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The Power of Infrastructure

Nautilus Transaction Overview

October 2024

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Nautilus Transaction Overview

WULF sells 25% equity interest in Nautilus to Talen Energy

Strategic Rationale

1. **Strong Financial Returns:** MOIC exceeding 3.4x and substantial premium based on the NPV of the remaining lease term
2. **Reduced Risk Exposure:** Allows for monetization of WULF's interest before expiration of the Nautilus 2¢ power contract and ground lease (June 2027)
3. **Enhanced Miner Fleet and Opex Efficiency:** Maintains Q125 target capacity of 13 (EH/s), while upgrading fleet to 18.2 J/TH and optimizing opex costs
4. **Increased Liquidity for Growth:** Provides opportunity to reinvest surplus proceeds into Lake Mariner's planned HPC/AI expansion
5. **Clearer Financial Reporting:** Simplifies reporting by removing requirement to use the equity method to account for WULF's minority stake in Nautilus

NAUTILUS CRYPTOMINE

~$92 Million Transaction Proceeds (1)	**3.4x** Multiple on Invested Capital (2)
~$36k / BTC Pro Forma Cost-to-Mine (3)	**18.2 J/TH** Pro Forma Miner Efficiency

1

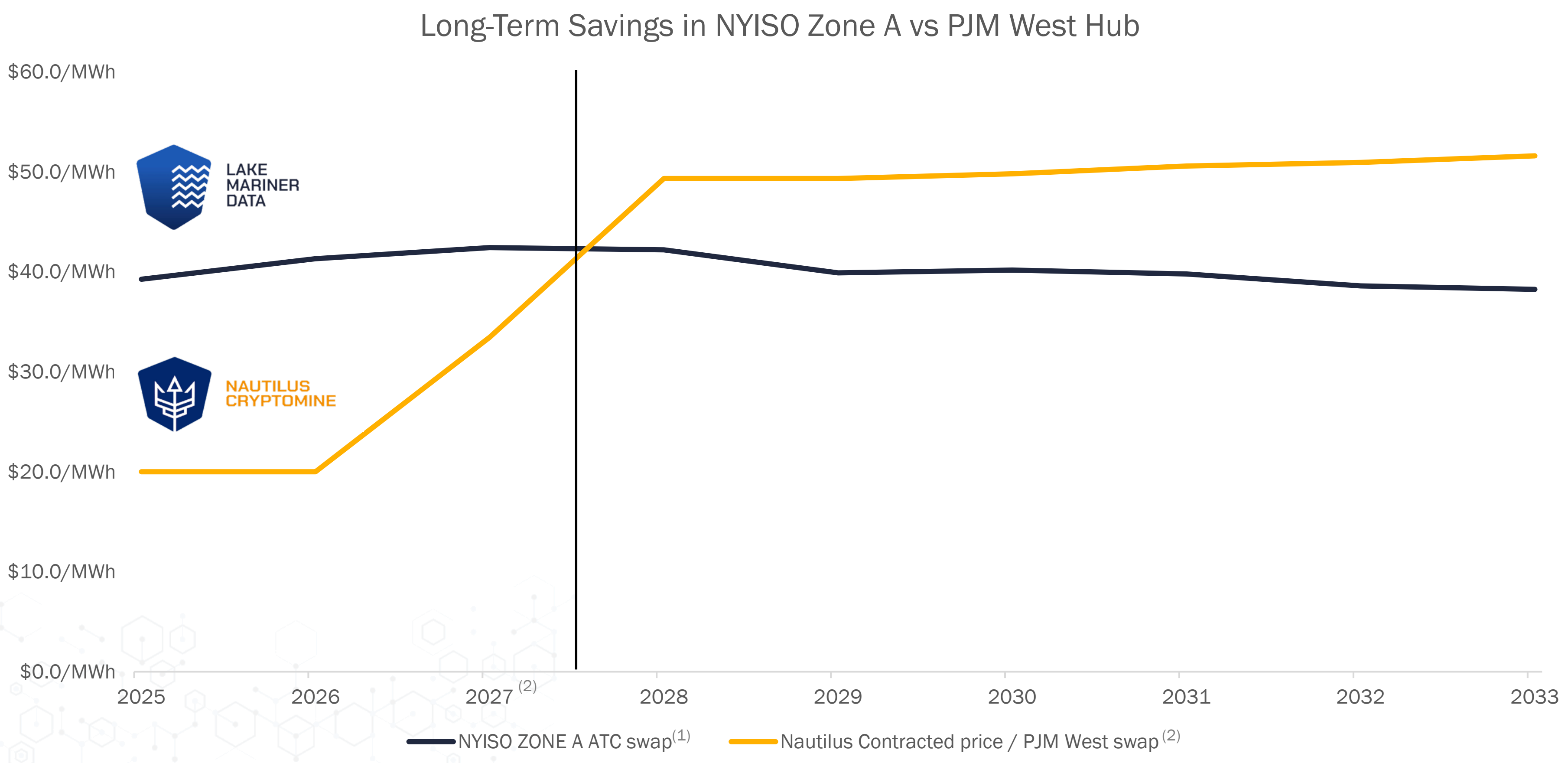
Realized Value ($M)	$ IN	$ OUT	MOIC
Infrastructure	$31.5	$61.0	1.9x
Power Contract (2¢/kWh) (4)	$8.0	$24.0	3.0x
Cumulus Data Miners		$7.0	
Est. Free Cash Flow (thru Sep 24)		$41.0	
Total	**$39.5**	**$133.0**	**3.4x**

Transaction fuels expansion of HPC/AI and bitcoin mining at flagship Lake Mariner facility

(1) Sale proceeds comprised of $85 million cash consideration and approximately $7 million worth of Talen contributed miners and related equipment.
(2) MOIC excludes the undepreciated value of WULF's miners at Nautilus.
(3) Reflects the estimated pro forma cost-to-mine a BTC in Q1 2025 following the planned mining fleet upgrade.
(4) Power Contract "$ IN" value of $8.0 million represents the amortized balance of TeraWulf's initial $14.6 million cash contribution to the JV for the five-year power contract; "$ OUT" value of $24.0 million represents the mark-to-market value for the remaining term of TeraWulf's 50 MW @ 2c/kWh (see Appendix for supporting calculation).

2 Reduced Risk Exposure

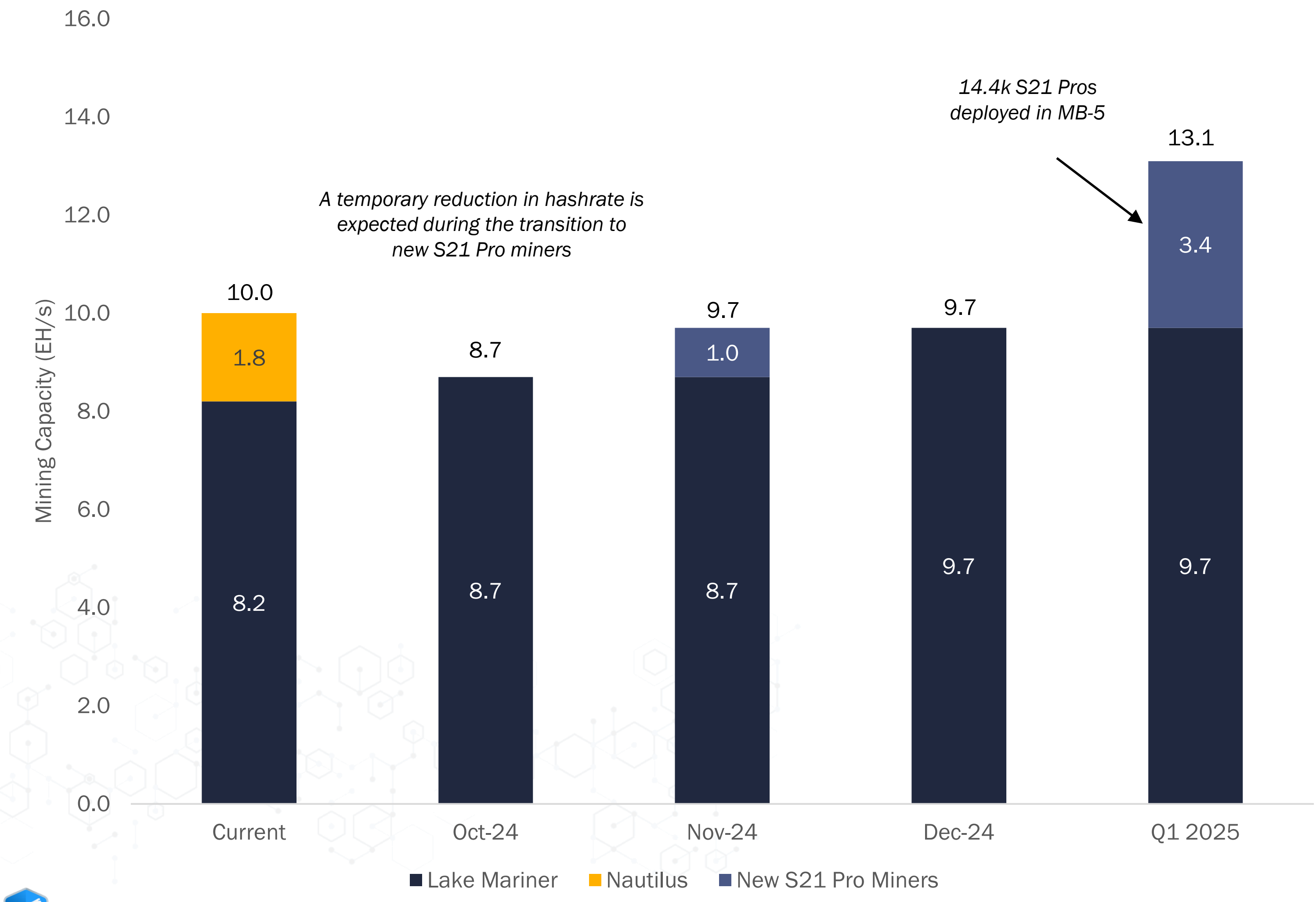
After the PPA expires in 2027, power prices at Nautilus are anticipated to exceed those at Lake Mariner



(1) Source: Bloomberg as of September 19, 2024.
(2) Nautilus / PJM West hub price in 2027 based on weighted average of $20/MWh contracted price through June and PJM West Hub ATC Forwards for balance of year.

③ Expanded Mining Operations

Increased hashrate with operational efficiencies and reduction in cost



- In connection with the Nautilus sale, WULF will receive **~30k Talen miners**
- WULF plans to **monetize >80% of the Nautilus miners** and **all existing S19 generation miners** from its fleet
- Fleet will be **upgraded with new S21 Pro miners** for delivery and installation in November
- In Q1 2025, WULF plans to receive an additional **14.4k S21 Pros** to fully utilize MB-5 at Lake Mariner

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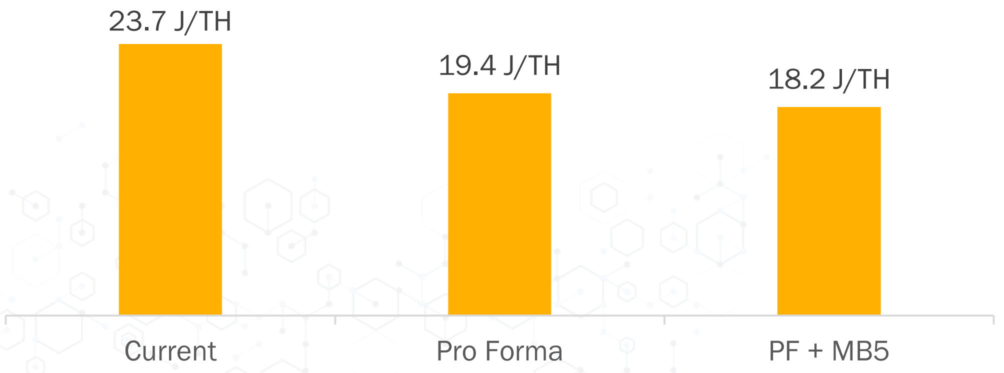
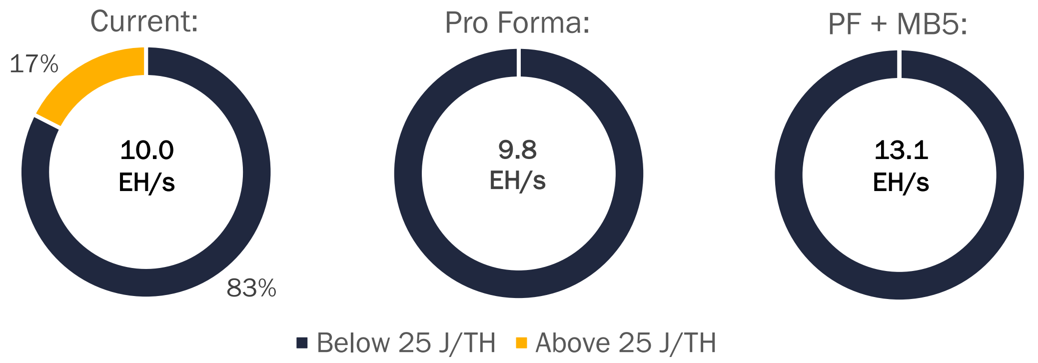
3 Enhanced Mining Fleet

Fleet Summary								
Model	Hash Rate	Efficiency J/TH	Current Fleet (1)	Cumulus Miners	Buy / (Sell) (3)	+ Building 5	PF Fleet	PF Capacity
S21 Pro (2)	234	15.0	5,000		7,400	14,400	26,800	6.3 TH
S21	195	17.9	5,000				5,000	1.0 TH
S19 JXP/XP	141	21.5	32,800	5,200			38,000	5.3 TH
S19K Pro	117	23.6	4,000				4,000	0.5 TH
S19 J/J-Pro	100	30.0	27,200	22,500	(49,700)		0	
MicroBT M30s	100	31.0	1,200		(1,200)		0	
Total			**75,200**	**27,700**	**(43,500)**	**14,400**	**73,800**	**13.1 TH**

Fleet Efficiency (4)



Hash Rate Mix (EH/s)



(1) Includes WULF's net share of miners contributed to Nautilus JV.
(2) Miner orders to be installed in Q4 2024.
(3) Reflects planned sale of S19J/J-Pro and MicroBT M30 miners, and exercise of option to purchase 7.4k and 14.4k of the remaining 30k Bitmain S21 Pro miners under the purchase agreement option.
(4) Figures do not include 4% ancillary load.

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③ Superior Opex Efficiency

TeraWulf's allocable share of annual opex for its 50 MW of mining at Nautilus is roughly equivalent to the annual opex to run 200 MW of mining at Lake Mariner.

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LAKE MARINER DATA

- Wholly-owned
- 195 MW operational
- Annual OpEx: ~$6.75M

$35/MW

VERSUS...

NAUTILUS CRYPTOMINE

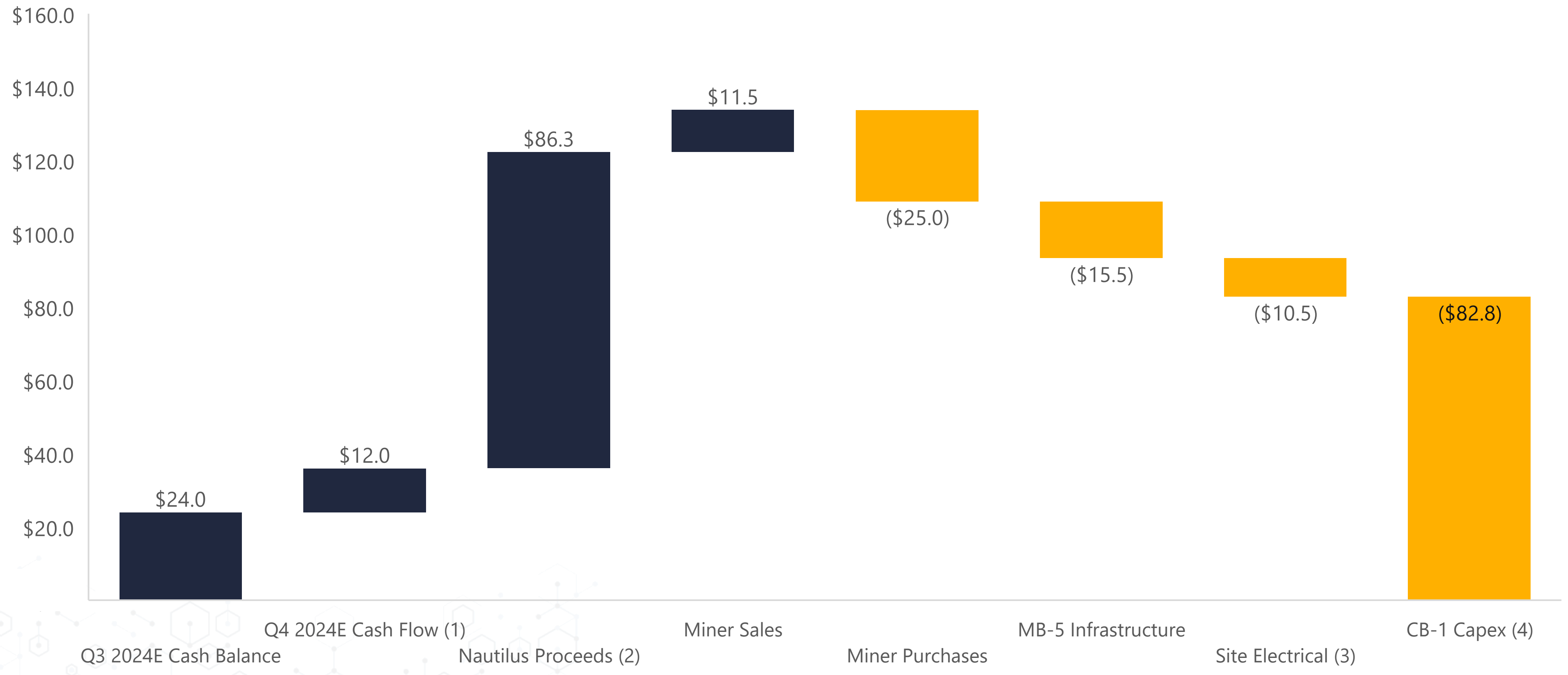
- Minority interest (25%)
- 50 MW operational
- Annual Alloc. OpEx: $~6.75M

$135/MW

Transaction underscores TeraWulf's dedication to operational efficiency, cost management, and long-term shareholder value

4 2024 Capital Allocation

Increased liquidity for HPC growth; 20 MW CB-1 capex is fully funded

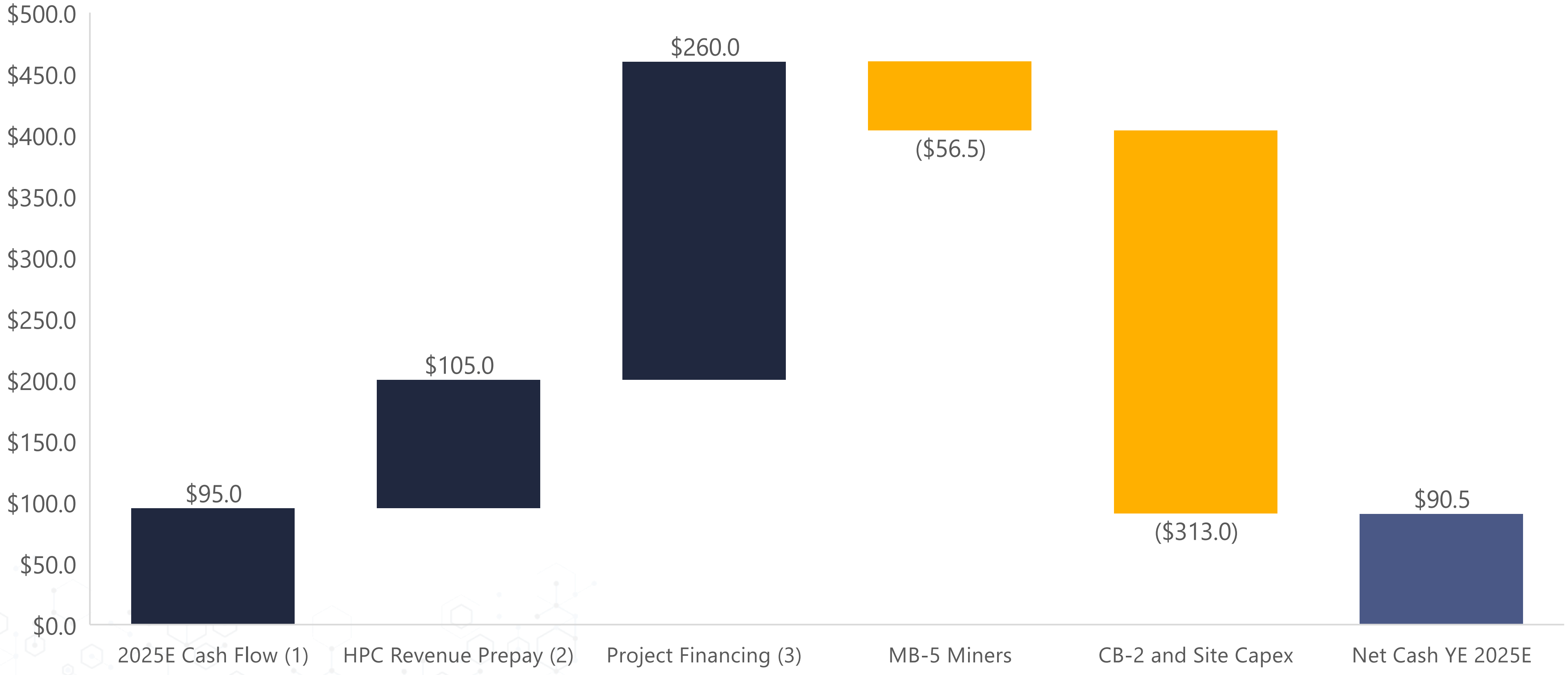


Transaction aligns WULF's focus and investment on areas with the greatest operational efficiency, growth potential, and value creation

(1) Estimated Q4 2024E Cash Flow assumes average BTC price of $60,000 and network hash rate of 600 EH/s, October 1 – December 31, 2024.
(2) Nautilus Proceeds include $85 million cash consideration and the return of $1.3 million of working capital.
(3) Includes electrical capital expenditures required to expand the Lake Mariner facility to 500 MW.
(4) Reflects estimated remaining capex to complete construction of the 20 MW CB-1.

4 2025 Capital Allocation: The Inflection Point

HPC/AI contracts are projected to unlock substantial platform value



Substantial cash flow available for capital allocation

(1) Estimated 2025E cash from operations assumes: 1) average BTC price of $65,000 and network hash rate of 650 EH/s; 2) 20 MW CB-1 and 50 MW CB-2 operating for 9 months and 6 months, respectively.
(2) Estimated HPC Revenue Prepay assumes 12-month prepay for 20 MW CB-1 and 50 MW CB-2 at $1.5M per MW.
(3) Estimated Project Financing assumes that 70% of total project costs for CB-1 and CB-2 are financed.

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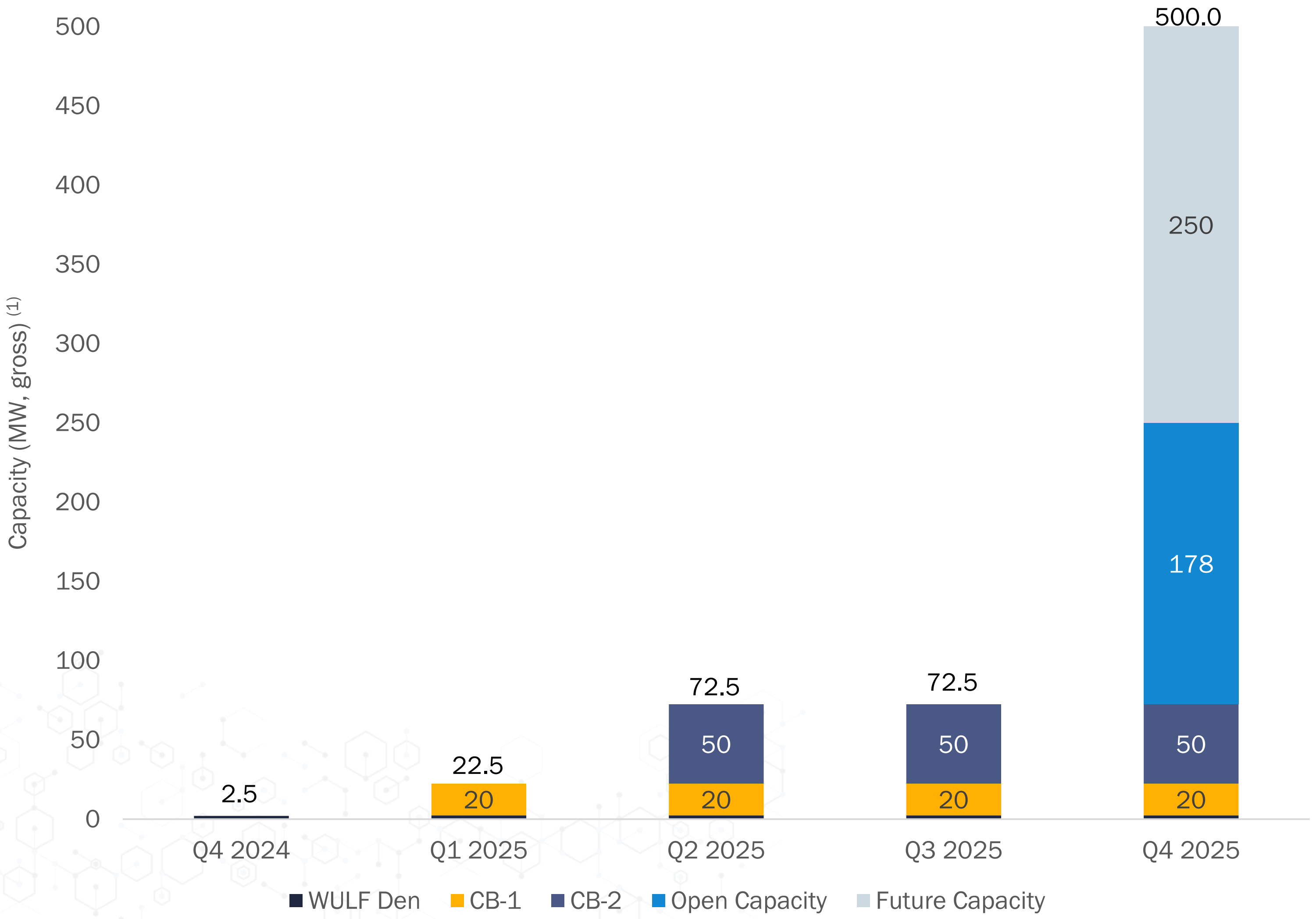
4 Illustrative HPC Timeline



- **WULF Den:** 2.5 MW operational in Q3 2024
- **CB-1:** 20 MW capacity expected to be operational in Q1 2025
- **CB-2:** 50 MW expected to be operational in Q2 2025
- *Additional 178 MW expected to be available in 2H25*
- *Future 250 MW design and timeline will be finalized based on ongoing customer discussions and demand [2]*

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(1) Represents gross load capacity. Critical load IT capacity is expected to be based on a 1.25 average annual PUE.
(2) Future capacity subject to transmission studies and potential transmission upgrades.

Transaction Summary

Fuels expansion of HPC/AI and bitcoin mining at Lake Mariner, positioning WULF for substantial value creation
CB-1 construction capex fully funded

1. Further aligns WULF's focus and investments with where it has the most ***operational efficiency*** and greatest ***growth potential***
2. Allows WULF to realize a significant ***premium for Nautilus investment***
3. Enables WULF to capitalize on a favorable Bitmain purchase agreement option, ***upgrading the fleet at a discount***. This is expected to ***enhance efficiency, lower the cost-to-mine,*** and ***boost profitability***.
4. Maintains WULF's commitment to utilizing predominantly ***zero-carbon*** energy
5. Simplifies WULF's consolidated financial statements, ***enhancing transparency*** and comparability for shareholders
6. WULF reiterates Q1 2025 bitcoin mining capacity ***target of 13.1 EH/s***

Focused on best positioning WULF to benefit from the growing demand for HPC/AI and meeting the needs of high-quality customers who are looking for power availability and infrastructure that can meet their substantial requirements over the long term

APPENDIX

Updated Guidance

Continued improvement in Cost-to-Mine Metrics

	Q3 2024E			Q4 2024E			Full Year 2024E	Q1 2025E		
Illustrative Market Inputs:										
Network Hash Rate (EH/s)				650				650		
Transaction Fees (%)				3.0%				3.0%		
Illustrative Operating Inputs:										
Miner Fleet Efficiency (J/TH) [1]				21				19		
Total Hash Rate (EH/s)				9.3				13.2		
Total Bitcoin Mined	555			557			2,862	857		
	$ in 000's	$/BTC	$/PH/Day	$ in 000's	$/BTC	$/PH/Day	$ in 000's	$ in 000's	$/BTC	$/PH/Day
Power Cost (@ $0.035/kWh)	$16,832	$30,327	$22	$16,300	$27,710	$19	$65,460	$21,449	$25,017	$18
SG&A for the Period [2]	7,449	13,421	10	7,449	12,663	9	$30,000	7,500	8,748	6
Other OpEx for the Period [3]	3,458	6,230	5	1,688	2,869	2	$11,730	1,688	1,968	1
Cash Interest Expense for the Period	738	1330	1				$6,952			
Total Cost	$28,477	$51,308	$38	$25,437	$43,242	$30	$114,142	$30,636	$35,732	$25

Note: All expenses are cash cost only and all figures through Q3 2024E include the impact of TeraWulf's net share of the Nautilus JV.
(1) Assumes 4% ancillary load.
(2) Excludes stock-based compensation.
(3) Q3 2024E includes Nautilus OpEx; Other Operating Expenses were expected to be ~$13.5 million annually split ~50/50 between the Lake Mariner facility and the Nautilus JV.

Nautilus PPA Mark-to-Market

	2024	2025	2026	2027
Energy Margin				
Total MW's	50	50	50	50
Capacity Factor	100%	100%	100%	100%
Net Generation (MWh's)	109,500	438,000	438,000	237,250
PJM West ATC Market Power Price ($/MWh)	$40.56	$46.37	$48.91	$50.53
Susquehanna Node Basis Differential ($/MWh)	(2.00)	(2.00)	(2.00)	(2.00)
Realized ATC Market Power Price ($/MWh)	$38.56	$44.37	$46.91	$48.53
WULF PPA Power Price ($/MWh)	(20.00)	(20.00)	(20.00)	(20.00)
MtM Power ($/MWh)	$18.56	$24.37	$26.91	$28.53
Summary Cash Flow ($M)				
Market Power Price	$4.2	$19.4	$20.5	$11.5
PPA Power Price	($2.2)	($8.8)	($8.8)	($4.7)
Mark-to-Market Power	$2.0	$10.7	$11.8	$6.8
Discount Rate	10%			
Net Present Value ($M)	$24.1	*$483 /kW*		

Note: PJM West ATC Power Price ($/MWh) per Bloomberg as of 10/2/24.