



# Fiscal Fourth Quarter and Full Year 2023 Earnings Presentation

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Denise Sterling, CFO

MARCH 12, 2024

# Forward-looking statements

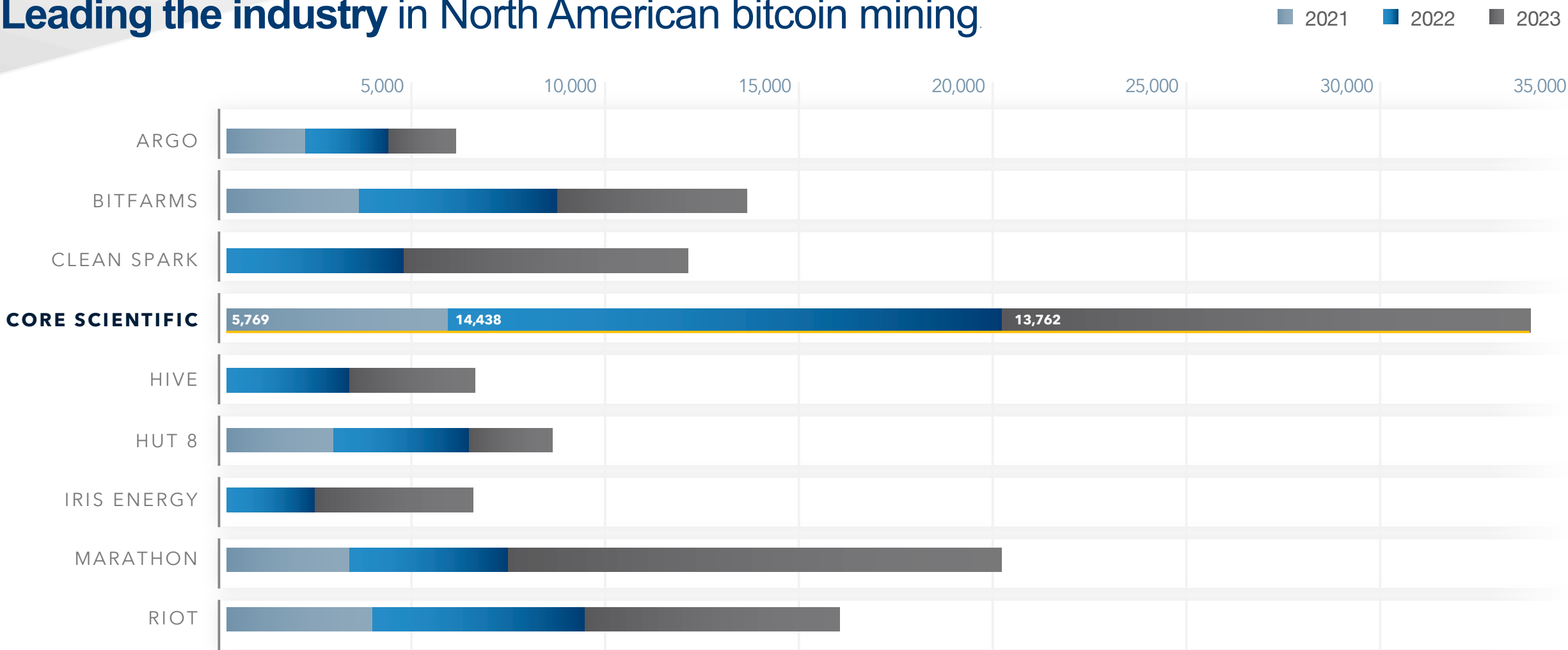
This presentation contains “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding projections, estimates and forecasts of revenue and other financial and performance metrics, projections of market opportunity and expectations, the Company’s ability to scale and grow its business, source clean and renewable energy, the advantages and expected growth of the Company and the Company’s ability to source and retain talent. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “aim,” “estimate,” “plan,” “project,” “forecast,” “goal,” “intend,” “will,” “expect,” “anticipate,” “believe,” “seek,” “target” or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. All forward looking statements are subject to risks and uncertainties that may cause actual results to differ materially, including: our ability to earn digital assets profitably and to attract customers for our hosting capabilities; our ability to maintain our competitive position as digital asset networks experience increases in total network hash rate; our ability to raise additional capital to continue our expansion efforts or other operations; our need for significant electric power and the limited availability of power resources; the potential failure in our critical systems, facilities or services we provide; the physical risks and regulatory changes relating to climate change; potential significant changes to the method of validating blockchain transactions; our vulnerability to physical security breaches, which could disrupt our operations; a potential slowdown in market and economic conditions, particularly those impacting the blockchain industry and the blockchain hosting market; the identification of material weaknesses in our internal control over financial reporting; price volatility of digital assets and bitcoin in particular; the “halving” of rewards available on the Bitcoin network, or the reduction of rewards on other networks, affecting our ability to generate revenue as our customers may not have an adequate incentive to continue mining and customers may cease mining operations altogether; the potential that insufficient awards from digital asset mining could disincentivize transaction processors from expending processing power on a particular network, which could negatively impact the utility of the network and further reduce the value of its digital assets; the requirements of our existing debt agreements for us to sell our digital assets earned from mining as they are received, preventing us from recognizing any gain from appreciation in the value of the digital assets we hold; potential changes in the interpretive positions of the SEC or its staff with respect to digital asset mining firms; the increasing likelihood that U.S. federal and state legislatures and regulatory agencies will enact laws and regulations to regulate digital assets and digital asset intermediaries; increasing scrutiny and changing expectations with respect to our ESG policies; the effectiveness of our compliance and risk management methods; the adequacy of our sources of recovery if the digital assets held by us are lost, stolen or destroyed due to third-party digital asset services; the effects of our emergence from bankruptcy on our financial results, business and business relationships; and our substantial level of indebtedness and our current liquidity constraints affecting our financial condition and ability to service our indebtedness. Any such forward-looking statements represent management’s estimates and beliefs as of the date of this presentation. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change. Year over year comparisons are based on the combined results of Core Scientific and its acquired entities.

Although the Company believes that in making such forward-looking statements its expectations are based upon reasonable assumptions, such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. The Company cannot assure you that the assumptions upon which these statements are based will prove to have been correct. Additional important factors that may affect the Company’s business, results of operations and financial position are described from time to time in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, Quarterly Reports on Form 10-Q and the Company’s other filings with the Securities and Exchange Commission. The Company does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law.

## Non-GAAP Financial Measures

This presentation also contains non-GAAP financial measures as defined by the SEC rules, including Adjusted EBITDA and adjusted earnings (loss) per diluted share. The Company believes that these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to the Company’s financial condition and results of operations. The Company’s management uses certain of these non-GAAP measures to compare the Company’s performance to that of prior periods for trend analyses and for budgeting and planning purposes. The Company urges investors not to rely on any single financial measure to evaluate its business.

# Leading the industry in North American bitcoin mining



All bitcoin production and Hashrate data from company press releases; data as of December 31, 2023.

Represents self-mined BTC and excludes customer mined BTC

# Core Scientific 2023 Snapshot



## Strategic

- **724 MW** of owned, energized infrastructure
- **Additional 372 MW** of partially completed infrastructure
- Positioned to support other forms of high-value compute
- Pathway to de-lever balance sheet
- Organic self-mining growth plan for **20+ more EH/s**



## Operational

- Earned **13,762** self-mined bitcoin
- **16.9 EH/s** self-mining energized hash rate
- **~158,000** company-owned bitcoin miners
- Improved self-mining fleet efficiency to **27.94 J/TH by 12/31/23**
- **6.3 EH/s** energized hosted hash rate
- Consistently **higher hash rate utilization** than peer group average<sup>1</sup>



## Financial

- **\$502 million** revenue
- \$(247) million net loss – includes \$191 million bankruptcy-related expenses
- **\$170 million** adjusted EBITDA
- **\$14,982 cash cost** per self-mined bitcoin<sup>2</sup>
- Planned operating cash flow sufficient to fund debt service and capex through 2024

<sup>1</sup> See slide 8 for comparisons and additional detail

<sup>2</sup> See slide 18 for additional detail



**Core Scientific**  
transforms energy into high-  
value compute with superior  
efficiency at scale







# 724 Megawatts

## Largest Owned Infrastructure Capacity

2023 Average Power Cost \$0.044/kWh





# Restructuring positioned Core Scientific for success



**Stronger balance sheet & pathway to de-lever further**



Rigor and discipline in **capital allocation**, organic growth funded from operating cashflow



**Reduced operating expenses**, implemented hedging strategy on power to manage downside risk

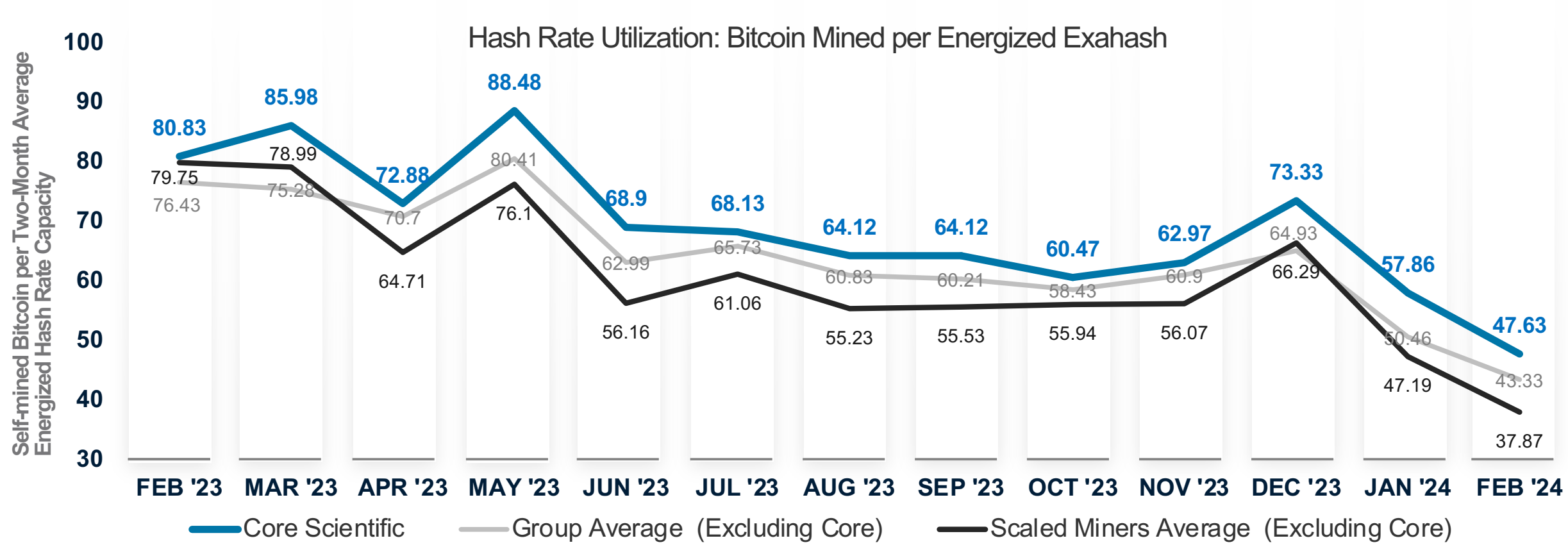


**Improved hosting business performance**, fewer customers, better margin



**Positioned Company for successful emergence**, paid off DIP financing, over-subscribed Equity Rights Offering

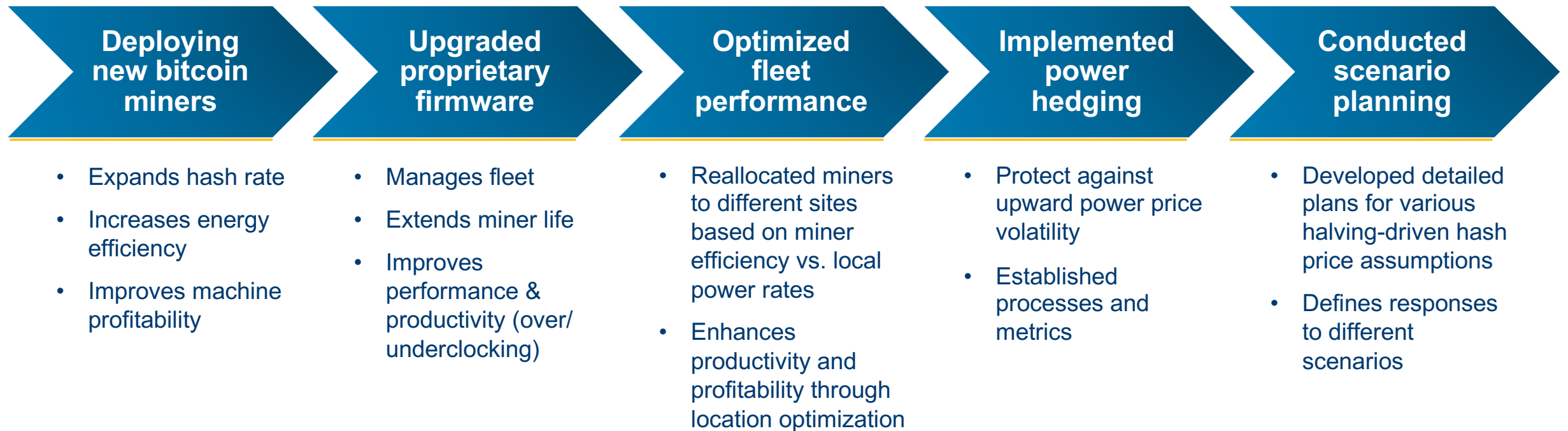
# Consistently higher hash rate utilization than peer averages



Source: Monthly Production Updates. As of February 29, 2024  
"Group" consists of Argo, Bitdeer, BitFarms, Cipher, CleanSpark, Hive, Hut 8, Iris Energy, Marathon, Riot, Terawulf  
"Scaled Miners" consists of CleanSpark, Marathon, Riot



# Preparations for the halving



# High-performance computing hosting

## Why Core Scientific?

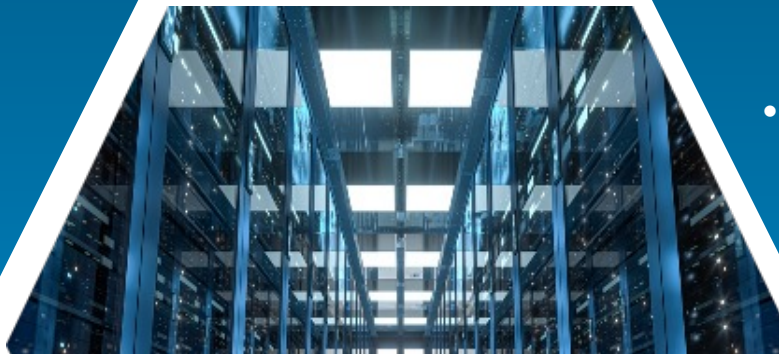
- Hosted GPUs from 2019 to 2022
- More than 300 MW of infrastructure near large cities – low latency
- Majority of data center operations team and its leaders come from the data center industry

## CoreWeave Contract Highlights

- Upgrading Austin, TX data center formerly housing HP
- Providing up to 16 MW infrastructure
- Total revenue more than \$100 million over multi-year period

## Benefits to Core Scientific

- Stable, recurring cash flow
- Diversifies customer base and revenue mix
- Further differentiates Core Scientific business model from bitcoin mining peers



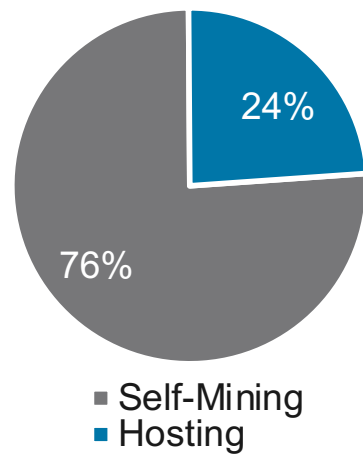
# Financial summary



# Segment analysis

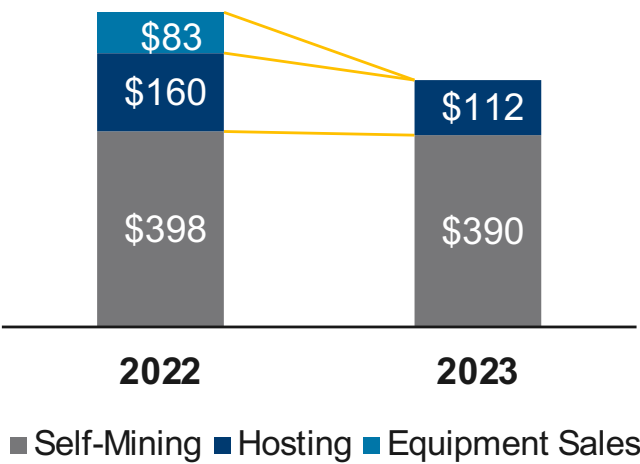
## 2023 Revenue Mix

(Unaudited)



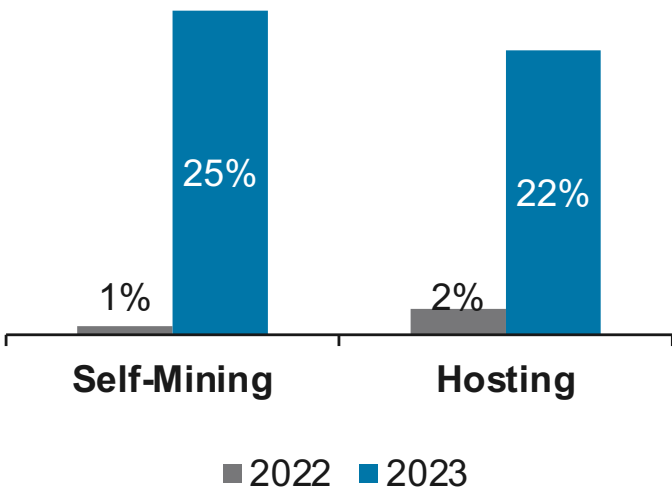
## Revenue by Segment

(In Millions, Unaudited)

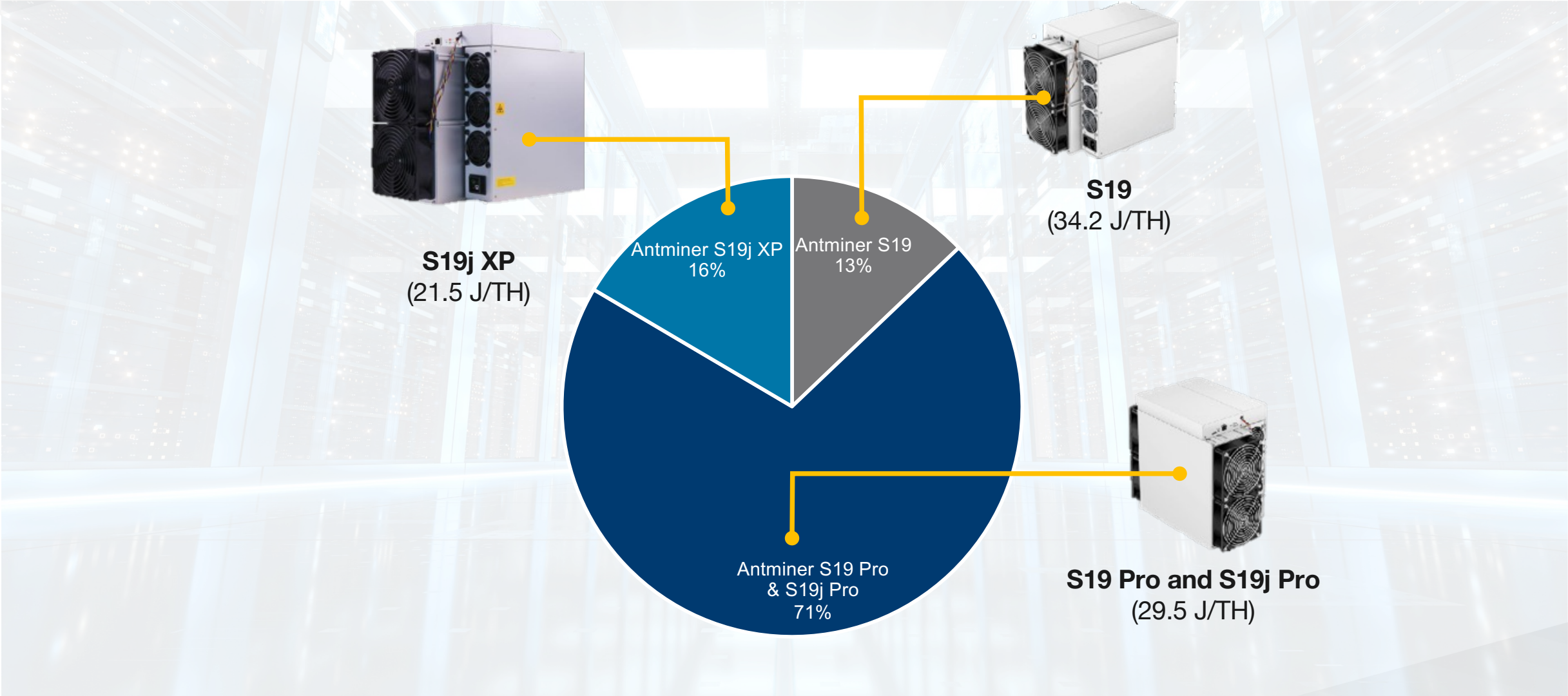


## Gross Margin by Segment

(Unaudited)



# Self-mining fleet composition (as of 12/31/23)



## Debt at emergence (Jan 24, 2024)

(\$ in millions)	Outstanding Principal Amount
New Delayed Draw Term Loan	\$61
New Secured Notes	150
Miner Equipment Loans	53
Other Debt	84
Total Non-Convertible Debt	\$348
New Secured Convertible Notes	260
<b>Total Debt</b>	<b>\$608</b>



## Post-emergence debt

Terms	Exit Delayed Draw Term Loan	New Secured Notes	New Secured Convertible Notes	Miner Equipment Debt (Election 2)
Facility Size	\$80 million (\$40 million roll-up, \$40 million new money, \$19 million undrawn)	\$150 million	\$260 million	\$53 million
Interest Rate	9.0% cash	12.5% cash	6.0% cash / 6.0% PIK <sup>1</sup> or 10.0% cash	3.0% cash / 10.0% PIK for 2 years, 10.0% cash thereafter
Maturity	3 years	4 years	5 years	5 years
Conversion (if applicable)	N/A	N/A	Optional: \$5.83 / Share Mandatory: \$7.79 / Share	N/A

<sup>1</sup> PIK interest payable in Core Scientific common shares.

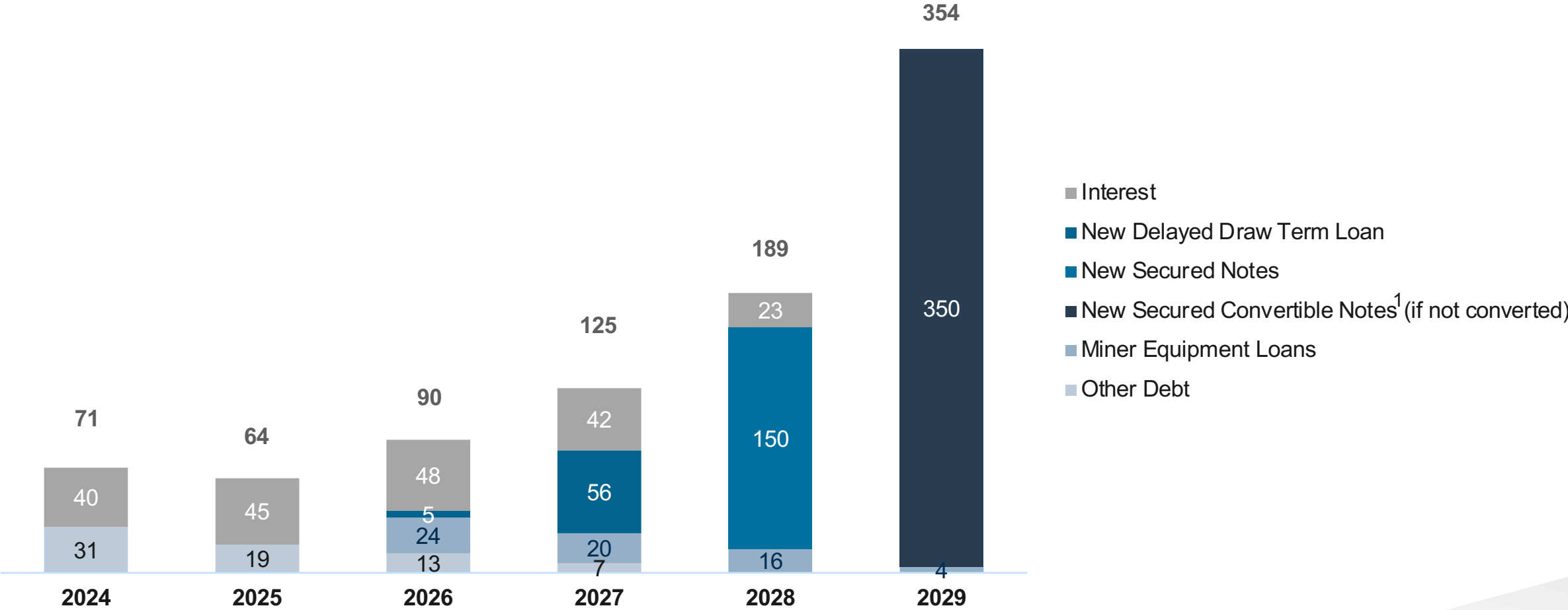
## Pathway to de-levering balance sheet

	Conversion/ Exercise/ Trigger Price	Shares (M)	Debt (\$M)	Cash (\$M)	Notes
<b>Actual</b>	-	177	\$ 608	\$ 83	Actual issued and outstanding share count as of March 7, 2024
<b>Convertible Notes<sup>1</sup></b>	\$ 5.83	45	\$ (260)	-	Mandatory conversion at \$7.79
<b>Tranche 1 Warrants<sup>2</sup></b>	\$ 6.81	98	\$ (348)	\$ 322	Total proceeds of \$670M, a portion of which to be used to pay down debt
<b>Tranche 2 Warrants</b>	\$ 8.72	82	-	-	Penny warrants, executable at/above trigger price
<b>Proforma</b>	-	402	-	\$ 405	

<sup>1</sup> Voluntary conversion price \$5.83; mandatory conversion price \$7.79 based on VWAP of CORZ stock over 20 consecutive trading days

<sup>2</sup> Tranche 1 (cash) warrant exercise price of \$6.81 – actual exercises may continue over range of share prices; 50% of proceeds required to pay down exit facility and new secured notes




**Debt service \$71 million in 2024; amortization of principal weighted heavily to 2027 - 2029**  
*(in \$millions)*



<sup>1</sup> Represents 6.0% cash / 6.0% PIK; PIK interest payable in new Core Scientific common shares



# Cost to self-mine<sup>1</sup> a bitcoin in 2023

		Cash Cost Per Bitcoin <sup>1</sup>	Cash-Based Hash Cost <sup>2</sup>
	Power Cost	\$ 12,528	3.33¢
	Operational Cost <sup>3</sup>	\$ 2,454	0.65¢
	Cash to Mine a BTC	\$ 14,982	3.98¢

<sup>1</sup> Represents our direct, cash costs of power and facilities operations based on our self-mining/hosting mix as of 12/31/23 divided by total bitcoin self-mined in 2023 of 13,762. Future changes in power cost, operational cost or self-mining/hosting mix could change the cost to mine.

<sup>2</sup> Represents the cash expenses of power and facilities operations cost divided by our self-mining fleet hash rate, in terahash.

<sup>3</sup> Includes personnel and related costs, software, telecommunications, security, etc. Amount excludes stock-based compensation and depreciation

## Well positioned for continued market leadership

Earned more bitcoin than any other company in 2021-2023

Plan for de-levering balance sheet

Own 724 MW of infrastructure - total of 25.2 EH/s<sup>1</sup>

Diversifying hosting customer base into high-performance computing

Multi-year growth plan for more than 20 EH/s

\$502 million in 2023 revenue

Sufficient cash generation to support expected growth

Well positioned for halving

<sup>1</sup> Includes self-mining and hosting hash rate as of February 29, 2024



**CORE SCIENTIFIC**

# Thank you!

## Investor Relations



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**Leader in bitcoin  
mining and digital  
infrastructure for  
emerging high-  
value compute**



# Appendix

# Selected quarterly financial results (unaudited)

(dollars in thousands)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	FY 2022	FY 2023 vs 2022
Total revenue:							
Hosting revenue	\$ 22,629	\$ 23,435	\$ 20,766	\$ 19,663	\$ 86,493	\$ 159,688	\$ (73,195)
Proceeds sharing	-	6,395	9,083	10,096	25,574	-	25,574
Equipment sales	-	-	-	-	-	82,829	(82,829)
Digital asset mining income	98,026	97,082	83,056	112,169	390,333	397,796	(7,463)
Total revenue	120,654	126,913	112,904	141,929	502,400	640,313	(137,913)
Cost of revenue	88,873	89,954	97,486	102,628	378,941	631,913	(252,972)
Gross profit	31,781	36,959	15,419	39,300	123,460	8,400	115,059
Gross Margin	26%	29%	14%	28%	25%	1%	
(Gain)/Loss on legal settlements	-	85	(85)	-	-	-	-
(Gain)/Loss from sales and impairment of digital assets	\$ (8)	\$ 197	\$ 318	\$ 7	\$ 514	\$ 187,018	\$ (186,504)
Impairment on goodwill	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,649,938	\$ (1,649,938)
Loss on exchange or disposal of PP&E	\$ -	\$ 174	\$ 340	\$ 1,443	\$ 1,956	\$ 28,025	\$ (26,069)
Operating expenses:							
Research and development	\$ 973	\$ 1,273	\$ 1,918	\$ 1,683	\$ 5,846	\$ 4,869	\$ 978
Sales and marketing	\$ 503	\$ 545	\$ 524	\$ 518	\$ 2,090	\$ 3,329	\$ (1,240)
General and administrative	\$ 11,035	\$ 12,529	\$ 11,005	\$ 11,764	\$ 46,333	\$ 88,686	\$ (42,353)
Stock-based compensation	\$ 11,676	\$ 12,772	\$ 13,359	\$ 16,035	\$ 53,842	\$ 156,089	\$ (102,247)
Total operating expenses	24,187	27,120	26,806	29,999	108,111	252,973	(144,861)
Operating Income (Loss)	7,603	9,383	(11,960)	7,852	12,878	(2,109,553)	2,122,432
Non-operating (income) expense, net:							
(Gain) Loss on debt extinguishment	(20,761)	-	(373)	1,069	(20,065)	287	(20,352)
Hedging Instruments, net	-	-	-	3,918	3,918	-	3,918
Reorganization items, net	31,559	18,370	28,341	112,852	191,122	(197,405)	388,527
Interest expense (income), net	157	(36)	2,196	83,921	86,238	96,826	(10,587)
Other non-operating (income) expenses, net	(3,068)	181	(1,090)	1,447	(2,531)	154,148	(156,679)
Total non-operating (income) expense, net	7,886	18,515	29,073	203,207	258,682	53,855	204,827
Income (loss) before income taxes	(283)	(9,132)	(41,033)	(195,355)	(245,803)	(2,163,714)	1,917,911
Income tax (benefit) expense	104	129	114	337	683	(17,091)	17,774
Net income (loss)	\$ (388)	\$ (9,260)	\$ (41,147)	\$ (195,692)	\$ (246,487)	\$ (2,146,318)	\$ 1,899,832

# Adjusted EBITDA reconciliation

(dollars in thousands)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	FY 2022	FY 2023 vs 2022
Net Income (Loss)	\$ (388)	\$ (9,260)	\$ (41,147)	\$ (195,692)	\$ (246,487)	\$ (2,146,318)	\$ 1,899,832
Adjustments:							
(Gain) Loss on Debt Extinguishment	(20,761)	-	(373)	1,069	(20,065)	287	(20,352)
Non-cash and other items	(3,068)	181	(1,090)	3,709	(268)	154,148	(154,416)
Reorganization Items	31,559	18,370	28,341	112,852	191,122	(197,405)	388,527
Interest Expense, Net	157	(36)	2,196	83,921	86,238	96,826	(10,587)
Income Tax Expense (Benefit)	104	129	114	337	683	(17,091)	17,774
Depreciation and Amortization	20,462	20,841	24,602	31,571	97,477	225,825	(128,348)
Stock-Based Compensation Expense	12,273	14,280	14,861	17,478	58,892	181,868	(122,976)
Legal Settlement	-	85	(85)	-	-	-	-
Goodwill Impairment	-	-	-	-	-	1,054,759	(1,054,759)
Intangible Impairment	-	-	-	-	-	4,506	(4,506)
PP&E Impairment	-	-	-	-	-	590,673	(590,673)
Restructuring Charge	-	225	(225)	-	-	12,319	(12,319)
Operating Lease-Right-of-Use Assets	195	13,074	(12,566)	(261)	442	834	(392)
Fixed Asset Gain (Loss)	-	174	340	1,443	1,956	28,025	(26,069)
Adjusted EBITDA	\$ 40,533	\$ 58,063	\$ 14,967	\$ 56,428	\$ 169,991	\$ (10,745)	\$ 180,736