



GRYPHON
DIGITAL MINING



Nasdaq: GRYP

April 2024

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By their nature, forward-looking statements involve numerous current assumptions, known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from those anticipated by the Company and described in the forward-looking statements. With respect to the forward-looking statements contained in this Presentation, assumptions have been made regarding, among other things: current and future prices for bitcoin; future global economic and financial conditions; current and future regulatory and legal regimes, demand for bitcoin and the product mix of such demand and levels of activity in the cryptocurrency finance markets and in such other areas in which the Company may operate, and supply and the product mix of such supply; the accuracy and veracity of information and projections sourced from third parties respecting, among other things, current finance markets and proposed changes to those markets, supply and demand; and, where applicable, each of those assumptions set forth in the footnotes provided herein in respect of particular forward-looking statements.



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Mission Statement

To create a financially nimble, highly profitable, and environmentally responsible bitcoin miner



Investment Highlights

Creating an industry leader in bitcoin mining.

Size & Scale

- 0.91 exahash of self mining
- Approx. \$4.4M in value of BTC produced in Jan-Feb based on an average price of \$46,281
- **Breakeven Cost per BTC ~\$18,217/BTC***

Leadership Team

- CEO & Director, Rob Chang, previously served as CFO of Riot Blockchain and as MD at Cantor Fitzgerald
- CFO, Sim Salzman, previously served as CFO of Marathon Digital Holdings
- Chief Technical Advisor, Chris Ensey, is the former CEO & COO of Riot Blockchain and has developed over 100 MW in mining operations
- Chairperson, Brittany Kaiser, globally-renowned expert in blockchain technology and digital assets

ESG

- **Independently Certified 100% Renewable Energy Operation** as one of the inaugural recipients of the Green Proofs for Bitcoin certification
- **100% Renewable Energy Miner** pursuing a **negative carbon strategy** with the acquisition of carbon offset credits and mining operations

*As of Dec 31, 2023 for the Company's self-mining revenue stream. The Company defines Breakeven cost per Bitcoin as (a) Cost of Revenues (excluding depreciation) divided by (b) total bitcoin generated and received from the hashrate contributed to the mining pool operator. See Appendix: Non-GAAP Reconciliations.



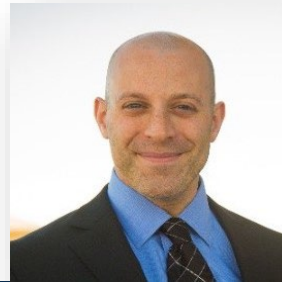
Management Team

Industry leading management team



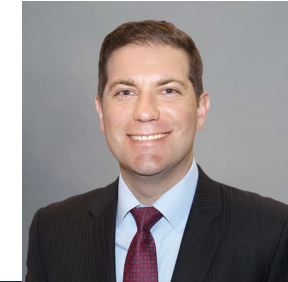
Rob Chang
CEO & Director

- Former CFO, Riot Blockchain
- Former Managing Director, Head of Metals & Mining Research, Cantor Fitzgerald
- Current Board Member: Fission Uranium and Ur-Energy
- Member: Young Presidents Organization (YPO)



Sim Salzman
CFO

- Former CFO, Marathon Digital Holdings
- Oversaw market cap growth from \$500 million to \$8 billion over 12 months
- Former CFO, Las Vegas Monorail Company
- Former Senior Auditor, BDO & RSM



Chris Ensey
Chief Technical Advisor

- Former CEO and COO, Riot Blockchain
- Former CTO, BlueVoyant
- Former COO and Founder, Dunbar Cybersecurity
- Former Principal Security Strategist & Associate Director, IBM



Board of Directors

Compelling Pedigreed Leadership



Steven Gutterman
Independent Director

- CEO, Falcon International, one of the largest private cannabis companies in California
- Former COO & EVP, E*Trade Bank and other senior roles at E*Trade Financial
- Former President of Harvest Health & Recreation Inc., which was acquired for \$2.1 billion



Brittany Kaiser
Chair of the Board

- Globally renowned blockchain thought-leader, having co-authored 22 laws in the US to promote and protect blockchain businesses
- Current Member of the Congressional Standing Committee on Blockchain, Fintech and Digital Innovation for Wyoming
- Keynote speaker on blockchain, data & privacy for governments, corporate training & universities



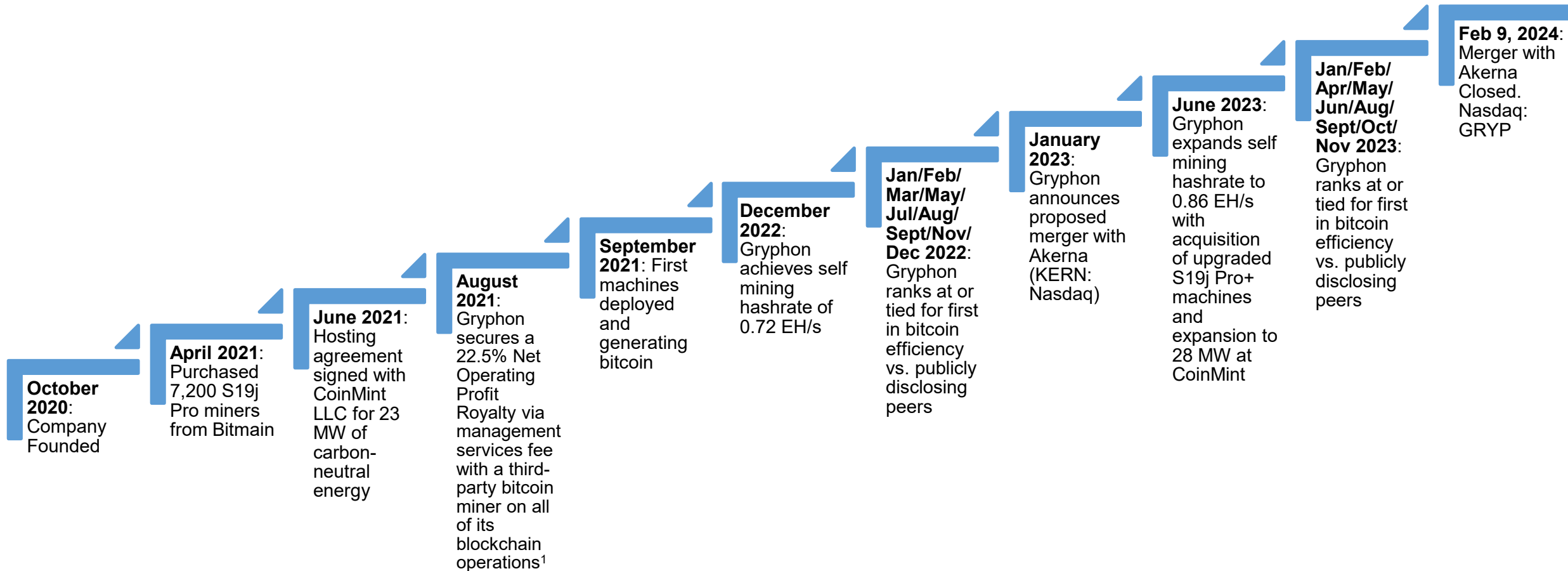
Heather Cox
Independent Director

- Member of the Board of Directors, NRG Energy
- Former Chief Digital Health and Analytics Officer, Humana
- Former Chief Technology and Digital Officer, USAA
- Former CEO of Citi FinTech, Citigroup



Company Overview - History

Substantial Growth in Just Over 3 Short Years



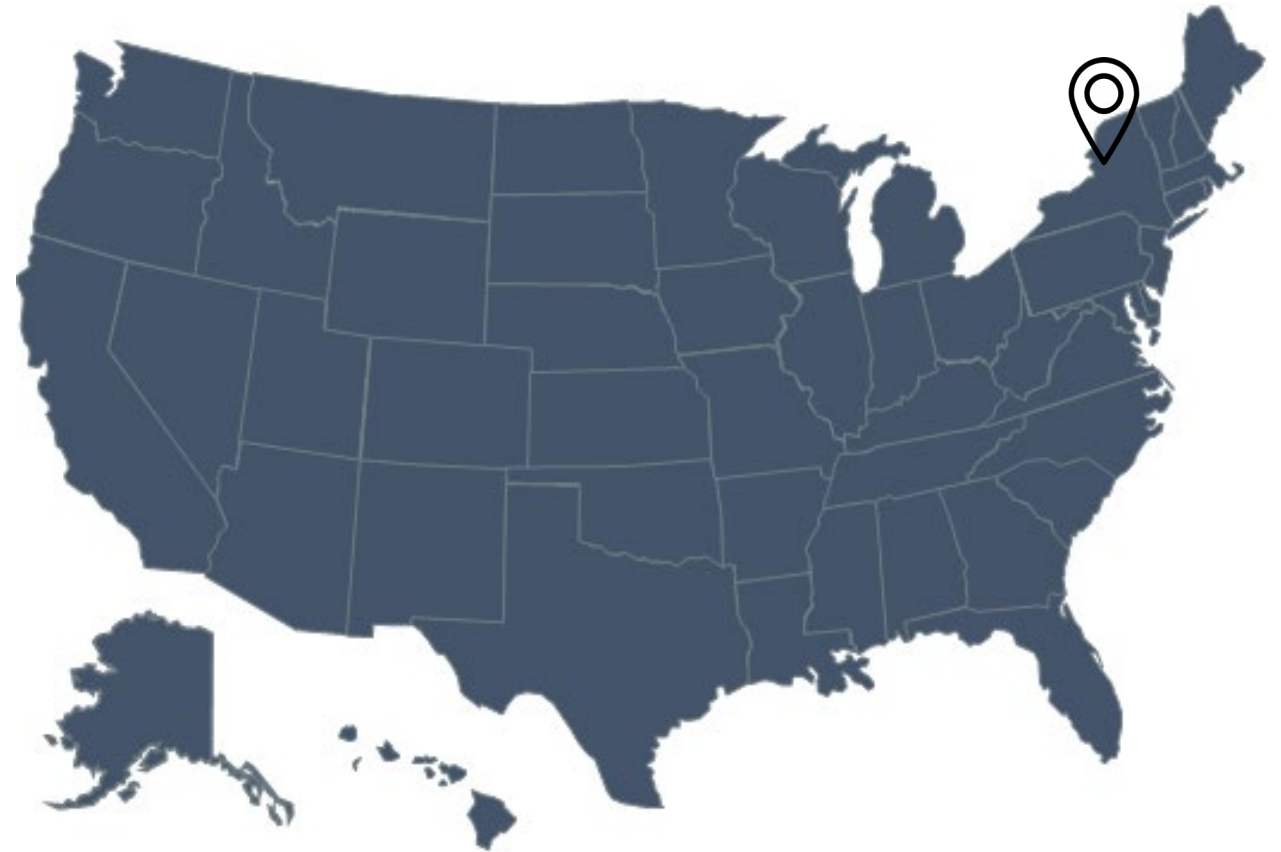
¹ Royalty partner has purported to terminate this arrangement and has taken back possession of its blockchain operations. Gryphon is pursuing litigation to recover damages for breach of the agreement in the amount of \$30 million and while Gryphon is confident it will prevail, no assurance can be given as to the timing, the result or the ability to recover damages.



Location – 28 MW Hydro-Powered Energy

Partnering with one of the largest digital currency data centers in the world

- Hydro-powered host in an economic opportunity zone
- Direct cost pass-through with profit sharing model
 - \$18,217/BTC cost*
- Gryphon has secured 28 MW of power for its ~9,000 machines
- Hosting and share structure reduces capital investment and financial risk



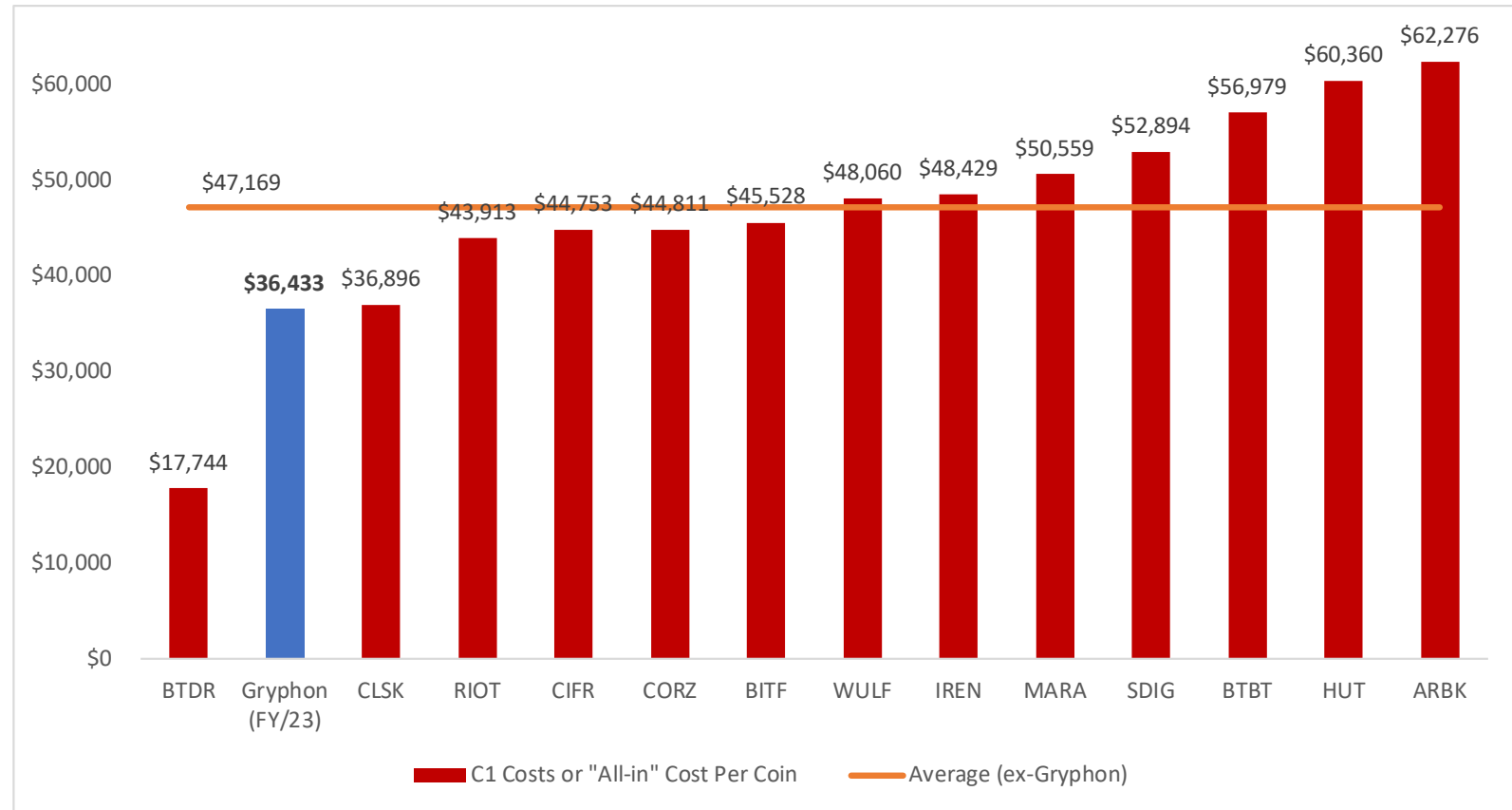
*As at Dec 31, 2023. See Appendix: Non-GAAP Reconciliation.



“All-In” Cost-per-Coin*

An Industry Leader in Cost per Coin Post Halving

- Gryphon’s cost per bitcoin produced post halving is among the industry leaders
- Calculated based on Cantor Fitzgerald Research Methodology**
- Gryphon’s forecast “All-in” Cost-per-Coin would be \$36,433/BTC post halving***
- Gryphon cost as of 12/31/23 while Cantor costs are based on Q3/23 figures, which Gryphon believes are likely to be lower than FY/23 data due to a lower global hashrate



* Source: Cantor Fitzgerald Research, January 25, 2024

** Cantor Fitzgerald Research that defines “All-In” Cost-per-Coin as Electricity Costs + (Cash OpEx+ Interest Expense + Lease Expense Hosting/Ancillary Gross Profit) / Realized BTC per Day

*** Gryphon’s forecast of an “All-In” cost would be similar to the “Breakeven Costs” as defined in the Appendix multiplied by 2x given the estimated Bitcoin earned post halving would decrease by 50%.



Leading Bitcoin Efficiency

Gryphon also outperforms peers in Bitcoin Efficiency*

- Gryphon is an industry leader in Bitcoin Efficiency, posting a market leading 49 BTC/EH in February 2024
 - Peer average Bitcoin Efficiency of 44 BTC/EH
- Gryphon has consistently placed at or near the top of these publicly available bitcoin efficiency scores
 - Top 4 efficiency among all peers since inception
 - At or tied for 1st in six of the last 12 months
- Superior performance driven by Gryphon's experienced mining team, fleet of efficient miners, and royalty stream

	Gryphon	Peer Average	Peer Rank
Sep-21	218	181	2
Oct-21	199	165	3
Nov-21	173	148	2
Dec-21	166	151	3
Jan-22	183	141	1
Feb-22	134	118	1
Mar-22	146	132	1
Apr-22	136	121	2
May-22	132	107	1
Jun-22	129	108	2
Jul-22	139	112	1
Aug-22	141	118	1
Sep-22	122	105	1
Oct-22	115	105	2
Nov-22	106	94	1
Dec-22	115	96	1
Jan-23	113	94	1
Feb-23	94	81	1
Mar-23	94	81	2
Apr-23	86	71	1
May-23	101	84	1
Jun-23	81	65	1
Jul-23	80	67	2
Aug-23	78	63	1
Sep-23	73	60	1
Oct-23	68	60	1
Nov-23	67	60	2
Dec-23	72	66	2
Jan-24	60	55	4
Feb-24	49	44	2

*Bitcoin Efficiency is a measure of the number of bitcoin generated per exahash of hashing power deployed
Source: Company Reports



22.5% MSA with Sphere 3D

Litigation for Damages Pursuant to 22.5% MSA

- Gryphon had an agreement to manage all of Sphere 3D's blockchain operations for a five-year period
- Gryphon had the right to earn 22.5% of gross operating profit royalty from all of Sphere 3D's current and future blockchain operations through August 2026
- Sphere 3D's fully deployed 15,000 miners are expected to have over 1.5 Exahash and generate 940 BTC in 2024 based on current network hashrate*
- Sphere has purported to terminate this arrangement and has taken back possession of its blockchain operations. Gryphon is pursuing litigation to recover damages for breach of the agreement in the amount of \$30 million and while Gryphon is confident it will prevail, no assurance can be given as to the timing, the result or the ability to recover damages.



**Based on a network hashrate of 540 EH and assuming the network hashrate declines by 50% post halving and recovering to pre-halving levels by November 2024*



Key Success Factor: Certified Renewable

Independently verified certification based on clean energy use

- Certified 100% renewable energy operation heading into 2024
- Gryphon Digital Mining was among a select inaugural group of 5 miners to be awarded a “Green Proofs for Bitcoin” certification
- Certifications were issued to Bitcoin miners based on their clean energy use and contributions to grid stability via demand response
- Developed in partnership with over 35 miners, NGOs, grid operators, and other energy and crypto market participants, its approach to scoring is aligned with best practices for sustainability leadership and to approaches to corporate ESG reporting
- Full carbon emissions report for 2022 and 2023 published



energy web



Carbon
Chain



2024E Gross Profit Sensitivity Analysis – Self Mining Only¹

		BTC - USD										
		\$60,000	\$65,000	\$70,000	\$75,000	\$80,000	\$85,000	\$90,000	\$95,000	\$100,000	\$125,000	\$150,000
Global Hash Rate (TH/s)	400,000,000	\$21,474,220	\$23,348,167	\$25,222,113	\$27,096,059	\$28,970,006	\$30,843,952	\$32,717,898	\$34,591,845	\$36,465,791	\$45,835,523	\$55,205,255
	450,000,000	\$18,364,753	\$20,031,975	\$21,699,197	\$23,366,419	\$25,033,641	\$26,700,863	\$28,368,085	\$30,035,307	\$31,702,529	\$40,038,639	\$48,374,749
	500,000,000	\$15,877,180	\$17,379,022	\$18,880,865	\$20,382,707	\$21,884,550	\$23,386,392	\$24,888,235	\$26,390,077	\$27,891,919	\$35,401,132	\$42,910,344
	550,000,000	\$13,841,893	\$15,208,425	\$16,574,956	\$17,941,488	\$19,308,020	\$20,674,552	\$22,041,084	\$23,407,616	\$24,774,148	\$31,606,807	\$38,439,467
	600,000,000	\$12,145,820	\$13,399,593	\$14,653,366	\$15,907,139	\$17,160,912	\$18,414,686	\$19,668,459	\$20,922,232	\$22,176,005	\$28,444,871	\$34,713,736
	650,000,000	\$10,710,681	\$11,869,043	\$13,027,405	\$14,185,767	\$15,344,129	\$16,502,491	\$17,660,853	\$18,819,214	\$19,977,576	\$25,769,386	\$31,561,195
	700,000,000	\$9,480,563	\$10,557,143	\$11,633,724	\$12,710,305	\$13,786,886	\$14,863,467	\$15,940,047	\$17,016,628	\$18,093,209	\$23,476,113	\$28,859,017

¹ Based on Company internal data

* Gryphon Net Debt ~\$11.4 million as of Dec 31, 2023

** Post halvening hashrate estimated to be 30% lower than beginning of the year. Bitcoin price forecast to be 1.5x opening price at the beginning of the year six months after halvening

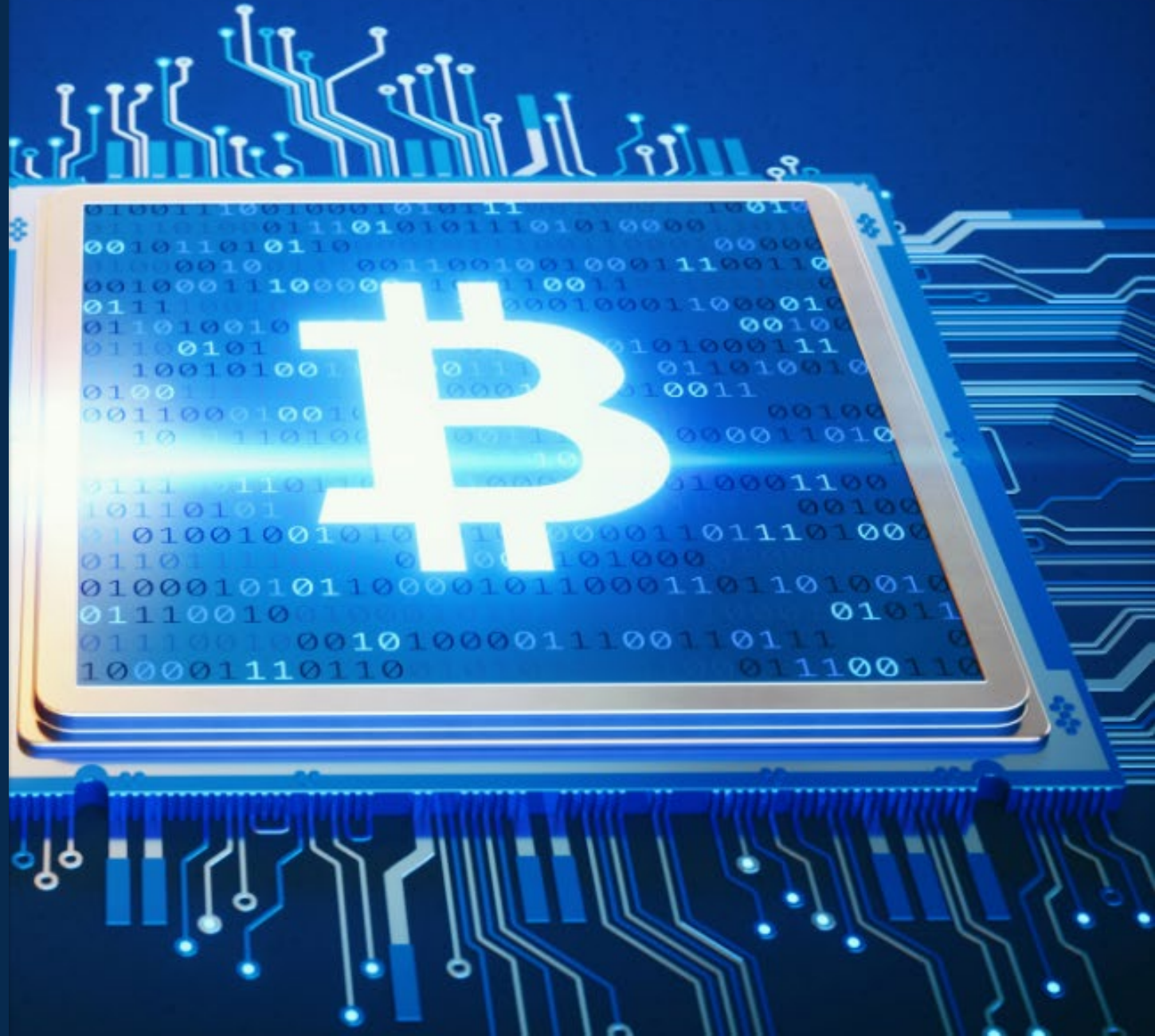




GRYPHON DIGITAL MINING

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Appendix: Non-GAAP Reconciliations

Breakeven Costs (ie. Cost to mine one bitcoin)

The Company defines Breakeven Cost per Bitcoin as (a) Cost of Revenues (excluding depreciation) divided by (b) total bitcoin generated and received from the hashrate contributed to the mining pool operator. The Company mined approximately 739 and 815 Bitcoin, respectively for the year ended December 31, 2023 and 2022, respectively. The breakeven analysis is an operational metric that does not take capital expenditures or financing mechanics into consideration. The calculation only considers direct operational costs, such as electricity and hosting. The mining equipment was originally financed primarily through equity capital raises and cash flows resulting from the sale of bitcoin generating by mining operations.

Value of one mined bitcoin

The Company defines Value of one mined bitcoin as total Mining Revenues divided by total Bitcoin mined during each respective year.

	2023		2022	
Mining Revenues	\$	21,052,000	\$	21,362,000
Bitcoin mined		739		815
Value of one mined bitcoin	\$	28,487	\$	26,211
Cost of Revenues (excluding depreciation)	\$	13,462,000	\$	12,196,000
Cost to mine one bitcoin	\$	18,217	\$	14,964



Appendix: Non-GAAP Reconciliations

Adjusted EBITDA

The Company defines adjusted EBITDA as (a) GAAP net income (loss) plus (b) adjustments to add back the impacts of (1) depreciation and amortization, (2) interest expense, (3) income tax expense (benefit) and (4) adjustments for non-cash and non-recurring items which currently include (i) stock compensation expense, (ii) impairments of miners pursuant to ASC 360, (iii) impairments of digital currency pursuant to ASC 350 (iv) realized gain from use of digital assets as it relates to the bitcoin denominated note payable and (v) gain/loss on debt extinguishment.

	<u>2023</u>	<u>2022</u>
Net Income (Loss)	\$ (28,599,000)	\$ 3,536,000
Interest (income) expense	\$ 758,000	\$ 1,111,000
Income tax expense (benefit)	\$ (176,000)	\$ 176,000
Depreciation	\$ 14,958,000	\$ 12,536,000
EBITDA	\$ (13,059,000)	\$ 17,359,000
Adjustments:		
Non-cash/non-recurring operating expenses:		
Stock-based compensation expense	\$ (152,000)	\$ 3,285,000
Realized gain from use of digital assets	\$ (3,899,000)	\$ -
Change in fair value of notes payable	\$ 13,297,000	\$ (11,690,000)
Gain/loss on debt extinguishment	\$ -	\$ (10,220,000)
Impairment of miners	\$ 8,335,000	\$ -
Impairment of digital assets	\$ 275,000	\$ 8,704,000
Adjusted EBITDA	\$ 4,797,000	\$ 7,438,000

