain conditions, including the completion of a \$30 million equity capital raise by the Company, which may have been unilaterally waived by the December Purchasers, and the receipt of shareholder approval of an increase to issued and unauthorized shares of Common Stock. Pursuant to these Common Stock subscription agreements, the Company agreed to provide customary registration rights to the certain December Purchasers. These Common Stock subscription agreements contain customary representations, warranties, covenants and are subject to customary closing conditions and termination rights. The funds pursuant to the additional subscription agreements were received during the three months ended March 31, 2023 and the shares of Common Stock were issued in April 2023.

In January 2023, the Company entered into (a) subscription agreements (the “Warrant Subscription Agreements”) with certain accredited investor entities controlled by members of Company management (the “Warrant Investors”) pursuant to which such Warrant Investors purchased from the Company 2,380,952 warrants, each exercisable to purchase one share of Common Stock at an exercise price of \$0.00001 per share of Common Stock (the “January 2023 Warrants”), in private placement transactions exempt from registration under Section 4(a)(2) and/or Regulation D under the Securities Act for an aggregate purchase price of \$2.5 million, based on a price per share of Common Stock of \$1.05 for a total of 2,380,952 shares of Common Stock and (b) warrant agreements (the “Warrant Agreements”) with such Warrant Investors. The Warrant Agreements governed the terms and conditions of the January 2023 Warrants, which were exercisable beginning on the first business day following the date on which shareholder approval of an increase in the Company’s authorized Common Stock was obtained, which occurred in February 2023, and would have expired on December 31, 2023. The Warrant Investors are entitled to customary registration rights with respect to the shares of Common Stock issuable upon exercise of the Warrant Subscription Agreements. The January 2023 Warrants were exercised and 2,380,952 shares of Common Stock were issued in April 2023.

In January 2023, the Company entered into an exchange agreement (the “Exchange Agreement”) with an entity controlled by a member of management (the “Exchanging Shareholder”). Pursuant to the Exchange Agreement, the Exchanging

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Shareholder exchanged a total of 12,000,000 shares of Common Stock for 12,000,000 new warrants issued by the Company (the “New Exchange Warrants”) in a private exchange exempt from registration under Section 4(a)(2) and/or Regulation D under the Securities Act. The reacquired shares of Common Stock were not retired. The New Exchange Warrants were exercisable at a strike price of \$0.0001 per share beginning on the first business day following the date on which shareholder approval of an increase in the Company’s authorized Common Stock was obtained, which occurred in February 2023, and would have expired on December 31, 2023. The Exchanging Shareholder is entitled to customary registration rights with respect to the shares of Common Stock issuable upon exercise of the New Exchange Warrants. The Exchange Agreement contains customary representations, warranties, covenants and is subject to customary closing conditions and termination rights. The New Exchange Warrants were exercised and 12,000,000 shares of Common Stock were issued in April 2023.

In February 2023, the Company commenced an underwritten public offering of 36,764,706 shares of Common Stock at \$0.68 per share (the “Offering”). JonesTrading Institutional Services LLC, as representative of the several underwriters (the “Underwriters”) and pursuant to an underwriting agreement (the “Underwriting Agreement”), acted as book-running manager for the Offering. The Underwriting Agreement includes customary representations, warranties and covenants by the Company and customary conditions to closing, obligations of the parties and termination provisions. Additionally, under the terms of the Underwriting Agreement, the Company agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, or to contribute to payments the Underwriters may be required to make in respect of these liabilities. Pursuant to the Underwriting Agreement, the Company granted the Underwriters a 30-day over-allotment option to purchase up to an additional 5,514,705 shares of Common Stock, of which the Underwriters elected to purchase 4,000,000 of the over-allotment prior to the close of the Offering. The Offering closed on March 1, 2023 and the Company issued 40,764,706 shares of Common Stock and received net proceeds under the Offering of \$26.6 million. The Common Stock was issued pursuant to the Company’s effective Registration Statement on Form S-3 (File No. 333-262226).

In February 2023, the Company entered into subscription agreements with certain accredited investors (the “February Common Stock Investors”), pursuant to which the February Common Stock Investors purchased 1,386,467 shares of Common Stock at a purchase price of \$0.68 per share for net proceeds to the Company of \$0.9 million. The purchase funds were received during the three months ended March 31, 2023 and the shares of Common Stock were issued in April 2023. The private placement transaction was exempt from registration under Section 4(a)(2) and/or Regulation D under the Securities Act.

In October 2024, the Company’s board of directors approved a share repurchase program authorizing the Company to repurchase up to \$200.0 million of the Company’s outstanding shares of Common Stock through December 31, 2025. During the years ended December 31, 2025 and 2024, the Company repurchased 5,900,000 and 18,568,750 shares of Common Stock for \$33.3 million and \$118.2 million, respectively. In May 2025, the Board of Directors authorized an increase of \$151.4 million of outstanding shares of Common Stock under the share repurchase program. Additionally, the Board of Directors agreed that the share repurchase program authorization shall continue unless and until the Company purchases \$200.0 million of Common Stock or it is revoked by the Board of Directors. As of December 31, 2025, the Company has the capacity to repurchase \$200.0 million of outstanding shares of Common Stock under the share repurchase program.

No dividends were declared during the years ended December 31, 2025, 2024 and 2023.

NOTE 17 – STOCK BASED COMPENSATION

In May 2021, the Company made effective the 2021 Omnibus Incentive Plan (the “Plan”) for purpose of attracting and retaining employees, consultants and directors of the Company and its affiliates by providing each the opportunity to acquire an equity interest in the Company or other incentive compensation in order to align the interests of such individuals with those of the Company’s stockholders. The Plan provides for a maximum number of shares to be issued, limitations of shares to be delivered for incentive stock options and a maximum compensation amount for any non-employee member of the board of directors, among other provisions. The form of grants under the Plan includes stock options, stock appreciation rights, restricted stock and RSUs. The Company recorded stock-based compensation expense of \$50.9 million, \$30.9 million and \$5.9 million for the years ended December 31, 2025, 2024 and 2023, respectively.

During the years ended December 31, 2025, 2024 and 2023, certain employees, in lieu of paying withholding taxes on the vesting of certain shares of restricted stock and RSU awards, authorized the withholding of an aggregate of 4,566,796,

TERAWULF INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5,057,145 and 1,578,056 shares of Common Stock to satisfy statutory withholding requirements related to such vesting. Shares withheld for the payment of withholding taxes are not deemed issued under the Plan and remain available for issuance. Additionally, the Company issued 26,796, 138,876 and 415,910 shares of Common Stock to members of the board of directors for payment of quarterly fees in lieu of cash payments during the years ended December 31, 2025, 2024 and 2023 respectively.

The following table summarizes the activities for unvested Company RSUs granted to employees and members of the board of directors during the years ended December 31, 2025, 2024 and 2023:

	Number of Shares	Weighted-Average Grant-Date Fair Value
Unvested as of January 1, 2023	1,931,187	\$ 2.87
Granted	6,872,358	\$ 0.43
Vested	(4,797,854)	\$ 0.72
Forfeited/canceled	(52,942)	\$ 1.70
Unvested as of December 31, 2023	3,952,749	\$ 1.26
Granted	9,671,700	\$ 2.94
Vested	(11,010,418)	\$ 2.41
Forfeited/canceled	—	\$ —
Unvested as of December 31, 2024	2,614,031	\$ 2.57
Unvested awards of employees acquired in business acquisition	1,448,079	\$ 2.82
Granted	20,529,141	\$ 5.15
Vested	(9,231,181)	\$ 4.68
Forfeited/canceled	(46,189)	\$ 4.30
Unvested as of December 31, 2025	15,313,881	\$ 4.78

The requisite service period for RSUs is between one and three years. RSUs granted as set out in the table above include PSUs representing 1,800,000, 4,197,000, and 3,900,000 shares with vesting based on market conditions tied to the Company's stock price during the years ended December 31, 2025, 2024 and 2023, respectively. The PSUs are subject to performance-based vesting conditions measured over a three-year performance period and vest based on the Company's achievement of certain stock price hurdles by certain determination dates, subject to the respective employee's continued service through the applicable determination date. The stock price hurdle represents the average closing price of Common Stock on Nasdaq during the 45 trading days immediately preceding the applicable determination date. Any unvested PSUs will be forfeited if the performance targets are not achieved within three years of the grant date. As of December 31, 2025 there were no unvested PSUs outstanding. Restricted stock are immediately vested on the grant date, but shall not be assigned, sold or transferred by the participant until one year from the grant date. As of December 31, 2025, there was \$61.4 million of unrecognized compensation cost related to unvested RSUs and PSUs granted to employee and members of the board of directors. The amount is expected to be recognized over a weighted average period of 1.3 years.

The following table summarizes the activities for unvested Company RSUs granted to non-employees, excluding members of the board of directors, during the years ended December 31, 2025, 2024 and 2023:

	Number of Shares	Weighted-Average Grant-Date Fair Value
Unvested as of January 1, 2023	82,645	\$ 1.21
Granted	2,870,564	\$ 0.82
Vested	(372,972)	\$ 1.15
Forfeited/canceled	(190,845)	\$ 0.70
Unvested as of December 31, 2023	2,389,392	\$ 0.79

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Granted	425,000	\$	2.87
Vested	(1,092,327)	\$	0.98
Forfeited/canceled	(23,332)	\$	0.67
Unvested as of December 31, 2024	1,698,733	\$	1.22
Unvested awards of employees acquired in business acquisition	(1,448,079)	\$	2.82
Granted	833,000	\$	4.98
Vested	(775,657)	\$	1.08
Forfeited/canceled	(33,333)	\$	0.65
Unvested as of December 31, 2025	274,664	\$	4.63

The requisite service period for grants, including derived service periods for RSUs with market conditions, is generally between one and three years. As of December 31, 2025, there was \$1.0 million of unrecognized compensation cost related to unvested non-employee, excluding members of the board of directors, RSUs. The amount is expected to be recognized over a weighted average period of 1.2 years.

NOTE 18 – RELATED PARTY TRANSACTIONS

In April 2021, the Company entered into a Services Agreement (the “Services Agreement”) with Beowulf Electricity & Data Inc. (“Beowulf E&D”), a related party due to control by a member of Company management. Under the Services Agreement, Beowulf E&D provided, or caused its affiliates to provide, to TeraWulf certain services necessary to construct and operate certain bitcoin mining facilities developed or anticipated to be developed by the Company and support the Company’s ongoing business, including, among others, services related to construction, technical and engineering, operations and maintenance, procurement, information technology, finance and accounting, human resources, legal, risk management and external affairs consultation. The Services Agreement had an initial term of five years and provided for certain fixed, passthrough and incentive payments to Beowulf E&D, including issuing to certain designated employees of Beowulf E&D awards with respect to shares of Common Stock upon the consummation of an initial public offering of TeraWulf or the consummation of a merger following which TeraWulf is listed on a nationally recognized securities exchange and, thereafter, upon achievement of certain milestones regarding bitcoin mining capacity deployed at the bitcoin mining facilities.

For the base fee, the Company originally agreed to pay Beowulf E&D in monthly installments an annual fee for the first year in the amount of \$7.0 million and, thereafter, an annual fee equal to the greater of \$10.0 million or \$0.0037 per kilowatt hour of electric load utilized by the bitcoin mining facilities. In March 2023, TeraWulf and Beowulf E&D entered into an Amendment No. 1 to the Services Agreement, pursuant to which TeraWulf agreed to pay Beowulf E&D, effective as of January 1, 2023, a reduced annual base fee equal to \$8.5 million payable in monthly installments, until all obligations under the Company’s LGSA, as amended and restated from time to time, are either indefeasibly repaid in full or refinanced, at which point the annual base fee will increase to \$10.0 million which occurred in July 2024. The Services Agreement also provides for reimbursement of cost and expenses incurred in connection with providing the services. For the years ended December 31, 2025, 2024 and 2023, the Company paid Beowulf E&D \$15.3 million, \$15.8 million and \$20.3 million, respectively, under the Services Agreement, including payments related to construction agreements with contractors at the Lake Mariner Data Campus. For the years ended December 31, 2025, 2024, and 2023, selling, general and administrative expenses – related party in the consolidated statements of operations included \$7.4 million, \$12.7 million and \$13.3 million, respectively, and operating expenses – related party in the consolidated statements of operations includes \$1.4 million, \$2.5 million and \$1.5 million, respectively, in each case related to the base fee and reimbursement of costs and expenses.

On May 21, 2025, the Company acquired Beowulf E&D which terminated the Services Agreement between the Company and Beowulf E&D. Accordingly, no amounts are due between the Company and Beowulf E&D as of December 31, 2025. Of the costs incurred under the Services Agreement during the year ended December 31, 2025, \$5.7 million was included in property, plant and equipment, net in the consolidated balance sheet. As of December 31, 2024, \$0.8 million was included in prepaid expenses, \$1.4 million was included in amounts due to related parties and, of the costs incurred under the Services Agreement during the year ended December 31, 2024, \$0.8 million was included in property, plant and equipment, net in the consolidated balance sheet.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Services Agreement also provided for performance-related milestones and related incentive compensation. In connection with the listing of its Common Stock on a nationally recognized stock exchange in December 2021, pursuant to the Services Agreement, the Company agreed to issue awards valued at \$12.5 million with respect to shares of Common Stock to certain designated employees of Beowulf E&D in accordance with TeraWulf’s then effective Plan. Once the mining facilities have utilized 100 MW of cryptocurrency mining load in the aggregate, and for every incremental 100 MW of cryptocurrency mining load deployed thereafter, the Company agreed to issue additional awards of shares of Common Stock each in the amount of \$2.5 million to certain designated employees of Beowulf E&D in accordance with TeraWulf’s then effective Plan. The Company recorded performance milestone expense of \$2.4 million, \$0, and \$2.9 million during the years ended December 31, 2025, 2024 and 2023, respectively, which is included within selling, general and administrative expense – related party in the consolidated statements of operations.

During the year ended December 31, 2022, the Company determined it probable that the first performance milestone of 100 MW of mining load deployed by the mining facilities would be met by April 2023. In September 2023, the Company and Beowulf E&D agreed to settle the then outstanding \$15.0 million share based liabilities due to related party by issuing 2,460,513 shares of Common Stock with a fair value of \$3.4 million and the Company recorded the remaining reduction to the share based liabilities due to related party of \$11.6 million to additional paid-in capital during the year ended December 31, 2023. During the year ended December 31, 2023, the Company considered it probable that the second performance milestone of incremental 100 MW of mining load deployed by the mining facilities would be met by December 2023 and during the year ended December 31, 2024, the Company issued 1,083,189 shares of Common Stock with a fair value of \$2.5 million to settle the share based liabilities due to related party.

During the year ended December 31, 2025, due to the change in the Company’s strategy to focus on development and deployment of infrastructure to support HPC workloads, the Company agreed to settle the final 100 MW performance-related milestone on a pro-rata basis for the 95 MW of cryptocurrency mining load deployed and issued 798,319 shares of Common Stock with a fair value of \$2.4 million to settle the share-based liabilities due to related party.

NOTE 19 – SEGMENTS

The following table presents revenue and segment profit (loss) by reportable segment for the periods presented (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Digital Asset Mining Segment			
Digital asset mining revenue	\$ 151,556	\$ 140,051	\$ 69,229
Cost of revenue (exclusive of depreciation)	80,199	62,608	27,315
Operating expenses (including related party)	12,394	7,583	4,889
Digital asset mining segment profit	\$ 58,963	\$ 69,860	\$ 37,025
HPC Leasing Segment			
HPC lease revenue	\$ 16,899	\$ —	\$ —
Cost of revenue (exclusive of depreciation)	2,464	—	—
Operating expenses (including related party)	7,353	66	—
HPC leasing segment profit (loss)	\$ 7,082	\$ (66)	\$ —

TERAWULF INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table presents a reconciliation of the reportable segment profit (loss) to loss before income taxes and equity in net income of investee included in the Company's consolidated statements of operations for the year ended December 31, 2025, 2024 and 2023 (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Reportable segment profit	\$ 66,045	\$ 69,794	\$ 37,025
Selling, general and administrative expenses	139,465	57,883	23,693
Selling, general and administrative expenses — related party	8,292	12,695	13,325
Depreciation	88,597	59,808	28,350
Loss (gain) on fair value of digital assets, net	612	(2,200)	—
Realized gain on sale of digital assets	—	—	(3,174)
Impairment of digital assets	—	—	3,043
Change in fair value of contingent consideration	10,397	—	—
Loss on disposals of property, plant, and equipment, net	4,895	17,824	1,209
Operating loss	(186,213)	(76,216)	(29,421)
Interest expense	(80,248)	(19,794)	(34,812)
Change in fair value of warrants and derivatives	(429,793)	—	—
Loss on extinguishment of debt	—	(6,300)	—
Other income	39,044	3,927	231
Loss before income tax and equity in net (loss) income of investee	\$ (657,210)	\$ (98,383)	\$ (64,002)

NOTE 20 – SUBSEQUENT EVENTS

On February 2, 2026, the Company entered into an Agreement of Purchase and Sale for a former industrial site in Hawesville, Kentucky (“Hawesville”). The Company exercised an exclusivity option to purchase Hawesville, which includes more than 250 buildable acres with immediate access to power infrastructure, including multiple high-voltage transmission lines, an on-site energized substation, and a direct connection to the regional transmission network. The Hawesville seller was granted a 6.8% minority equity interest in TeraWulf’s Hawesville development entity, which is intended to develop and own a high-performance computing/artificial intelligence data center on the property. The Hawesville seller has the right to request the redemption of its minority interest starting on the first anniversary of the data center’s commencement of operations (the “Operations Anniversary Date”). The Hawesville seller will not participate in the development, financing, construction, management or operation of the data center and will not have any obligations to contribute capital, unless its minority interest is not redeemed in full within 30 days after the Operations Anniversary Date. The Hawesville acquisition does not require any third-party consents or regulatory approvals and closed effective February 2, 2026.

Additionally, on February 2, 2026, the Company issued a press release announcing the entry into an Equity and Asset Purchase Agreement (the “Morgantown Purchase Agreement”) for the Morgantown generating station in Charles County, Maryland. The Morgantown Purchase Agreement was signed in late 2025 and contemplates the acquisition of the Morgantown generating station, a grid-connected power generation facility with approximately 210 MW of current operational capacity, including electrical infrastructure, associated real property, contracts and other assets (“Morgantown”). The closing of the Morgantown acquisition is subject to certain third-party consents and customary regulatory approvals, including from the Federal Energy Regulatory Commission. The Company expects to close on the Morgantown acquisition in the second quarter of 2026, subject to receiving these consents and approvals.

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

As of August 20, 2024, the Company dismissed RSM US LLP (“RSM”) as its independent registered public accounting firm, not as a result of any disagreements on any matter of accounting principles or practices, financial statement disclosure, or audit scope or procedure.

During the fiscal year ended December 31, 2023 and the subsequent interim period through August 20, 2024, there were no: (i) disagreements with RSM on any matter of accounting principles or practices, financial statement disclosures or audit scope or procedures, which disagreements if not resolved to RSM’s satisfaction would have caused RSM to make reference to the subject matter of the disagreement in connection with its report or (ii) reportable events as defined in Item 304(a)(1)(v) of Regulation S-K, except for the material weaknesses in the Company’s internal control over financial reporting related to the inadequate design or operation of management’s review controls over classification in the consolidated statements of cash flows of payments made related to business combinations, as described in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

ITEM 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Exchange Act, is recorded, processed, summarized, and reported within the time period specified in the SEC’s rules and forms. Disclosure controls are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure. In connection with this 2025 Form 10-K, our management evaluated, with the participation of our chief executive officer and chief financial officer (our “Certifying Officers”), the effectiveness of our disclosure controls and procedures as of December 31, 2025, pursuant to Rule 13a-15(b) under the Exchange Act. Based upon that evaluation, our Certifying Officers concluded that our disclosure controls and procedures were effective as of December 31, 2025.

We do not expect that our disclosure controls and procedures will prevent all errors and all instances of fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. Because of the inherent limitations in all disclosure controls and procedures, no evaluation of disclosure controls and procedures can provide absolute assurance that we have detected all our control deficiencies and instances of fraud, if any. The design of disclosure controls and procedures also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Changes in Internal Control over Financial Reporting

We periodically review our internal control over financial reporting as part of our efforts to ensure compliance with the requirements of Section 404 of the Sarbanes-Oxley Act. In addition, we routinely review our system of internal control over financial reporting to identify potential changes to our processes and systems that may improve controls and increase efficiency, with the goal of establishing and maintaining an effective internal control environment. Changes may include such activities as implementing new, more efficient systems, consolidating the activities of business units, migrating certain processes to our shared services organizations, formalizing policies and procedures, improving segregation of duties and increasing monitoring controls.

There were no changes in our internal controls over financial reporting that occurred during the fiscal quarter ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Management’s Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of our internal control over financial reporting. The internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable

detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and our expenditures are being made only in accordance with authorizations of management and our directors and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the consolidated financial statements.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2025. In making the assessment of the effectiveness of our internal control over financial reporting, management has utilized the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, (2013 framework) (“COSO”). Based on our evaluation under the COSO criteria, our management concluded that our internal control over financial reporting was effective as of December 31, 2025, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with U.S. GAAP.

Our independent registered public accounting firm, Deloitte & Touche LLP, has issued an audit report on management’s assessment of internal control over financial reporting as of December 31, 2025. The report of Deloitte & Touche LLP is included below under the heading “Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting.”

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of TeraWulf Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of TeraWulf Inc. and subsidiaries (the “Company”) as of December 31, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2025, of the Company and our report dated February 27, 2026, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and

directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 27, 2026

ITEM 9B. Other Information

(a) Disclosure in lieu of reporting on a Current Report on Form 8-K.

None.

(b) Insider Trading Arrangements and Policies.

On December 23, 2025, Paul Prager, the Company's Chief Executive Officer, entered into a 10b5-1 Plan providing for the potential sale of up to 1,650,000 shares of the Company's common stock so long as the market price of our common stock is higher than certain minimum threshold prices between the first potential sale date of March 24, 2026 and the scheduled expiration date of the 10b5-1 Plan on August 31, 2026. During the Company's fiscal quarter ended December 31, 2025, none of the Company's other directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Our Securities Trading Policy provides that employees, including our executive officers and the members of our Board of Directors, are prohibited from engaging in transactions in our securities if such employee possesses material, non-public information about the Company. In addition, certain persons covered by our Securities Trading Policy must advise our Chief Legal Officer before effectuating any transaction in our securities. Because the Company believes it is improper and inappropriate for any person to engage in short-term or speculative transactions involving the Company's securities, it is the policy of the Company that directors, officers and employees of the Company, and their related persons, are prohibited from engaging in any of the following activities with respect to securities of the Company: (i) purchases of the Company's stock of the Company on margin generally; (ii) short sales; and (iii) buying or selling puts, calls, options or other derivatives in respect of the Company's securities. The Company's Securities Trading Policy discourages speculative hedging transactions, but does permit directors, officers and employees of the Company to enter into long-term (12 months or longer) hedging transactions that are designed to protect the individual's investment in his or her shares of common stock or stock options of the Company, subject to the pre-clearance procedures outlined in the Securities Trading Policy.

ITEM 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance

Our board of directors has adopted a code of ethics policy that applies to all of our directors, officers, and employees, including our chief executive officer, chief financial officer, and all of the finance team. The full text of our code of ethics policy can be found on the governance page within the investors section of our website at www.terawulf.com. We intend to disclose any changes in or waivers from the codes of ethics by posting such information on our corporate website or by filing a Current Report on Form 8-K.

Information relating to this item will be included in the proxy statement for our 2026 annual stockholders' meeting and is incorporated by reference in this Annual Report on Form 10-K. Certain information concerning our executive officers is included in Item 1 of Part I of this Annual Report on Form 10-K and is hereby incorporated by reference.

ITEM 11. Executive Compensation

Information relating to this item will be included in the proxy statement for our 2026 annual stockholders' meeting and is hereby incorporated by reference in this Annual Report on Form 10-K.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information relating to this item will be included in the proxy statement for our 2026 annual stockholders' meeting and is hereby incorporated by reference in this Annual Report on Form 10-K.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

Information relating to this item will be included in the proxy statement for our 2026 annual stockholders' meeting and is hereby incorporated by reference in this Annual Report on Form 10-K.

ITEM 14. Principal Accounting Fees and Services

Information relating to this item will be included in the proxy statement for our 2026 annual stockholders' meeting and is hereby incorporated by reference in this Annual Report on Form 10-K.

PART IV

ITEM 15. Exhibits and Financial Statement Schedules

(a) Exhibits and Financial Statement Schedules

- (1) Our Consolidated Financial Statements and Notes thereto are included in Item 8 of this Annual Report on Form 10-K. See “Financial Statements and Supplementary Data—TeraWulf Inc.—Index” for more detail.
- (2) All financial schedules have been omitted either because they are not applicable or because the required information is provided in our Consolidated Financial Statements and Notes thereto, included in Item 8 of this Annual Report on Form 10-K.
- (3) Index to Exhibits

Exhibit Number	Description
(2.1)	Agreement and Plan of Merger, dated as of June 24, 2021, by and among TeraWulf Inc. (formerly known as Telluride Holdco, Inc.), IKONICS Corporation, Telluride Merger Sub I, Inc., Telluride Merger Sub II, Inc. and TeraCub Inc. (formerly known as TeraWulf Inc.) (incorporated by reference to Appendix A of TeraWulf Inc.’s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(2.2)	Amendment to the Agreement and Plan of Merger, dated as of August 5, 2021, by and among TeraWulf Inc. (formerly known as Telluride Holdco, Inc.), IKONICS Corporation, Telluride Merger Sub I, Inc., Telluride Merger Sub II, Inc. and TeraCub Inc. (formerly known as TeraWulf Inc.) (incorporated by reference to Appendix A of TeraWulf Inc.’s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(2.3)	Amendment No. 2 to the Agreement and Plan of Merger, dated as of September 17, 2021, by and among TeraWulf Inc. (formerly known as Telluride Holdco, Inc.), IKONICS Corporation, Telluride Merger Sub I, Inc., Telluride Merger Sub II, Inc. and TeraCub Inc. (formerly known as TeraWulf Inc.) (incorporated by reference to Appendix A of TeraWulf Inc.’s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(2.4)	Amendment No. 3 to the Agreement and Plan of Merger, dated as of December 2, 2021, by and among TeraWulf Inc. (formerly known as Telluride Holdco, Inc.), IKONICS Corporation, Telluride Merger Sub I, Inc., Telluride Merger Sub II, Inc. and TeraCub Inc. (formerly known as TeraWulf Inc.) (incorporated by reference to Exhibit 2.1 of TeraWulf Inc.’s Current Report on Form 8-K (file no. 000-25727) filed with the SEC on December 3, 2021).
(2.5)	Amendment No. 4 to the Agreement and Plan of Merger, dated as of December 8, 2021, by and among TeraWulf Inc. (formerly known as Telluride Holdco, Inc.), IKONICS Corporation, Telluride Merger Sub I, Inc., Telluride Merger Sub II, Inc. and TeraCub Inc. (formerly known as TeraWulf Inc.) (incorporated by reference to Exhibit 2.1 of TeraWulf Inc.’s Current Report on Form 8-K (file no. 000-25727) filed with the SEC on December 9, 2021).
(3.1)	Amended and Restated Certificate of Incorporation of TeraWulf Inc., dated as of December 13, 2021 (incorporated by reference to Exhibit 3.1 of Form 8-K12B (file no. 001-41163) filed with the SEC on December 13, 2021).
(3.2)	Certificate of Amendment of Amended and Restated Certificate of Incorporation of TeraWulf Inc., dated as of February 23, 2023 (incorporated by reference to Exhibit 3.3 of TeraWulf Inc.’s Amendment No. 3 to the Registration Statement on Form S-3 (file no. 333-268563) filed with the SEC on March 10, 2023).
(3.3)	Certificate of Amendment of Amended and Restated Certificate of Incorporation of TeraWulf Inc., dated as of February 23, 2023 (incorporated by reference to Exhibit 3.4 of TeraWulf Inc.’s Amendment No. 3 to the Registration Statement on Form S-3 (file no. 333-268563) filed with the SEC on March 10, 2023).

[Table of Contents](#)

Exhibit Number	Description
(3.4)	Certificate of Amendment of Amended and Restated Certificate of Incorporation of TeraWulf Inc., dated as of April 16, 2024 (incorporated by reference to Exhibit 3.4 of TeraWulf's Quarterly Report on Form 10-Q filed with the SEC on May 13, 2024).
(3.5)	Certificate of Amendment of Amended and Restated Certificate of Incorporation of TeraWulf Inc., dated as of September 30, 2025 (incorporated by reference to Exhibit 3.5 of TeraWulf Inc.'s Quarterly Report on Form 10-Q filed with the SEC on November 10, 2025).
(3.6)	Amended and Restated Bylaws of TeraWulf Inc., effective as of December 13, 2021 (incorporated by reference to Exhibit 3.2 of TeraWulf Inc.'s Form 8-K12B filed with the SEC on December 13, 2021).
(3.7)	TeraWulf Inc. Series A Convertible Preferred Certificate of Designations (incorporated by reference to Exhibit 3.1 of TeraWulf Inc.'s Amendment No. 1 to the Current Report on Form 8-K (file no. 001-41163) filed with the SEC on March 17, 2022).
4.1	Description of Securities.
(4.2)	Indenture, dated as of October 25, 2024, between TeraWulf Inc. and Wilmington Trust, National Association, as trustee, related to the 2.75% convertible senior notes (incorporated by reference to Exhibit 4.1 of TeraWulf's Current Report on Form 8-K filed with the SEC on October 25, 2024).
(4.3)	Form of note representing the 2.75% Convertible Senior Notes due 2030 (incorporated by reference to Exhibit A to Exhibit 4.1 of TeraWulf's Current Report on Form 8-K filed with the SEC on October 25, 2024).
(4.4)	Form of Capped Call Confirmations (incorporated by reference to Exhibit 10.1 of TeraWulf's Current Report on Form 8-K filed with the SEC on October 25, 2024).
(4.5)	Form of Warrant Agreement, dated August 13, 2025, by and between TeraWulf Inc. and Google LLC (incorporated by reference to Exhibit 4.1 of TeraWulf's Current Report on Form 8-K filed with the SEC on August 14, 2025).
(4.6)	Indenture, dated as of August 20, 2025, between TeraWulf Inc. and Wilmington Trust, National Association, as trustee, related to the 1.00% Convertible Senior Notes due 2031 (incorporated by reference to Exhibit 4.1 of TeraWulf's Current Report on Form 8-K filed with the SEC on August 20, 2025).
(4.7)	Form of note representing the 1.00% Convertible Senior Notes due 2031 (incorporated by reference to Exhibit A to Exhibit 4.1 of TeraWulf's Current Report on Form 8-K filed with the SEC on August 20, 2025).
(4.8)	Form of Capped Call Confirmations (incorporated by reference to Exhibit 10.1 of TeraWulf's Current Report on Form 8-K filed with the SEC on August 20, 2025).
(4.9)	Indenture, dated as of October 23, 2025, among WULF Compute LLC, the guarantors party thereto and Wilmington Trust, National Association, as trustee, relating to the 7.750% Senior Secured Notes (incorporated by reference to Exhibit 4.1 of TeraWulf's Current Report on Form 8-K filed with the SEC on October 23, 2025).
(4.10)	Form of note representing the 7.750% Senior Secured Notes due 2030 (incorporated by reference to Exhibit A to Exhibit 4.1 of TeraWulf's Current Report on Form 8-K filed with the SEC on October 23, 2025).
(4.11)	Indenture, dated as of October 31, 2025, between TeraWulf Inc. and Wilmington Trust, National Association, as trustee, related to the 0.00% Convertible Senior Notes (incorporated by reference to Exhibit 4.1 of TeraWulf's Current Report on Form 8-K filed with the SEC on October 31, 2025).
(4.12)	Form of note representing the 0.00% Convertible Senior Notes due 2032 (incorporated by reference to Exhibit A to Exhibit 4.1 of TeraWulf's Current Report on Form 8-K filed with the SEC on October 31, 2025).

[Table of Contents](#)

<u>Exhibit Number</u>	<u>Description</u>
(4.13)	Indenture, dated as of December 29, 2025, among FS CS I LLC, Flash Compute LLC, the guarantor party thereto and Wilmington Trust, National Association, as trustee and collateral agent, relating to the 7.250% Senior Secured Notes due 2030 (incorporated by reference to Exhibit 4.1 of TeraWulf's Current Report on Form 8-K filed with the SEC on December 29, 2025).
(4.14)	Form of note representing the 7.250% Senior Secured Notes due 2030 (incorporated by reference to Exhibit A to Exhibit 4.1 of TeraWulf Inc.'s Current Report on Form 8-K filed with the SEC on December 29, 2025).
(4.15)	Warrant Agreement, dated as of July 1, 2022, by and among TeraWulf Inc. and certain persons listed therein (incorporated by reference to Exhibit 4.1 of TeraWulf Inc.'s Current Report on Form 8-K (file no. 001-41163) filed with the SEC on July 1, 2022).
(4.16)	Registration Rights Agreement, dated as of July 1, 2022, by and among TeraWulf Inc. and certain persons listed therein (incorporated by reference to Exhibit 4.2 of TeraWulf Inc.'s Current Report on Form 8-K (file no. 011-41163) filed with the SEC on July 1, 2022).
(4.17)	Amended and Restated Warrant Agreement, dated as of October 7, 2022, by and among TeraWulf Inc. and certain persons listed therein (incorporated by reference to Exhibit 4.1 of TeraWulf Inc.'s Current Report on Form 8-K (file no. 001-41163) filed with the SEC on October 12, 2022).
(4.18)	Warrant Agreement, dated as of March 1, 2023, by and among TeraWulf Inc. and certain persons listed therein (incorporated by reference to Exhibit 4.1 of TeraWulf Inc.'s Current Report on Form 8-K (file no. 001-41163) filed with the SEC on March 3, 2023).
(4.19)	Registration Rights Agreement, dated as of March 1, 2023, by and among TeraWulf Inc. and certain persons listed therein (incorporated by reference to Exhibit 4.2 of TeraWulf Inc.'s Current Report on Form 8-K (file no. 001-41163) filed with the SEC on March 3, 2023).
(4.20)	Registration Rights Agreement, dated as of October 9, 2024, by and between TeraWulf Inc. and Riesling Power LLC (incorporated by reference to Exhibit 10.3 of TeraWulf Inc.'s Current Report on Form 8-K (file no. 001-41163) filed with the SEC on October 10, 2024).
(10.1)#	Employment Letter Agreement, dated November 4, 2021, by and between TeraWulf Inc. and Paul B. Prager (incorporated by reference to Exhibit 10.9 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.2)#	Employment Letter Agreement, dated November 4, 2021, by and between TeraWulf Inc. and Nazar M. Khan (incorporated by reference to Exhibit 10.11 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.3)#	Employment Letter Agreement, dated November 4, 2021, by and between TeraWulf Inc. and Kerri M. Langlais (incorporated by reference to Exhibit 10.12 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.4)#	Employment Letter Agreement, dated as of May 16, 2022, by and between TeraWulf Inc. and Patrick M. Fleury (incorporated by reference to Exhibit 10.2 of TeraWulf's Quarterly Report on Form 10-Q (file no. 001-41163) with the SEC on May 16, 2022).
(10.5)#	Restrictive Covenant Agreement, dated as of November 4, 2021, by and between TeraWulf Inc. and Paul B. Prager (incorporated by reference to Exhibit 10.13 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.6)#	Restrictive Covenant Agreement, dated as of November 4, 2021, by and between TeraWulf Inc. and Nazar M. Khan (incorporated by reference to Exhibit 10.15 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.7)#	Restrictive Covenant Agreement, dated as of November 4, 2021, by and between TeraWulf Inc. and Kerri M. Langlais (incorporated by reference to Exhibit 10.16 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).

[Table of Contents](#)

<u>Exhibit Number</u>	<u>Description</u>
(10.8)#	Restrictive Covenant Agreement, dated as of May 16, 2022, by and between TeraWulf Inc. and Patrick M. Fleury (incorporated by reference to Exhibit 10.3 of TeraWulf's Quarterly Report on Form 10-Q (file no. 001-41163) filed with the SEC on May 16, 2022).
(10.9)#	TeraWulf 2021 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.9 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
10.10#	Form of TeraWulf Inc. 2021 Omnibus Incentive Plan Performance-Based Restricted Stock Unit Award Agreement.
(10.11)#	Form of TeraWulf Inc. Omnibus Incentive Plan Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.18 of TeraWulf Inc.'s of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.12)#	First Amendment to the TeraWulf 2021 Omnibus Incentive Plan, effective May 5, 2025, incorporated by reference to Exhibit 10.1 of TeraWulf Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 9, 2025.
(10.13)	At Market Issuance Sales Agreement, dated as of February 11, 2022, by and between TeraWulf Inc. and B. Riley Securities, Inc. and D.A. Davidson & Co. (incorporated by reference to Exhibit 1.1 of TeraWulf Inc.'s Current Report on Form 8-K (file no. 001-41163) filed with the SEC on February 11, 2022).
(10.14)	Foundry USA Pool Service Agreement, dated as of August 27, 2020 (incorporated by reference to Exhibit 10.1 to TeraWulf's Current Report on Form 8-K (file no. 001-41163) filed with the SEC on February 1, 2023).
(10.15)†	Digital Asset Custodial Agreement, by and between NYDIG Trust Company LLC and Lake Mariner Data LLC, dated as of March 10, 2022 (incorporated by reference to Exhibit 10.2 of TeraWulf Inc.'s Registration Statement on Form S-3/A (file no. 333-268563) filed with the SEC on March 10, 2023).†
(10.16)	Sales Agreement, dated as of April 26, 2022, by and among TeraWulf Inc. and Cantor Fitzgerald & Co., B. Riley Securities, Inc. and D.A. Davidson & Co. (incorporated by reference to Exhibit 1.1 of TeraWulf Inc.'s Current Report on Form 8-K (file no. 001-41163) filed with the SEC on April 26, 2022).
(10.17)†	Digital Asset Execution Agreement, by and between NYDIG Execution LLC and Lake Mariner Data LLC, dated as of September 16, 2022 (incorporated by reference to Exhibit 10.3 of TeraWulf Inc.'s Registration Statement on Form S-3/A (file no. 333-268563) filed with the SEC on March 10, 2023).†
(10.18)#	Non-Employee Director Compensation Policy (incorporated by reference to Exhibit 10.30 to TeraWulf's Inc.'s Annual Report on Form 10-K filed with the SEC on February 28, 2025).
(10.19)	Form of Capped Call Confirmations (incorporated by reference to Exhibit 10.1 of TeraWulf Inc.'s Current Report on Form 8-K filed with the SEC on October 25, 2024.)
(10.20)	Amendment No. 1 to Sales Agreement, dated as of August 11, 2023, by and among TeraWulf Inc., Cantor Fitzgerald & Co., B. Riley Securities, Inc., Northland Securities, Inc. and Compass Point Research & Trading, LLC (incorporated by reference to Exhibit 10.1 of TeraWulf's Quarterly Report on Form 10-Q (file no. 001-41163) filed with the SEC on November 13, 2023).
(10.21)	Amendment No. 2 to Sales Agreement, dated as of May 23, 2024, by and among TeraWulf Inc., Cantor Fitzgerald & Co., ATB Capital Markets USA Inc., Compass Point Research & Trading, LLC, Northland Securities, Inc., Roth Capital Partners, LLC, Stifel Nicolaus Canada, Inc. and Virtu Americas LLC (incorporated by reference to Exhibit 1.1 of TeraWulf Inc.'s Current Report on Form 8-K filed with the SEC on May 23, 2024).
(10.22)#	Form of TeraWulf Inc. Omnibus Incentive Plan Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.6 of TeraWulf Inc.'s Quarterly Report on Form 10-Q filed on November 12, 2024).

[Table of Contents](#)

<u>Exhibit Number</u>	<u>Description</u>
(10.23)	Purchase and Sale Agreement, by and among TeraWulf (Thales) LLC, Cumulus Coin LLC and Nautilus Cryptomine LLC, dated as of October 2, 2024 (incorporated by reference to Exhibit 10.1 of TeraWulf Inc.'s Form 8-K filed with the SEC on October 3, 2024)
(10.24)	Membership Interest Purchase Agreement, by and between Beowulf E&D Holdings Inc., TeraCub Inc., and TeraWulf Inc., dated as of May 21, 2025 (incorporated by reference to Exhibit 10.1 of TeraWulf Inc.'s Current Report on Form 8-K filed with the SEC on May 27, 2025).
(10.25)	Amended and Restated Lease Agreement between Somerset Operating Company, LLC and Lake Mariner Data LLC, dated as of May 21, 2025 (incorporated by reference to Exhibit 10.5 of TeraWulf Inc.'s Current Report on Form 8-K filed with the SEC on May 27, 2025).
(10.26)	Release and Waiver Agreement, by and between Beowulf E&D Holdings Inc., TeraCub Inc., TeraWulf Inc., Beowulf E&D (MD) LLC, Beowulf E&D (NY) LLC and Beowulf Electricity & Data LLC, dated as of May 21, 2025 (incorporated by reference to Exhibit 10.2 of TeraWulf Inc.'s Current Report on Form 8-K filed with the SEC on May 27, 2025).
(10.27)	Transition Services Agreement, by and between Heorot Power Holdings LLC, TeraCub Inc., TeraWulf Inc., Beowulf E&D (MD) LLC, Beowulf E&D (NY) LLC and Beowulf Electricity & Data LLC, dated as of May 21, 2025 (incorporated by reference to Exhibit 10.3 of TeraWulf Inc.'s Current Report on Form 8-K filed with the SEC on May 27, 2025).
(10.28)	Registration Rights Agreement between TeraWulf Inc. and Beowulf E&D Holdings Inc., May 21, 2025 (incorporated by reference to Exhibit 10.4 of TeraWulf Inc.'s Current Report on Form 8-K filed with the SEC on May 27, 2025).
(10.29)	Lease Agreement, dated August 12, 2025, by and between Cayuga Operating Company LLC and Lake Hawkeye LLC (incorporated by reference to Exhibit 10.1 of TeraWulf's Current Report on Form 8-K filed with the SEC on August 14, 2025).
(10.30)	Registration Rights Agreement, dated August 12, 2025, by and among TeraWulf Inc. and Riesling Power LLC (incorporated by reference to Exhibit 10.2 of TeraWulf Inc.'s Current Report on Form 8-K filed with the SEC on August 14, 2025).
(10.31)	Form of Recognition Agreement, dated August 13, 2025, by and between Akela Data LLC, Fluidstack USA I Inc. and Google LLC (incorporated by reference to Exhibit 10.1 of TeraWulf's Current Report on Form 8-K filed with the SEC on August 14, 2025).
10.32	Form of Recognition Agreement, dated September 26, 2025, by and between Abernathy Data LLC (f/k/a FS AB LLC), Fluidstack USA III Inc. and Google LLC.
(16.1)	Letter from RSM US LLP, dated August 21, 2024 (incorporated by reference to TeraWulf Inc.'s Current Report on Form 8-K (file no. 001-41163) filed with the SEC on August 21, 2024).
(19.1)	Securities Trading Policy (incorporated by reference to Exhibit 19.1 to TeraWulf's Annual Report on Form 10-K filed with the SEC on March 19, 2024).
21.1	List of subsidiaries.
23.1	Consent of RSM US LLP.
23.2	Consent of Deloitte & Touche LLP, registered public accounting firm of TeraWulf Inc.
31.1	Certification of the Principal Executive Officer required by Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002.
31.2	Certification of the Principal Financial Officer required by Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002.
32.1**	Certification of the Principal Executive Officer required by 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.

Exhibit Number	Description
32.2**	Certification of the Principal Financial Officer required by 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.
(97.1)	Policy relating to recovery of erroneously awarded compensation, as required by applicable listing standards adopted pursuant to 17 CFR 240.10D-1 (incorporated by reference to Exhibit 91.1 to TeraWulf's Inc.'s Annual Report on Form 10-K filed with the SEC on March 3, 2025).
101	Consolidated financial statements for the year ended December 31, 2025 formatted in Inline Extensible Business Reporting Language (iXBRL); (i) Consolidated Balance Sheet as of December 31, 2025, (ii) Consolidated Statement of Operations for the Year Ended December 31, 2025, (iii) Consolidated Statement of Stockholders' Equity for the Year Ended December 31, 2025, (iv) Consolidated Statement of Cash Flows for the Year Ended December 31, 2025, and (v) Notes to Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

() Exhibits previously filed in the Company's periodic filings as specifically noted.

Executive compensation plans and arrangements.

** Furnished herewith.

† Certain portions of this exhibit have been redacted pursuant to Item 601(b)(2)(ii) and Item 601(b)(10)(iv) of Regulation S-K, as applicable. The Company agrees to furnish supplementally an unredacted copy of the exhibit to the Commission upon its request.

ITEM 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TERAWULF INC.
(Registrant)

February 27, 2026
(Date)

By: /s/ Paul B. Prager
Paul B. Prager
(Chief Executive Officer and Chairman)
(Principal Executive Officer)

[Table of Contents](#)

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Position	Date
<u>/s/ Paul B. Prager</u> Paul B. Prager	Chief Executive Officer and Chairman of the Board of Directors <i>(Principal Executive Officer and Director)</i>	February 27, 2026
<u>/s/ Patrick A. Fleury</u> Patrick A. Fleury	Chief Financial Officer <i>(Principal Financial Officer)</i>	February 27, 2026
<u>/s/ William J. Tanimoto</u> William J. Tanimoto	Chief Accounting Officer <i>(Principal Accounting Officer)</i>	February 27, 2026
<u>/s/ Nazar M. Khan</u> Nazar M. Khan	Chief Technology Officer and Executive Director	February 27, 2026
<u>/s/ Kerri M. Langlais</u> Kerri M. Langlais	Chief Strategy Officer and Executive Director	February 27, 2026
<u>/s/ Michael C. Bucella</u> Michael C. Bucella	Director	February 27, 2026
<u>/s/ Walter E. Carter</u> Walter E. Carter	Director	February 27, 2026
<u>/s/ Amanda Fabiano</u> Amanda Fabiano	Director	February 27, 2026
<u>/s/ Catherine J. Motz</u> Catherine J. Motz	Director	February 27, 2026
<u>/s/ Steven T. Pincus</u> Steven T. Pincus	Director	February 27, 2026
<u>/s/ Lisa A. Prager</u> Lisa A. Prager	Director	February 27, 2026

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

As of December 31, 2025, TeraWulf Inc. (“us”, “our”, “we”, “TeraWulf”, or the “Company”) has one class of securities registered under Section 12(b) of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”): our common stock, par value \$0.001 per share (“Common Stock”).

Common Stock

Shares Outstanding. We are authorized to issue up to 950,000,000 shares of Common Stock.

Dividends. Subject to prior dividend rights of the holders of any preferred shares, holders of our Common Stock are entitled to receive dividends when, as and if declared by our board of directors out of funds legally available for that purpose. Delaware law allows a corporation to pay dividends only out of surplus, as determined under Delaware law.

Voting Rights. Except as otherwise required by law or as otherwise provided in any certificate of designation for any series of preferred stock, the holders of our Common Stock possess all voting power for the election of directors and all other matters requiring stockholder action and will at all times vote together as one class on all matters submitted to a vote of our stockholders. Holders of our Common Stock are entitled to one vote per share on matters to be voted on by stockholders.

Other Rights. In the event of any liquidation, dissolution or winding up of our company, after the satisfaction in full of the liquidation preferences of holders of any preferred shares, holders of our Common Stock are entitled to ratable distribution of the remaining assets available for distribution to stockholders.

Fully Paid. The issued and outstanding shares of our Common Stock are fully paid and non-assessable. This means the full purchase price for the outstanding shares of our Common Stock has been paid and the holders of such shares will not be assessed any additional amounts for such shares. Any additional shares of Common Stock that we may issue in the future will also be fully paid and non-assessable.

Listing. TeraWulf’s common stock is listed on the Nasdaq Capital Market under the trading symbol “WULF”.

Transfer and Registration of Common Stock. The transfer agent and registrar for our common stock is Equiniti Trust Company, d/b/a “EQ by Equiniti,”. Its address is 1110 Centre Pointe Curve Suite 101, Mendota Heights, MN 55120.

Modified PSU Award Agreement

**TERAWULF
2021 OMNIBUS INCENTIVE PLAN
NOTICE OF PSU GRANT**

Participant: _____

of Shares Underlying PSUs: _____

Date of Grant: _____

Vesting Schedule: The PSUs shall vest in accordance with terms of the Award Agreement attached hereto as Annex I. Upon vesting, the PSUs shall no longer be subject to cancellation pursuant to Section 3 of the Award Agreement.

By signing your name below, you accept the PSUs and acknowledge and agree that the PSUs are granted under and governed by the terms and conditions of the TeraWulf 2021 Omnibus Incentive Plan, the Award Agreement set forth on Annex I and the restrictive covenants set forth on Exhibit A thereto, each of which are hereby made a part of this document.

PARTICIPANT

TERAWULF INC.

By: _____

Title:

TERAWULF
2021 OMNIBUS INCENTIVE PLAN
PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT

Pursuant to the PSU Grant Notice (“Grant Notice”) and this Award Agreement, TeraWulf Inc. (together with its Subsidiaries, whether existing or thereafter acquired or formed, and any and all successor entities, the “Company”) has granted the Participant performance-based Restricted Stock Units (the “PSUs”) under the TeraWulf 2021 Omnibus Incentive Plan (the “Plan”) with respect to the number of Shares indicated in the Grant Notice (the “Award”). Each PSU represents the right to receive one Share. The PSUs are granted to the Participant effective as of the Date of Grant. Capitalized terms not explicitly defined in this Award Agreement or in the Grant Notice but defined in the Plan shall have the same definitions as in the Plan.

1. Vesting; Settlement.

(a) Vesting. Subject to the provisions of this Section 1, the PSUs shall immediately vest upon the achievement of the Performance Goals (as defined below) at any point during the period commencing on the Date of Grant and ending on the third anniversary of the Date of Grant (the “Performance Period”), subject to the Participant’s continued employment or service with the Company through such date. Upon the achievement of any Performance Goal during the Performance Period, Shares underlying the number of PSUs that have been earned (the “Earned PSUs”) in accordance with the applicable Performance Goal shall be delivered to the Participant (each such date, a “Determination Date”), subject to Section 1(c) below. In the event that any PSUs remain unvested at the end of the Performance Period, such PSUs shall be forfeited.

(b) Performance Goals. The PSUs shall be earned as follows: (i) ___% of the PSUs shall be earned upon achievement by the Company of a Stock Price Hurdle equal to \$___ per share or greater; (ii) ___% of the PSUs shall be earned upon achievement by the Company of a Stock Price Hurdle equal to \$___ per share or greater; (iii) ___% of the PSUs shall be earned upon achievement by the Company of a Stock Price Hurdle equal to \$___ per share or greater; and ___% of the PSUs shall be earned upon achievement by the Company of a Stock Price Hurdle equal to \$___ per share or greater (collectively, the “Performance Goals”). For purposes of this Award Agreement, “Stock Price Hurdle” shall mean _____. The Committee shall have the authority to make appropriate adjustments to the calculations and determinations with respect to this Section 1(b).

(c) Settlement. Subject to the provisions of this Award Agreement, promptly following the Determination Date (and no later than the thirtieth (30th) day following the Determination Date), the Participant shall receive the number of Shares that correspond to the number of Earned PSUs, less any Shares withheld by the Company pursuant to Section 5 below. Upon such delivery, such Shares shall be fully assignable, saleable and transferable by the Participant, provided that any such assignment, sale, transfer or other alienation with respect to such Shares shall be in accordance with applicable securities laws.

2. Dividend Equivalents. Unless otherwise provided by the Committee, the Participant shall not be eligible to receive dividend equivalents with respect to the PSUs unless and until the

Participant becomes the record owner of the Shares underlying the PSUs, at which time accrued dividend equivalents shall be paid pursuant to Section 9(g)(ii) of the Plan.

3. **Termination of Employment.** In the event of the Participant's termination of employment or service with the Company at any time, all unvested PSUs shall be canceled immediately and the Participant shall not be entitled to receive any payments with respect thereto.

4. **Rights as a Stockholder.** The Participant shall have no voting rights with respect to the PSUs unless and until the Participant becomes the record owner of the Shares underlying the PSUs.

5. **Tax Withholding.** The Participant shall be solely responsible for any applicable taxes (including, without limitation, income and excise taxes) and penalties, and any interest that accrues thereon, that the Participant incurs in connection with the receipt, vesting or settlement of any PSU granted hereunder. The Company shall be authorized to withhold from the Award the amount (in cash or Shares, or any combination thereof) of applicable withholding taxes due in respect of the Award, its settlement or any payment or transfer under the Award and to take such other action (including providing for elective payment of such amounts in cash or other property by the Participant) as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes; provided, however, that no Shares shall be withheld with a value exceeding the maximum statutory rates in the applicable tax jurisdictions.

6. **Clawback; Forfeiture; Detrimental Conduct.** The PSUs shall be subject to the clawback, forfeiture and detrimental conduct provisions set forth in Section 15(u) of the Plan.

7. **Restrictive Covenants.**

(a) Without limiting any other non-competition, non-solicitation, non-disparagement or non-disclosure or other similar agreement to which the Participant may be a party, the Participant shall be subject to the confidentiality and restrictive covenants set forth on Exhibit A attached hereto, which Exhibit A is incorporated herein and forms part of this Award Agreement.

(b) In the event that the Participant violates any of the restrictive covenants referred to in this Section 7, in addition to any other remedy that may be available at law or in equity, the PSUs shall be automatically forfeited effective as of the date on which such violation first occurs. The foregoing rights and remedies are in addition to any other rights and remedies that may be available to the Company and shall not prevent (and the Participant shall not assert that they shall prevent) the Company from bringing one or more actions in any applicable jurisdiction to recover damages as a result of the Participant's breach of such restrictive covenants.

8. **Miscellaneous.**

(a) **Compliance with Legal Requirements.** The granting of the PSU, and any other obligations of the Company under this Award Agreement, shall be subject to all applicable U.S. federal, state and local laws, rules and regulations, all applicable non-U.S. laws, rules and regulations and to such approvals by any regulatory or governmental agency as may be required. The Participant agrees to take all steps that the Committee or the Company determines are reasonably necessary to comply with all applicable provisions of U.S. federal and state securities law and non-U.S. securities law in exercising the Participant's rights under this Award Agreement.

(b) Transferability. The PSUs shall be subject to Section 15(b) of the Plan.

(c) Waiver. No amendment or modification of any provision of this Award Agreement shall be effective unless signed in writing by or on behalf of the Company and the Participant, except that the Company may amend or modify this Award Agreement without the Participant's consent in accordance with the provisions of the Plan or as otherwise set forth in this Award Agreement. No waiver of any breach or condition of this Award Agreement shall be deemed to be a waiver of any other or subsequent breach or condition whether of like or different nature. Any amendment or modification of or to any provision of this Award Agreement, or any waiver of any provision of this Award Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given.

(d) Section 409A. This Award Agreement is intended to comply with the requirements of Section 409A of the Code and the regulations thereunder, and the provisions of this Award Agreement shall be interpreted in a manner that satisfies the requirements of Section 409A of the Code, and this Award Agreement shall be operated accordingly. If any provision of this Award Agreement or any term or condition of the PSUs would otherwise conflict with this intent, the provision, term or condition shall be interpreted and deemed amended so as to avoid this conflict. Notwithstanding anything else in this Award Agreement, if the Committee considers a Participant to be a "specified employee" under Section 409A of the Code at the time of such Participant's "separation from service" (as defined in Section 409A of the Code), and the amount hereunder is "deferred compensation" subject to Section 409A of the Code any distribution that otherwise would be made to such Participant with respect to PSUs as a result of such separation from service shall not be made until the date that is six months after such separation from service, except to the extent that earlier distribution would not result in such Participant's incurring interest or additional tax under Section 409A of the Code. If the Award includes a "series of installment payments" (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), the Participants' right to the series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment. Notwithstanding the foregoing, the tax treatment of the benefits provided under this Award Agreement is not warranted or guaranteed, and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code.

(e) General Assets. All amounts credited in respect of the PSUs to the book-entry account under this Award Agreement shall continue for all purposes to be part of the general assets of the Company. The Participant's interest in such account shall make the Participant only a general, unsecured creditor of the Company.

(f) Notices. All notices, requests and other communications under this Award Agreement shall be in writing and shall be delivered in person (by courier or otherwise), mailed by certified or registered mail, return receipt requested to the contact details below. The parties may use e-mail delivery, so long as the message is clearly marked, sent to the e-mail address(es) set forth below.

if to the Company, to:

TeraWulf Inc.
9 Federal Street
Easton, MD 21601
Telephone: (410) 770-9500
Facsimile: (410) 770-9705
Email: legal@terawulf.com
Attention: Chief Legal Officer

if to the Participant, to the address, facsimile number or e-mail address that the Participant most recently provided to the Company, or to such other address, facsimile number or e-mail address as such party may hereafter specify for the purpose by notice to the other parties hereto.

(g) Severability. The invalidity or unenforceability of any provision of this Award Agreement shall not affect the validity or enforceability of any other provision of this Award Agreement, and each other provision of this Award Agreement shall be severable and enforceable to the extent permitted by law.

(h) Successors. The terms of this Award Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Participant and the beneficiaries, executors, administrators, heirs and successors of the Participant.

(i) Entire Agreement. The Participant acknowledges receipt of a copy of the Plan and represents that the Participant is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the PSU terms), and hereby accepts the grant of PSUs and agrees to be bound by its contractual terms as set forth herein (including Exhibit A) and in the Plan. The Participant acknowledges and agrees that the grant of the PSUs constitutes additional consideration to the Participant for the Participant's continued and future compliance with any restrictive covenants in favor of the Company by which the Participant is otherwise bound. The Participant hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Committee regarding any questions relating to the PSU. In the event of a conflict between the terms and provisions of the Plan and the terms and provisions of this Award Agreement, the Plan terms and provisions shall prevail. This Award Agreement, including the Plan, constitutes the entire agreement between the Participant and the Company on the subject matter hereof and supersedes all proposals, written or oral, and all other communications between the parties relating to such subject matter.

(j) Governing Law. Except as otherwise set forth in an Employment Agreement, this Award Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Delaware.

(k) Dispute Resolution; Consent to Jurisdiction. Except as otherwise set forth in an Employment Agreement, the Participant and the Company agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with this Award Agreement (whether brought by any party or any of its Affiliates or against any party or any of its Affiliates) shall be brought in the United States federal and state courts in Wilmington,

Delaware, and each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court.

(l) Electronic Signature and Delivery. This Award Agreement may be accepted by return signature or by electronic confirmation. By accepting this Award Agreement, the Participant consents to the electronic delivery of prospectuses, annual reports and other information required to be delivered by U.S. Securities and Exchange Commission rules (which consent may be revoked in writing by the Participant at any time upon three business days' notice to the Company, in which case subsequent prospectuses, annual reports and other information shall be delivered in hard copy to the Participant).

(m) Electronic Participation in Plan. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

[Remainder of page intentionally blank]

EXHIBIT A

RESTRICTIVE COVENANTS

The Participant acknowledges and agrees that during the Participant's employment or service with the Company, the Participant will be providing services to the Company and that the Participant will be intimately involved in the planning for or direction of the business of the Company, and that the Participant has or will obtain selective or specialized skills, knowledge, abilities, or customer contacts or information by reason of working for the Company and providing services to the Company.

1. **Noncompetition.** During the Participant's employment or service with the Company and for a period of twelve (12) months thereafter, the Participant shall not, either directly or indirectly, on the Participant's behalf or on behalf of or in conjunction with any other person, company, partnership, corporation, business, group, or other entity (each, a "Person"), engage, within the Territory (as described below), as an officer, director, owner, partner, member, joint venturer, employee, team member, independent contractor, agent or consultant in the same, similar or related capacity as the Participant was employed by or providing services to the Company, in any business engaged in the Business of the Company (as described below); provided, however, that the Participant shall not be prohibited from passively owning less than five percent (5%) of the outstanding shares of any class of equity securities registered under the Securities Exchange Act of 1934, as amended (the "34 Act").

2. **Nonsolicitation.** In addition, during the Participant's employment or service with the Company and for a period of eighteen (18) months thereafter, the Participant shall not, either directly or indirectly, on the Participant's behalf or on behalf of or in conjunction with any other Person:

(a) solicit or attempt to solicit any employee of the Company or any of its Affiliates (or any employee who was employed by the Company or any of its Affiliates within the six (6) months prior to the Participant's termination of employment or service), with whom the Participant had business relations or material contact, to end his or her relationship with the Company or any of its Affiliates or hire or attempt to hire any of the foregoing; or

(b) seek to induce or otherwise cause any customer, client, supplier, vendor, licensee, licensor or any other Person with whom the Company or any of its Affiliates then has, or during the six (6) months prior to such time had, a business relationship, whether by contract or otherwise, with whom the Participant had business relations or material contact or about whom the Participant has Confidential Information (as defined below) or Trade Secrets (as defined below), to discontinue or alter such business relationship in a manner that is adverse to the Company or any of its Affiliates.

i. The "Territory" shall be defined as the United States of America and any other territory where the Participant is working at the time of termination of employment or service with

the Company or the Company is doing business; which the Participant acknowledges and agrees is the territory in which the Participant is providing services to the Company.

ii. The “Business of the Company” means (A) any business or activity engaged in by the Company and in which the Participant was involved or obtained Confidential Information or Trade Secrets during his or her employment or service with the Company, and (B) any other business opportunity that is under active consideration by the Company during the Participant’s employment or service with the Company and in which the Participant was involved or obtained Confidential Information or Trade Secrets during his or her employment or service with the Company.

3. **Blue Pencil.** The restrictive covenants set forth herein are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. If any provision of the restrictive covenants set forth herein relating to the time period, scope, or geographic area of the restrictive covenants shall be declared by a court of competent jurisdiction or arbitrator to exceed the maximum time period, scope or geographic area, as applicable, that such court or arbitrator deems reasonable and enforceable, then the restrictive covenants set forth herein shall automatically be considered to have been amended and revised to reflect such determination.

4. **Severability.** All of the covenants set forth herein shall be construed as an agreement independent of any other provisions in this Exhibit A, and the existence of any claim or cause of action the Participant may have against the Company, whether predicated on this Exhibit A or otherwise, shall not constitute a defense to the enforcement by the Company or any of its Affiliates of such covenants.

5. **Participant Acknowledgments.** The Participant has carefully read and considered the provisions of the restrictive covenants set forth herein and, having done so, agrees that the restrictive covenants set forth herein impose a fair and reasonable restraint on the Participant and are reasonably required to protect the interests of the Company and its Affiliates and their respective officers, directors, employees and equityholders.

6. **Trade Secrets and Confidential Information.**

(a) “Confidential Information” means all non-public or proprietary data or information (other than Trade Secrets) concerning the business and operations of the Company or any of its Affiliates, including, but not limited to, any non-public information (regardless of whether in writing or retained as personal knowledge) pertaining to research and development; product costs, designs and processes; equityholder information; pricing, cost, or profit factors; quality programs; annual budget and long-range business plans; marketing plans and methods; contracts and bids; business ideas; and methods, inventions, innovations, developments, graphic designs, website designs, patterns, specifications, procedures, databases and personnel. “Trade Secret” means trade secret as defined by applicable state law. In the absence of such a definition, Trade Secret means information including, but not limited to, any technical or nontechnical data, formula, pattern, compilation, program, device, method, technique, drawing, process, financial data, financial plan, product plan, list of actual or potential customers or suppliers or other information similar to any of the foregoing, which (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can derive

economic value from its disclosure or use and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(b) The Participant acknowledges that in the course of the Participant's employment or service with the Company, the Participant has received or will receive and has had or will have access to Confidential Information and Trade Secrets of the Company or any of its Affiliates, and that unauthorized or improper use or disclosure by the Participant of such Confidential Information or Trade Secrets will cause serious and irreparable harm to the Company or any of its Affiliates. Accordingly, the Participant is willing to enter into the covenants contained herein in order to provide the Company and its Affiliates with what the Participant considers to be reasonable protection for its interests.

(c) The Participant hereby agrees to (i) hold in confidence all Confidential Information of the Company or any of its Affiliates that come into the Participant's knowledge during the Participant's employment or service by the Company and (ii) not disclose, publish or make use of such Confidential Information, other than in the good-faith performance of the Participant's duties, without the prior written consent of the Company for as long as the information remains Confidential Information.

(d) The Participant hereby agrees to hold in confidence all Trade Secrets of the Company or any of its Affiliates that come into the Participant's knowledge during the Participant's employment or service by the Company and not to disclose, publish, or make use of at any time after the date hereof such Trade Secrets without the prior written consent of the Company for as long as the information remains a Trade Secret.

(e) Notwithstanding the foregoing, the provisions of this Section 6 will not apply to (i) Confidential Information or Trade Secrets that otherwise becomes generally known in the industry or to the public through no act of the Participant or any person or entity acting by or on the Participant's behalf or information which the Participant can demonstrate to have had rightfully in the Participant's possession prior to the commencement of the Participant's employment or service with the Company or (ii) information required to be disclosed by judicial or governmental proceedings; provided that, in the event the Participant is ordered by a court or other government agency to disclose any Confidential Information, the Participant shall (1) promptly notify the Company of such order, (2) diligently contest such order at the sole expense of the Company as expenses occur and (3) seek to obtain at the sole expense of the Company such confidential treatment as may be available under applicable laws for any information disclosed under such order.

(f) Notwithstanding anything to the contrary herein, none of the covenants set forth herein will prohibit the Participant from making reports of possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Exchange Act or Section 806 of the Sarbanes-Oxley Act of 2002, or of any other whistleblower protection provisions of federal law or regulation, or require modification or prior approval by the Company of any such reporting.

(g) Notwithstanding anything to the contrary contained herein, pursuant to the Defend Trade Secrets Act of 2016, the Participant shall not be held criminally or civilly liable under any

federal or state Trade Secret law for the disclosure of a Trade Secret that: (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. The Participant also understands that if the Participant files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Participant may disclose the Trade Secret to the Participant's attorney and use the Trade Secret information in the court proceeding, if the Participant (i) files any document containing the Trade Secret under seal, and (ii) does not disclose the Trade Secret, except pursuant to court order.

7. Work Product and Inventions.

(a) The Participant acknowledges that the Participant's work on and contributions to documents, programs, methodologies, protocols, and other expressions in any tangible medium (including, without limitation, all business ideas and methods, inventions, innovations, developments, graphic designs, web site designs, patterns, specifications, procedures or processes, market research, databases, works of authorship, products and other works of creative authorship) which have been or will be prepared by the Participant, or to which the Participant has contributed or will contribute, in connection with the Participant's services to the Company (collectively, "Works"), are and will be within the scope of the Participant's employment or service and part of the Participant's duties and responsibilities. The Participant's work on and contributions to the Works will be rendered and made by the Participant for, at the instigation of, and under the overall direction of the Company, and are and at all times shall be regarded, together with the Works, as "work made for hire" as that term is used in the United States Copyright Laws. However, to the extent that any court or agency should conclude that the Works (or any of them) do not constitute or qualify as a "work made for hire", the Participant hereby assigns, grants, and delivers exclusively and throughout the world to the Company all rights, titles and interests in and to any such Works, and all copies and versions, including all copyrights and renewals. The Participant agrees to cooperate with the Company and to execute and deliver to the Company and its successors and assigns, any assignments and documents the Company requests for the purpose of establishing, evidencing, and enforcing or defending its complete, exclusive, perpetual and worldwide ownership of all rights, titles and interests of every kind and nature, including all copyrights, in and to the Works, and the Participant constitutes and appoints the Company as its agent to execute and deliver any assignments or documents the Participant fails or refuses to execute and deliver, this power and agency being coupled with an interest and being irrevocable. Without limiting the preceding provisions of this Section 7(a), the Participant agrees that the Company may edit and otherwise modify, and use, publish and otherwise exploit, the Works in all media and in such manner as the Company, in its sole discretion, may determine.

(b) The Participant shall disclose promptly to the Company (which shall receive it in confidence), and only to the Company, any invention or idea of the Participant in any way connected with the Participant's services or related to the Business of the Company, the research or development of the Company or any of its Affiliates, or demonstrably anticipated research or development (developed alone or with others), conceived or made during the Participant's employment or services with the Company or within three (3) months thereafter and hereby assigns to the Company any such invention or idea. The Participant agrees, subject to reimbursement of actual out of pocket expenses related thereto and at the Company's sole liability

and expense, to cooperate with the Company and sign all papers reasonably deemed necessary by the Company to enable it to obtain, maintain, protect and defend patents covering such inventions and ideas and to confirm the Company's exclusive ownership of all rights in such inventions, ideas and patents, and irrevocably appoints the Company as its agent to execute and deliver any assignments or documents the Participant fails or refuses to execute and deliver promptly, this power and agency being coupled with an interest and being irrevocable. This constitutes the Company's written notification that this assignment does not apply to an invention for which no equipment, supplies, facility or Trade Secret information of the Company or any of its Affiliates was used and which was conceived and developed entirely on the Participant's own time, unless (i) the invention relates (A) directly to the Business of the Company, or (B) to actual or demonstrably anticipated research or development of the Company or any of its Affiliates, or (ii) the invention results from any work performed by the Participant for the Company or any of its Affiliates.

8. **Equitable Remedy.** Because of the difficulty of measuring economic losses to the Company or any of its Affiliates as a result of a breach of the covenants set forth herein, and because of the immediate and irreparable damage that would be caused to the Company and its Affiliates for which monetary damages would not be a sufficient remedy, it is hereby agreed that in addition to all other remedies that may be available to the Company or any of its Affiliates, at law or in equity, the Company shall be entitled to specific performance and any injunctive or other equitable relief as a remedy for any breach or threatened breach by the Participant of any provision set forth herein. The Company and each of its Affiliates may seek temporary and/or permanent injunctive relief for an alleged violation of the covenants set forth herein without the necessity of posting a bond.

FORM OF RECOGNITION AGREEMENT

THIS RECOGNITION AGREEMENT (this “**Agreement**”) is made and entered into as of this 26th day of September, 2025 (being the latest of the parties’ dates of execution; the “**Effective Date**”), by and among **FS AB LLC**, a Delaware limited liability company (“**Landlord**”), **Fluidstack USA III Inc.**, a Delaware corporation (“**Fluidstack**”), and **Google LLC**, a Delaware limited liability company (“**Google**”).

RECITALS

A. Aligned is the owner of certain real property and improvements located on certain Land (as defined in the FS AB Ground Lease) adjacent to Interstate 27 in Section 9, Block C-2 in Hale County, Texas, and consisting of approximately 120 acres (as depicted in Schedule A attached hereto and made a part hereof, collectively, the “**Property**”).

B. Landlord is the tenant of Aligned Data Centers (Abernathy) PropCo, LLC (“**Aligned**”) under that certain Ground Lease dated as of the Effective Date (as amended and restated from time to time, the “**FS AB Ground Lease**”), pursuant to which Aligned leases certain premises contained on the Property to Landlord (as more particularly described in the FS AB Ground Lease, the “**FS AB Premises**”).

C. Fluidstack is the tenant of Landlord under that certain Datacenter Sublease dated on or around the Effective Date (attached hereto as Schedule B, as amended and restated from time to time, the “**Fluidstack Sublease**”), pursuant to which Landlord leases to Fluidstack the Subtenant Space, as defined therein.

D. Landlord, Fluidstack, and Aligned are parties to a Recognition Agreement dated the date hereof (the “**Fluidstack Ground Lease Recognition Agreement**”) pursuant to which Landlord, Fluidstack, and Aligned make certain commitments to one another regarding the FS AB Ground Lease, including providing Fluidstack with certain cure rights and rights to assume the tenant’s position under the FS AB Ground Lease following an Event of Default of Landlord (i.e., FS AB LLC, as ground lease tenant) thereunder.

E. Google and Aligned are parties to a Recognition Agreement dated the date hereof (the “**Google Ground Lease Recognition Agreement**”) pursuant to which Landlord and Google make certain commitments to one another regarding the FS AB Ground Lease, including providing Google with certain cure rights and rights to assume the tenant’s position under the FS AB Ground Lease following an Event of Default of Landlord (i.e., FS AB LLC, as ground lease tenant) thereunder.

F. Google wishes to obtain (i) from Landlord certain assurances that Google will have the option to assume Fluidstack’s leasehold position under the Fluidstack Sublease following an Event of Default of Fluidstack thereunder, and that, in such event, the enforcement of Landlord’s rights against Fluidstack shall affect Google to the least extent possible, and (ii) from Fluidstack and Landlord certain assurances that Google will have the option to assume Landlord’s leasehold position under the Fluidstack Sublease (and, if applicable, assume various agreements to which Landlord is a party related to the use and operation of the FS AB Premises) following an Event of Default of Landlord (i.e., FS AB LLC, as ground lease tenant) under the FS AB Ground Lease if Fluidstack does not timely exercise its right under the Fluidstack

Ground Lease Recognition Agreement to assume Landlord's (i.e., FS AB LLC's, as ground lease tenant) leasehold position under the FS AB Ground Lease.

G. Landlord and Fluidstack are willing to provide such assurances to Google upon and subject to the terms and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, which are hereby acknowledged, the parties hereto do mutually agree as follows:

1. **Definitions.** Capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Fluidstack Sublease, as the context may require.

2. **Confirmation and Covenants Regarding Fluidstack Sublease; Google Property.**

a. Landlord acknowledges, agrees and represents to the other parties on the Effective Date (a) that the Fluidstack Sublease is legal, valid and binding against Landlord and Fluidstack, and in full force and effect, and (b) to the knowledge of Landlord, on the date hereof, there are no events that do presently, or which may, with the passage of time, the giving of notice, or the expiration of a period of grace, constitute a breach or default by either party under the Fluidstack Sublease. Fluidstack acknowledges, agrees and represents to the other parties on the Effective Date (a) that the Fluidstack Sublease is legal, valid and binding against Landlord and Fluidstack, and in full force and effect, and (b) to the knowledge of Fluidstack, on the date hereof, there are no events that do presently, or which may, with the passage of time, the giving of notice, or the expiration of a period of grace, constitute a breach or default by either party under the Fluidstack Sublease.

b. Landlord and Fluidstack acknowledge and agree that if Tenant's Personal Property under the Fluidstack Sublease includes any Google Property (as defined below) and such Google Property is lost or damaged while in the Subtenant Space, then Google will be a third party beneficiary of the provisions of the Fluidstack Sublease that relate to Landlord's obligations with respect to such loss or damage of such Google Property, subject to the rights and limitations with respect to such obligations as set forth in Fluidstack Sublease. "**Google Property**" means equipment or property owned by Google (or its affiliate) that is located in the Subtenant Space as shown by reasonable documentary evidence provided by Google.

c. If there is any Google Property remaining in the Subtenant Space upon expiration or termination of the Fluidstack Sublease, (i) Landlord will provide Google access to the Subtenant Space and the Google Property in accordance with, and subject to, the holdover provisions in the Fluidstack Sublease applicable to Tenant's Personal Property to allow Google to remove the Google Property from the Subtenant Space, (ii) the Term of the Fluidstack Sublease will be automatically extended for a Transition Period as described therein (the length of such period to be defined by Google, but not to exceed 120 days), and (iii) Google agrees to pay all Rent for the Transition Period; provided that, in the event such termination (or deemed termination) is the result of an Event of Default by Fluidstack under the Fluidstack Sublease, or if any Colocation Agreement is then in effect (including pursuant to any holdover or transition period described in such Colocation Agreement), Fluidstack shall pay all such Rent. Notwithstanding the foregoing, Landlord agrees that no Rent will be payable for the

Transition Period if termination of the Fluidstack Sublease is pursuant to Google's election (or deemed election) of the Google Rejection Option as described below. For the avoidance of doubt, this Section 2.c. will not be applicable in connection with the execution of the Novation Agreement pursuant to the Google Assumption Option as described below.

d. Fluidstack acknowledges and agrees that it is responsible to Google for the protection of any Google Property in the Subtenant Space and if any such Google Property is lost or damaged by the acts or omissions of Fluidstack's Personnel (as defined below), Fluidstack will reimburse Google for the replacement cost of such Google Property lost or damaged. For the avoidance of doubt, Fluidstack shall have no liability to Google for any damage or loss to any Google Property in the Subtenant Space to the extent such damage or loss was caused by the acts or omissions of Google's or any third party's Personnel. "**Personnel**" means all employees and agents of a party and its subcontractors and agents.

e. Whereas Fluidstack (or its affiliate) is a party to a certain Site Access Agreement with certain Colocation Parties executed on or around the Effective Date of this Agreement ("**Access Agreement**"), in the event that the ownership of any equipment thereunder is transferred by sale to Google thus becoming Google Property, Fluidstack will grant (or will cause its affiliate to grant) to Google access to the Subtenant Space and such equipment for a period of four (4) months from the date of Google's purchase of the equipment, to allow Google to remove the equipment from the Subtenant Space. During such period, Fluidstack will not deem the equipment to be abandoned, notwithstanding anything to the contrary in any Colocation Agreement underlying the Access Agreement. For the avoidance of doubt, the parties acknowledge and agree that (i) Fluidstack's rights and obligations with respect to Tenant's Personal Property are governed by the Fluidstack Sublease, and this Section 2(e) does not affect the terms of the Fluidstack Sublease with respect thereto and (ii) neither Google nor Landlord is a party to or subject to the terms of the Access Agreement.

f. Landlord, Fluidstack, and Google shall use commercially reasonable efforts to enter into an account access agreement with the account custodian as soon as practicable and no later than six (6) months following the Effective Date, which agreement shall give Google access to view the custodial account records in real time and receive statements from the custodial account concurrently with the parties to the custodial account. Landlord and Fluidstack shall not withhold their consent to enable Google to view the custodial account records in real time.

g. Fluidstack shall enforce the Fluidstack Sublease as an arms length transaction.

3. **Right to Cure Default.**

a. Landlord will not seek to terminate the Fluidstack Sublease by reason of any act or omission that constitutes (or would over time constitute) a default by Fluidstack under such Fluidstack Sublease, until Landlord shall have given written notice of such act or omission to Google (as required under the Fluidstack Sublease, Item 3 of the Basic Lease Information); and Google shall have the right, but not the obligation, to remedy such act or omission on Fluidstack's behalf, subject to the time periods in Section 15.1 (Events of Default By Tenant) of the Fluidstack Sublease, except with respect to any failure or refusal by Tenant to timely pay any Rent or any other payments or charges required to be paid thereunder, it shall not constitute an Event of Default by Tenant under Section 15.1.1 of the Fluidstack Sublease if Google gives written notice to Landlord of its intent to remedy such failure or

refusal no later than the fifteenth (15th) day after Google's receipt of the default notice and thereafter pays such Rent or other payments or charges properly due and owing no later than the thirtieth (30th) day after receipt of a correct, itemized invoice from Landlord. Landlord agrees that it will accept such performance by Google of any covenant, condition or agreement to be performed by Fluidstack under the Fluidstack Sublease with the same force and effect as though performed by Fluidstack. The provisions of this Section 3 shall not be construed as obligating Google to cure any breach or default by Fluidstack under the Fluidstack Sublease. Except as provided in this Section 3 and Section 4, below, nothing in this Agreement is intended to suspend or otherwise limit Landlord's ability to exercise any other rights and remedies that Landlord may have against Fluidstack as a result of such breach or default. Any invoices submitted under this Agreement must be submitted through Google's vendor management system.

b. Landlord represents and warrants that it owns all the ground leasehold tenant position's right, title and interest in and to the Building free and clear of all liens, encumbrances and defects, other than the Security Documents as described in the Fluidstack Sublease (as the same may be entered into from time to time) or as specifically described in Schedule H hereto.

4. **Google Options Related to FS Event of Default.**

a. **FS Default Trigger.** Fluidstack shall give immediate written notice to Google regarding any payment that is not made timely under the Fluidstack Sublease regardless of any delinquency or cure period afforded to Fluidstack. Landlord shall give immediate written notice to Google regarding any payment that is not received timely under the Fluidstack Sublease regardless of any delinquency or cure period afforded to Fluidstack. In the event that (i) Fluidstack has become subject to an Insolvency Event or (ii) an Event of Default under Section 15.1.1 of the Fluidstack Sublease has occurred (the occurrence of (i) or (ii), the "**FS Default Trigger**"), Landlord will immediately provide Google written notice that the FS Default Trigger has occurred. An "**Insolvency Event**" is the occurrence of an event identified in Section 15.1.3 of the Fluidstack Sublease. Thereupon, Landlord and Google will have a period of 90 days to identify and mutually agree upon (via a signed written amendment) a tenant to assume the Fluidstack Sublease as the Tenant thereunder and this Agreement in place of Fluidstack (subject to such replacement tenant entering into one or more separate agreements with Google which are deemed necessary by Google) (the foregoing process for potentially identifying and mutually agreeing upon a tenant to assume the Fluidstack Sublease, the "**New Tenant Process**"). If Landlord and Google mutually agree upon such a tenant, such tenant shall be liable for the Rent owed under the Fluidstack Sublease during such ninety (90)-day period. If Landlord and Google are unable to mutually agree upon such a tenant within such ninety (90)-day period, Landlord will provide Google written notice of the same (the "**Google Default Notice**") and Google shall be liable for the Rent owed under the Fluidstack Sublease during such ninety (90)-day period, but notwithstanding anything to the contrary in this Agreement the Rent for such ninety (90)-day period will be calculated based on the lesser of: (i) the Base Rent as set forth in the Lease applicable to the Existing Tenant or (ii) the Discounted Rent as described in Section 1.1(c)(ii) (Modified Rent Rates for Google) of Schedule D. Google will have a period of 30 days after receipt of the Google Default Notice ("**Verification Period**") to verify that the requirements of the FS Default Trigger have been met. Landlord and Fluidstack will timely cooperate with reasonable requests by Google for information and documentation regarding the FS Default Trigger.

Within the Verification Period, Google will have the option to elect, by written notice of the same to Landlord (the “**Google Election Notice**”) to either: (i) allow the Fluidstack Sublease to be terminated by Landlord (the “**Google Rejection Option**”); or (ii) pay all Rent under the Fluidstack Sublease that is then, currently, properly due and owing by Fluidstack to Landlord and assume the Fluidstack Sublease as the Tenant thereunder (the “**Google Assumption Option**”); provided that, the Google Rejection Option will only be available if: (a) the FS Default Trigger occurs after the first six (6) years of the initial term of the Fluidstack Sublease; or (b) the Premises (as defined under the Fluidstack Sublease) have equipment installed which when in operation are capable of consuming less than 50% of the Baseline Capacity, and for the avoidance of doubt, if the Google Rejection Option is not available (such condition, the “**Assumption Only Condition**”), then the Google Assumption Option must be elected by Google. “**Baseline Capacity**” mean [●] MW of electrical power. Notwithstanding the foregoing, if an FS Default Trigger has occurred only under clause (ii) of the definition of FS Default Trigger, but no Insolvency Event has occurred, then Google will have the option (the “**Deferral Option**”) to elect during the Verification Period, by written notice to Landlord, to neither elect the Google Rejection Option or the Google Assumption Option, and instead defer such election until the Deferral Option End Date (as defined in Section 4.e.). If the Deferral Option is elected then, during the period from the written election of the Deferral Option until the Deferral Option End Date (such period, the “**Deferral Period**”), (i) the Verification Period will be deemed to toll hereunder and (ii) Section 4.e. will apply. For the avoidance of doubt, if Google has neither provided the Google Election Notice or elected the Deferral Option by written notice on or before the end of the Verification Period, Google will be deemed to have elected the Google Rejection Option (or, in the case of the Assumption Only Condition, Google will be deemed to have elected the Google Assumption Option).

b. **Google Rejection Option.** If Google elects (or is deemed to have elected) the Google Rejection Option, Landlord will be deemed, upon such election, to have immediately terminated the Fluidstack Sublease. Within forty-five (45) days after the end of the Verification Period that results in Google having elected the Google Rejection Option, Landlord will send notice to Fluidstack and Google confirming Landlord’s termination of the Fluidstack Sublease, together with a correct invoice for Google in the amount of the FS Termination Fee (as defined below) (the “**Landlord Termination Notice**”), provided, that the failure or delay of such notice will have no effect upon whether or when Landlord’s termination has occurred. Google will, within 15 days after the receipt of the Landlord Termination Notice (including the associated invoice), pay Landlord a termination fee (the “**FS Termination Fee**”). The amount of the FS Termination Fee will be an amount determined by Landlord and memorialized in the Landlord Termination Notice not to exceed the amount applicable to the date of termination according to the schedule of FS Termination Fee (the “**Schedule of FS Termination Fee**”) attached to this Agreement as Schedule C.

The payment of the FS Termination Fee will be made by Google directly into the Designated FS Termination Fee Account pursuant to the terms of the Google Financial Support Agreement. Upon the payment of the FS Termination Fee by Google, (a) Landlord releases and discharges Fluidstack from all liabilities and obligations under the Fluidstack Sublease; *provided* that this clause (a) shall not affect any claim or demand that Landlord may have against Fluidstack arising before the date of the payment of the FS Termination Fee by Google (except with respect to payment of Rent under the Lease); (b) Google will have no further liabilities or obligations related to the Fluidstack Sublease; (c) Google will have the right to elect to acquire an equity interest position in Landlord equal to the quotient derived from (i) the amount of the FS Termination Fee paid by Google divided by (ii) the total cost to

acquire and develop the Property and construct the Building and all other improvements consisting of and/or otherwise supporting the Subtenant Space on the Property (including all land acquisition and development costs, the costs to construct the Building, the costs of all of Landlord's equipment and infrastructure supporting the Subtenant Space, all costs associated with the delivery of the Subtenant Space and the Premises to Fluidstack under the Lease (including under Exhibit E thereto and with respect to Landlord's Work (as defined under the Lease)) and all financing costs related thereto, including the costs set forth on Schedule E hereto) (such quotient, the "**Google Equity Interest**"); and (d) upon Google's election to acquire or not acquire the Google Equity Interest, this Agreement will be deemed to have terminated when the Fluidstack Sublease terminates. The "**Google Financial Support Agreement**" shall mean an agreement substantially on the form attached hereto as Schedule F entered into between Google, Landlord and Landlord's financing sources (or agent on behalf of such sources) which provides that if the FS Termination Fee shall become due and payable hereunder, then Google shall be required to make such payment directly to the Designated FS Termination Fee Account in accordance with such agreement. The payment of the FS Termination Fee in accordance with the Google Financial Support Agreement will satisfy Google's obligation to pay the FS Termination Fee hereunder. The "**Designated FS Termination Fee Account**" means the account identified in the Google Financial Support Agreement for the payment of the FS Termination Fee. Google agrees to enter into the Google Financial Support Agreement and the Pledge Agreement, in each case, with any revisions as reasonably requested by Landlord's financing sources, upon the written request of Landlord in connection with the incurrence of Landlord's financing arrangements. Google shall cooperate at the cost of Landlord or Landlord's financing sources (as applicable), with all reasonable requests by Landlord and Landlord's financing sources in connection with Landlord's financing arrangements, including executing and delivering any documents or instruments reasonably requested by Landlord and Landlord's financing sources. The "**Pledge Agreement**" shall mean a certain pledge agreement entered into between Google and Landlord's financing sources substantially on the form attached hereto as Schedule G.

c. **Google Assumption Option.**

(1) If Google elects the Google Assumption Option (or is deemed to elect the Google Assumption Option) in accordance with this Agreement, (i) Google, Landlord, and Fluidstack must (within fifteen (15) days after Google's provision of the Google Election Notice to Landlord) execute a novation agreement which includes the early termination provisions as described in Section 1.1(c)(i) (Google's Early Lease Termination Right) of Schedule D, the modification of rates for Rent under the Fluidstack Sublease as described in Section 1.1(c)(ii) (Modified Rent Rates for Google) of Schedule D, and is otherwise substantially on the form attached hereto as Schedule D (the "**Novation Agreement**"), whereby Google replaces Fluidstack as the "Tenant," and assumes all Novated Obligations of Fluidstack under the Fluidstack Sublease; (ii) Google shall be liable for all Rent under the Fluidstack Sublease as described in Section 1.1(c)(ii) (Modified Rent Rates for Google) of Schedule D, as it becomes due, regardless of when (or if) the Novation Agreement is executed and delivered; and (iii) Google must pay all Rent that is then, currently, properly due and owing by Fluidstack to Landlord under the Fluidstack Sublease within fifteen (15) days after the receipt of a correct, itemized invoice for such Rent from Landlord. If the Novation Agreement is not executed by Google, Landlord, and Fluidstack within the above-mentioned 15-day period, the parties will thereupon be deemed to have executed the Novation Agreement upon the expiration of the 15-day period and Google will have the right to terminate the Fluidstack Sublease early as described under Section 1.1(c)(i) (Google's Early Lease

Termination Right) of Schedule D and Google's liability for Rent under the Fluidstack Sublease will be limited as described in Section 1.1(c)(ii) (Modified Rent Rates for Google) of Schedule D. The "**Novated Obligations**" means all (x) then-unperformed obligations of Tenant to pay Rent due and owing to Landlord under the Fluidstack Sublease that arose before the date of the Novation Agreement; and (y) obligations of Tenant under the Fluidstack Sublease that arise on or after the date of the Novation Agreement, and specifically excluding any obligations that are not related to payment arose before the date of the Novation Agreement.

(2) Once the Novation Agreement is executed by Google, Fluidstack and Landlord, the novated Fluidstack Sublease and all appurtenances thereto shall come into effect as an agreement between Landlord and Google, and Landlord shall be bound to Google under all of the provisions of the Fluidstack Sublease for the balance of the term thereof (including any extensions or renewals thereof which may be effected in accordance with any options contained in the Fluidstack Sublease) with Google as the "Tenant" under the Fluidstack Sublease from and after the date of the Novation Agreement. In such event, Google shall attorn to Landlord as its landlord under the Fluidstack Sublease, such attornment to be effective and self-operative, without the execution of any further instruments on the part of either of the parties hereto, upon and from and after the date of the Novation Agreement. If Google elects the Google Assumption Option (or is deemed to elect the Google Assumption Option), upon the execution (or deemed execution) by all parties of the Novation Agreement and Google's satisfaction of its obligation under clause (iii) of Section 4.c.(1) of this Agreement, this Agreement shall terminate.

(3) **Customer Retention Incentives.** Upon the effective date of the Novation Agreement (or the date such Novation Agreement is deemed to be executed) and if any Fluidstack Strategic Customer has property remaining in the Subtenant Space at such time, Google will offer such Fluidstack Strategic Customer(s) a transition period equal to the shorter of: (i) 12 months or (ii) the remainder of the initial term of the Fluidstack Sublease to access and use the Subtenant Space subject to such Fluidstack Strategic Customer entering into a Transition Period Access for Potential Google Customers Agreement with Google detailing the rent fees and other terms and conditions of such access and usage (the "**Transition Period Access for Potential Google Customers**"). Google will offer such Fluidstack Strategic Customer commercially reasonable rent and other economic terms and conditions (provided however that Google will not charge such Fluidstack Strategic Customer for such access to the Subtenant Space to the extent that Google is already receiving rent for such Subtenant Space from a third-party) and other terms and conditions for such Transition Period Access for Potential Google Customers, which will include: (i) a commitment that Google will not permit mechanic's or other liens to be placed upon such Fluidstack Strategic Customer's equipment, (ii) a commitment that Google will be liable for loss or damage to such Fluidstack Strategic Customer's equipment caused by the acts or omissions of Google's Personnel, provided that such Fluidstack Strategic Customer will be liable to loss or damage to the Subtenant Space caused by the acts or omissions of such Fluidstack Strategic Customer's Personnel, (iii) a commitment that such Fluidstack Strategic Customer's Personnel will have access as necessary to remove such Fluidstack Strategic Customer's equipment from the Subtenant Space upon reasonable notice to Google, and (iv) a commitment that such Fluidstack Strategic Customer will provide the reasonable opportunity (at Google's option) for representatives of Google to be present at all times and such Fluidstack Strategic Customer will comply with the reasonable policies (including any security policy) and instructions of Google and/or any Google Personnel in place at the Subtenant Space at the time of such access. While

Google and such Fluidstack Strategic Customer are negotiating such terms and conditions for the Transition Period Access for Potential Google Customers such period of negotiation not to exceed 1 month, Google will provide, if requested, such access as necessary to remove such Fluidstack Strategic Customer's property from the Subtenant Space during such period subject to such Fluidstack Strategic Customer entering into an agreement with Google that includes subsections (i) through (iv) above. "**Fluidstack Strategic Customer**" means each customer of Fluidstack that had entered into a legal agreement with Fluidstack for Fluidstack to provide colocation and managed services and such services require at least 160 megawatts (MW) of electrical power or the holder of title to the property (as shown by reasonable documentary evidence) if title is not held by such customer. Landlord, Fluidstack, and Google acknowledge and agree that any such Fluidstack Strategic Customer will be a third party beneficiary of this Section 4.c.(3) with respect to Google's obligations under this Section 4.c.(3).

d. **Google Assumption Option Without FS Default Trigger.** In the event that (i) there is an Event of Default by Fluidstack under the Fluidstack Sublease without the occurrence of a FS Default Trigger and (ii) Landlord intends to terminate the Fluidstack Sublease on the basis of such Event of Default, Landlord will provide Google with written notice of such Event of Default and such intention at least thirty (30) days prior to Landlord's planned termination of the Fluidstack Sublease the Parties will follow the New Tenant Process. Google and Fluidstack agree that Landlord's obligation to provide such notice shall not represent evidence of or otherwise result in (by implication or otherwise) any waiver of any of Landlord's rights against Fluidstack under the Fluidstack Sublease with regard to such Event of Default. In the event that the Parties are unable to mutually agree upon a new tenant pursuant to the New Tenant Process, Google will then have the option (but not the obligation), by written notice of the same to Landlord within thirty (30) days after such written notice from Landlord, to elect the Google Assumption Option. If Google elects the Google Assumption Option in accordance with this Section 4.d, the parties will follow all requirements in this Agreement related to Google Assumption Option as if Google had elected the Google Assumption Option under Section 4.c of this Agreement.

e. **Google Deferral Option.** In the event that Google has elected the Deferral Option, then Google agrees to pay to Landlord (i) all Rent under the Fluidstack Sublease that is due and owing that Fluidstack has not paid as of the date of such election and (ii) subject to Landlord's ongoing compliance with its obligations in this clause (e), all additional Rent that becomes due and owing during the Deferral Period that Fluidstack does not pay (all such amounts not paid by Fluidstack under clause (i) and (ii), the "**Unpaid FS Amounts**"). Landlord may retain and utilize the funds paid by Google in respect of the Unpaid FS Amount to the full extent as if such amounts had been paid to Landlord as Rent under the Fluidstack Sublease, and such amounts will be owned by Landlord free and clear of any claims from Google or Fluidstack and shall not be subject to any offset or counterclaim. For the avoidance of doubt, the foregoing sentence is not intended to limit any remedies Google or Fluidstack may have against Landlord under the Fluidstack Sublease. Landlord agrees to use commercially reasonable efforts to pursue Fluidstack for the payment in full of any Unpaid FS Amounts, including through litigation, until the Unpaid FS Amounts are paid in full, and Google agrees to cooperate in good faith with Landlord in respect thereof (including assigning any subrogation or similar rights of Google to Landlord in furtherance thereof). Any amounts recovered from Fluidstack in respect of the Unpaid FS Amounts shall be paid to Google in reimbursement of the amounts paid by Google to Landlord. The Deferral Period shall end on the date of the earliest to occur (such date, the "**Deferral Option End Date**") of (i) the occurrence of an FS Default Trigger pursuant to clause (i) of such definition, (ii) the date

Google fails to pay to Landlord any amounts required by this clause (e) and (iii) the date Google elects by written notice to end the Deferral Period. On the Deferral Option End Date, the Verification Period will cease to toll and will begin to run again in accordance with Section 4.a. from the date of the election of the Deferral Option as if the Deferral Period had not occurred (and, for the avoidance of doubt, at the end of such Verification Period Google will be obligated to elect the Google Assumption Option or, if applicable, the Google Rejection Option). If on or prior to the Deferral Option End Date, Fluidstack has paid in full all Unpaid FS Amounts, and an FS Default Trigger is not otherwise in effect, then the FS Default Trigger that was caused by Unpaid FS Amounts will be deemed to have been cured and this Agreement will continue in full force and effect in accordance with its terms.

f. **Google Options Related to Landlord Event of Default Under FS AB Ground Lease.** If, following an Event of Default of Landlord (i.e., FS AB LLC, as ground lease tenant) under the FS AB Ground Lease, (i) Fluidstack does not timely exercise its right under the Fluidstack Ground Lease Recognition Agreement to assume Landlord's (i.e., FS AB LLC's, as ground lease tenant) leasehold position under the FS AB Ground Lease, and (ii) Google elects to (and does) assume the tenant's position under the FS AB Ground Lease, then, the parties hereto agree that (A) Google shall simultaneously with Google's assumption of the tenant's position under the FS AB Ground Lease be deemed to have assumed Landlord's position as landlord under the Fluidstack Sublease, and (B) Google shall have the option to assume Landlord's position under the various agreements to which Landlord is a party related to the use and operation of the FS AB Premises (and all such agreements must be (i) assignable, and (ii) terminable with no more than 60 days notice), and any such agreements not assumed by Google shall be terminated at no cost to Google. In such event, Fluidstack and Google shall cooperate to reasonably document such assumption by Google as Landlord's position as landlord under the Fluidstack Sublease, including by entering into a new lease on the same terms and conditions as the Fluidstack Sublease. The provisions of this Section 4(f) shall survive the execution of the Novation Agreement in accordance with the terms hereunder.

g. **Landlord's Reporting Requirements; Audit Rights.** Landlord shall provide Google with copies of all reports that Landlord is required to provide to Fluidstack under Exhibit F-1, Section 3.2, and Section 3.3 of the Fluidstack Sublease. Upon Google's request, no more than two (2) times per calendar year, Fluidstack will arrange for a third-party independent auditor to audit Landlord's compliance with the Fluidstack Sublease and provide its findings to Google, Fluidstack, and Landlord. Landlord will provide the auditor with assistance (including allocating resources and providing access) to conduct the audit in the timeframes reasonably required. Landlord will provide any documents and evidence reasonably requested by the auditor in order to verify Landlord's compliance with the Fluidstack Sublease. Landlord must cure any material breach of the Fluidstack Sublease within sixty (60) days of written notice of the auditor's findings. A material breach of the Fluidstack Sublease includes any (i) failure by Landlord to provide access as required under this Section; (ii) failure by Landlord to provide any document or evidence requested under this Section; or (iii) identification of a breach of the Fluidstack Sublease (including non-compliance with any specifications) that causes an adverse impact on use of the Subtenant Space, or the operations in the Subtenant Space. For the purpose of clarification, the audit rights herein are in addition to any audit rights Fluidstack may have under the Fluidstack Sublease.

5. **Third-Party Beneficiary.** Landlord, Fluidstack and Google acknowledge and agree that Aligned is a third-party beneficiary of Sections 4(a), 4(b), 4(c)(1), and 4(c)(2) of this Agreement and that Sections 4(a), 4(b), 4(c)(1), and 4(c)(2) of this

Agreement shall not be amended, modified or waived without the consent of Aligned, such consent not to be unreasonably withheld, conditioned or delayed. Furthermore, Google agrees to provide reasonable cooperation to support Aligned's lenders' efforts to perfect its security interest.

6. **Notices.** Any notice which may or shall be given under the provisions of this Agreement shall be in writing and may be delivered by (i) hand delivery or personal service, (ii) a reputable overnight courier service which provides evidence of delivery, or (iii) e-mail (so long as a confirming copy is forwarded by a reputable overnight courier service within twenty-four (24) hours thereafter), at the physical and email addresses specified below, or at such other addresses as any party may have theretofore specified by written notice delivered in accordance herewith. Such address may be changed from time to time by any party by giving notice as provided herein. Notice shall be deemed given, (a) if delivered by hand or personal service, when delivered, (b) if sent by a reputable overnight courier service, on the Business Day (as defined in the Fluidstack Sublease) immediately following the Business Day on which it was sent, or (c) the date the e-mail is transmitted. If notice is delivered by email after 4:30pm (receiver's time) on a Business Day or at any time on a non-Business Day, the deemed date of the notice will be the Business Day following the date the email is sent.

To Landlord:

FS AB LLC
c/o Fluidstack Ltd.
Thomas House, Office 4.16
84 Eccleston Square
London, SW1V 1PX
Contact Name: Katherine Ollerhead
Email: legal@fluidstack.io

And, with a copy to:
Cooley LLP
11951 Freedom Drive
Suite 1400
Reston, Virginia 20190
Contact Name: Michelle G. Schulman
Email: mschulman@cooley.com

To Fluidstack:

Fluidstack USA III Inc.
c/o Fluidstack Ltd.
Thomas House, Office 4.16
84 Eccleston Square
London, SW1V 1PX
Contact Name: Katherine Ollerhead
Email: legal@fluidstack.io

And, with a copy to:
Cooley LLP
11951 Freedom Drive
Suite 1400
Reston, Virginia 20190
Contact Name: Michelle G. Schulman
Email: mschulman@cooley.com

To Google:

Google LLC
ATTN: Legal Department
1600 Amphitheatre Parkway
Mountain View, CA 94043
Emails: legal-notices@google.com and fluidstack-notices@google.com

Any party may change the address or email address by written notice to the other parties clearly stating such party's intent to change the address or email address for all purposes of this Agreement, which new address or email address shall be effective thirty (30) days after receipt. Notice shall be deemed given when received or when receipt is refused.

6. **Successors and Assigns.** No party may assign this Agreement without the prior written consent of the other parties, which will not be unreasonably withheld or delayed. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective personal representatives, successors and permitted assigns. No party's obligations under this Agreement will be affected by (i) any permitted assignment of any person's rights or obligations under the Fluidstack Sublease, or (ii) any amendment, modification, forbearance or waiver of any person's rights or obligations under the Fluidstack Sublease at any time or from time to time, and all such obligations under this Agreement shall remain in full force and effect notwithstanding any such assignment, amendment, modification, forbearance or waiver. If Landlord assigns the Fluidstack Sublease to a person that is not a Qualified Data Center Operator and, in connection with such assignment, the Fluidstack Sublease is terminated, then this Agreement shall be terminated.

7. **Conflict.** In the event of a conflict or inconsistency between this Agreement and the Fluidstack Sublease, this Agreement shall control. In that connection, to the extent any terms in this Agreement affect any provisions under the Fluidstack Sublease, it will be deemed to be an amendment thereof.

8. **Governing law; Jurisdiction.** This Agreement shall be exclusively governed by, and construed in accordance with, the laws of the State of New York. In addition, the parties hereby submit to the local jurisdiction of the State of New York; and that such jurisdiction shall be exclusive as it relates to actions between the parties. In that connection, each party agrees that any action by the other against such party shall be instituted exclusively in the state courts of the State of New York. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY HERETO EXPRESSLY WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY TRIAL HELD AS A RESULT OF A CLAIM ARISING OUT OF, IN CONNECTION WITH, OR IN ANY MANNER RELATED TO THIS AGREEMENT.

9. **Counterparts; Delivery by E-mail.** This Agreement may be executed simultaneously in two or more counterparts each of which shall be deemed an original, but all

of which shall constitute one and the same Agreement. Landlord, Fluidstack and Google agree that the delivery of an executed copy of this Agreement by electronic means (including DocuSign, or similar, and including delivery of an executed pdf by e-mail) shall be legal and binding and shall have the same full force and effect as if an original executed copy of this Agreement had been delivered.

10. **Confidentiality.**

- (a) “**Confidential Information**” means (i) the existence, terms, and provisions of this Agreement, and (ii) information that one party or an Affiliate of a party discloses to the other party under this Agreement, and that is marked as confidential or would normally be considered confidential information under the circumstances. Confidential Information does not include information that is independently developed by the recipient, is rightfully given to the recipient by a third party without confidentiality obligations, or becomes public through no fault of the recipient.
- (b) Each party agrees that it shall not disclose another party’s Confidential Information, except to its employees, Affiliates, agents, professional advisors, and third-party contractors who need to know such Confidential Information and who have the legal or contractual obligation to keep it confidential, without first obtaining the prior written consent of the other party. Notwithstanding the foregoing sentence, each party shall have the right to disclose any such information to the extent required, but only to the extent required (i) for valid business and accounting purposes (“**Business Disclosures**”), and/or (ii) if, following consultation with counsel, such party reasonably believes such disclosure is (A) legally required or advisable under any applicable securities or other laws regarding public disclosure of business information and/or (B) otherwise required by applicable law, rule or regulation or any court ruling (including by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process) (“**Legal Disclosures**”). For the avoidance of doubt:
- i. with respect to Legal Disclosures, (a) such Legal Disclosures shall be limited to the information legally required or advisable, per the advice of counsel, to be disclosed pursuant to this Section 10, and all other terms and provisions of this Agreement shall be excluded from the disclosure or, to the extent legally permissible, appropriately redacted, and (b) the disclosing party shall, prior to making such disclosures (1) promptly notify the other party in writing, to the extent legally permissible, and (2) if timely requested by the other party, use reasonable efforts and reasonably cooperate with the other party, at the other party’s sole cost and expense, to obtain confidential treatment of such applicable Legal Disclosure; and
 - ii. in the case of Business Disclosures, (a) the disclosing party shall provide seven (7) Business Days’ prior written notice that such a disclosure is about to occur; (b) the disclosing party shall limit

the disclosure to the information that is reasonably needed to be disclosed in the particular circumstances; and (c) the disclosing party shall limit the disclosure to the parties and persons (including actual or prospective purchasers, lenders, financing sources and partners and their affiliates) who need to know such Business Disclosures and who have the legal or contractual obligation to keep it confidential.

11. Limitation of Liability.

a. IN THIS SECTION 11, “**LIABILITY**” MEANS ANY LIABILITY, WHETHER UNDER CONTRACT, TORT, OR OTHERWISE, INCLUDING FOR NEGLIGENCE.

i. NEITHER PARTY WILL HAVE ANY LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT TO ANY OTHER PARTY FOR:

A. LOST PROFITS (WHETHER DIRECT OR INDIRECT);

B. INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL LOSSES (WHETHER OR NOT FORESEEABLE OR CONTEMPLATED BY THE PARTIES AT THE EFFECTIVE DATE); OR

C. EXEMPLARY OR PUNITIVE DAMAGES; AND

ii. IF GOOGLE ELECTS (OR IS DEEMED TO HAVE ELECTED) THE GOOGLE REJECTION OPTION, GOOGLE’S TOTAL AGGREGATE LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT IS LIMITED TO THE AMOUNT OF THE FS TERMINATION FEE. IF GOOGLE ELECTS (OR IS DEEMED TO HAVE ELECTED) THE GOOGLE ASSUMPTION OPTION, GOOGLE’S LIABILITY WILL BE GOVERNED BY THE NOVATION AGREEMENT AND UNDERLYING FLUIDSTACK LEASE LIABILITIES (AS MODIFIED BY THE NOVATION AGREEMENT).

12. Termination and Survival.

a. In the event that Landlord breaches a Material Landlord Representation hereunder, Google may terminate this Agreement upon 10 Business Days prior notice to Landlord, if such breach of such Material Landlord Representation is not cured within such 10 Business Day period. A “**Material Landlord Representation**” means a representation and warranty made by Landlord hereunder the breach of which has had or would reasonably be expected to have a material adverse effect on Google.

b. This Agreement will automatically terminate upon the earliest to occur of (i) expiration of the Fluidstack Sublease in accordance with its terms, (ii) in the event of a termination of the Fluidstack Sublease in accordance with its terms that includes an FS Default Trigger, (1) if Google elects (or is deemed to have elected) the Google Rejection Option, the

payment of the FS Termination Fee in accordance with this Agreement or (2) if Google elects (or is deemed to have elected) the Google Assumption Option, the execution of the Novation Agreement and (iii) in the event of a termination of the Fluidstack Sublease in accordance with its terms that does not include an FS Default Trigger, (1) if Google elects the Google Assumption Option, the execution of the Novation Agreement or (2) if Google does not elect the Google Assumption Option, the expiration of the thirty (30) day notice period referred to in Section 4.d.

c. The following Sections and provisions will survive the termination of this Agreement: Sections 1, 2.b, 2.c, 2.d, 2.e, 4.c.(1), Schedule D-1, 5, 6, 7, 8, 9, 10, 11, 12, 13, and 14.

13. **Miscellaneous.** A determination that any provision of this Agreement is unenforceable or invalid shall not affect the enforceability or validity of any other provision, and a determination that the application of any provision of this Agreement in any particular circumstances is unenforceable or invalid shall not affect the enforceability or validity of such provision as it may apply to other circumstances. This Agreement may only be amended by a written document signed by Landlord, Fluidstack and Google.

14. **Taxes.**

a. **“Tax(es)”** means all government-imposed tax obligations (including sales and use taxes, value-added taxes, and withholdings), except those based on net income, net worth, asset value, property value, import or export of goods (including duties and tariffs), or employment.

b. **Tax Responsibility.** Each party shall be solely responsible for the payment of all corporate income Taxes, franchise Taxes, and any other Taxes measured by or based on net income that are imposed on it by any governmental authority. This includes all Taxes arising from the party’s income, revenue, or profits derived from this agreement. Taxes do not include any tariffs.

c. **Withholding Taxes.** The parties agree to cooperate to minimize the withholding of Taxes where legally permissible, including by providing any necessary documentation (e.g., tax residency certificates). If the parties determine that a withholding Tax applies to any of the transactions contemplated in this Agreement, the parties agree to negotiate in good faith as to how such withholding Taxes will be addressed between the parties.

d. **Value-Added Tax (VAT) and Sales Taxes.** Any value-added Tax (VAT), Sales tax, goods and services Tax (GST), or similar consumption Taxes, if applicable, shall be added to the agreed-upon fees and paid by the receiving party, unless otherwise specified in this Agreement. The paying party will provide a valid tax invoice that meets all legal requirements.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, this Agreement has been duly executed by Landlord, Fluidstack and Google on the respective dates set forth below to be effective as of the latest of such dates.

Landlord:

FS AB LLC,
a Delaware limited liability company

By: /s/ Zach Alexander

Name: Zach Alexander

Title: Authorized Signatory

Date: September 26, 2025

Fluidstack:

FLUIDSTACK USA III INC.,
a Delaware corporation

By: /s/ Zach Alexander

Name: Zach Alexander

Title: Authorized Signatory

Date: September 26, 2025

Google:

GOOGLE LLC,
a Delaware limited liability company

By: /s/ Philipp Schindler

Name: Philipp Schindler

Title: Authorized Signatory

Date: September 26, 2025

SCHEDULE A
THE PROPERTY

SCHEDULE B

THE FLUIDSTACK SUBLEASE

SCHEDULE C

SCHEDULE OF FS TERMINATION FEE

SCHEDULE D
FORM OF NOVATION AGREEMENT

SCHEDULE E

COSTS

SCHEDULE F
FORM OF FINANCIAL SUPPORT AGREEMENT

SCHEDULE G
FORM OF PLEDGE AGREEMENT

SCHEDULE H
LIENS, ENCUMBRANCES AND DEFECTS

SUBSIDIARIES OF TERAWULF INC.

The registrant's subsidiaries as of December 31, 2025 are set forth in the list below:

Legal Entity Name	Percentage of Voting Securities Owned Directly or Indirectly by Registrant	Jurisdiction of Organization
Abernathy Data LLC	50.1%	Delaware
Akela Data LLC	100%	Delaware
Akela Data Holdings LLC	100%	Delaware
Beowulf Electricity & Data LLC	100%	Delaware
Beowulf E&D (MD) LLC	100%	Delaware
Beowulf (E&D (NY) LLC	100%	Delaware
Big Country Wulf LLC	100%	Delaware
Chesapeake Data LLC	100%	Delaware
Flash Compute LLC	50.1%	Delaware
FS CS I LLC	50.1%	Delaware
Justified DataPower LLC	100%	Delaware
Kyalami Data LLC	100%	Delaware
Lake Hawkeye LLC	100%	Delaware
Lake Mariner Data LLC	100%	Delaware
La Lupa Data LLC	100%	Delaware
TeraCub Inc.	100%	Delaware
TeraLease LLC	100%	Delaware
TeraWulf Brookings LLC	100%	Delaware
TeraWulf Ploughwind LLC	100%	Delaware
TeraWulf (Thales) LLC	100%	Delaware
WULF Compute LLC	100%	Delaware
WULF Compute Lease LLC	100%	Delaware

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements (Nos. 333-266271, 333-268563, 333-274788 and 333-284318) on Form S-3 and in the Registration Statements (Nos. 333-264996 and 333-284584) on Form S-8 of TeraWulf Inc. of our report dated March 19, 2024, relating to the consolidated financial statements of TeraWulf Inc., appearing in this Annual Report on Form 10-K of TeraWulf Inc. for the year ended December 31, 2025.

/s/ RSM US LLP

Minneapolis, Minnesota
February 27, 2026

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-266271, 333-268563, 333-274788, and 333-284318 on Form S-3 and Registration Statement Nos. 333-288042, 333-264996 and 333-284584 on Form S-8 of our reports dated February 27, 2026, relating to the financial statements of TeraWulf Inc. and subsidiaries and the effectiveness of TeraWulf Inc. and subsidiaries' internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2025.

/s/ Deloitte & Touche LLP

Houston, Texas
February 27, 2026

TERAWULF INC.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Paul B. Prager, certify that:

1. I have reviewed this Annual Report on Form 10-K of TeraWulf Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.
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February 27, 2026

/s/ Paul B. Prager

Paul B. Prager
Chief Executive Officer
TeraWulf Inc.

TERAWULF INC.

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Patrick A. Fleury, certify that:

1. I have reviewed this Annual Report on Form 10-K of TeraWulf Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 27, 2026

/s/ Patrick A. Fleury

Patrick A. Fleury
Chief Financial Officer
TeraWulf Inc.

TERAWULF INC.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of TeraWulf Inc. (the "Company") on Form 10-K for the annual period ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul B. Prager, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 27, 2026

/s/ Paul B. Prager

Paul B. Prager
Chief Executive Officer
TeraWulf Inc.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 1350 of Title 18 of the United States Code and, accordingly, is not being filed with the U.S. Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

TERAWULF INC.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of TeraWulf Inc. (the "Company") on Form 10-K for the annual period ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Patrick A. Fleury, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 27, 2026

/s/ Patrick A. Fleury

Patrick A. Fleury
Chief Financial Officer
TeraWulf Inc.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 1350 of Title 18 of the United States Code and, accordingly, is not being filed with the U.S. Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).