



GRYPHON
DIGITAL MINING

Nasdaq: GRYP

May 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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Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in its forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will materialize or prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The forward-looking statements contained in this Presentation are expressly qualified by this cautionary statement. Readers should not place undue reliance on forward-looking statements. These statements speak only as of the date of this Presentation. Except as may be required by law, the Company expressly disclaims any intention or obligation to revise or update any forward-looking statements or information whether as a result of new information, future events or otherwise.

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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

- 0.94 exahash of self mining
- Approx. \$7.5M in value of BTC produced in Q1/24 based on an average price of \$53,000
- LTM Breakeven Cost per BTC ~22,495/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

*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



Brittany Kaiser
Chair of the Board

Globally renowned blockchain thought-leader, having co-authored 40 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.



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

E*TRADE

HARVEST



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

nrg

citigroup



Jessica Billingsley
Independent Director

- Member of the Board of Directors, Nu Energy & OARO
- Former Founder, Chair of the Board, and CEO of Akerna
- Inc. Top 100 Female Founder and Fortune's Most Promising Woman Entrepreneur

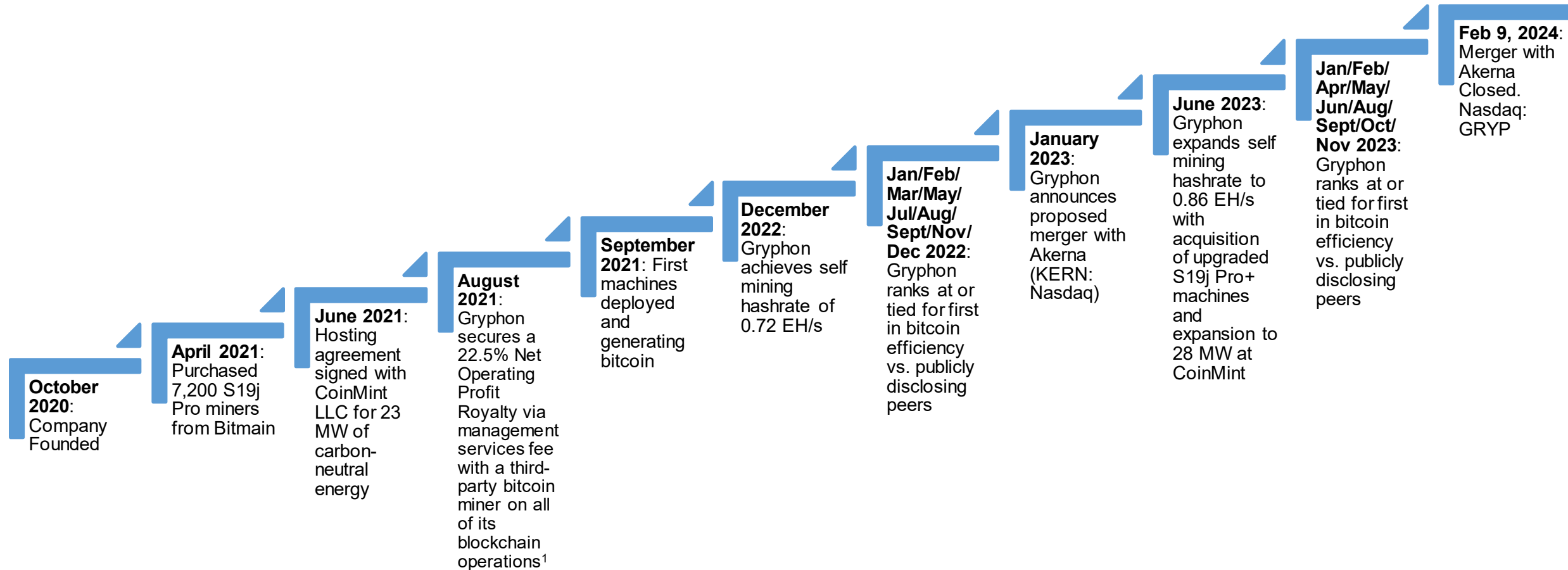
NU

OARO



Company Overview - History

Substantial Growth in Just Over 3 Short Years



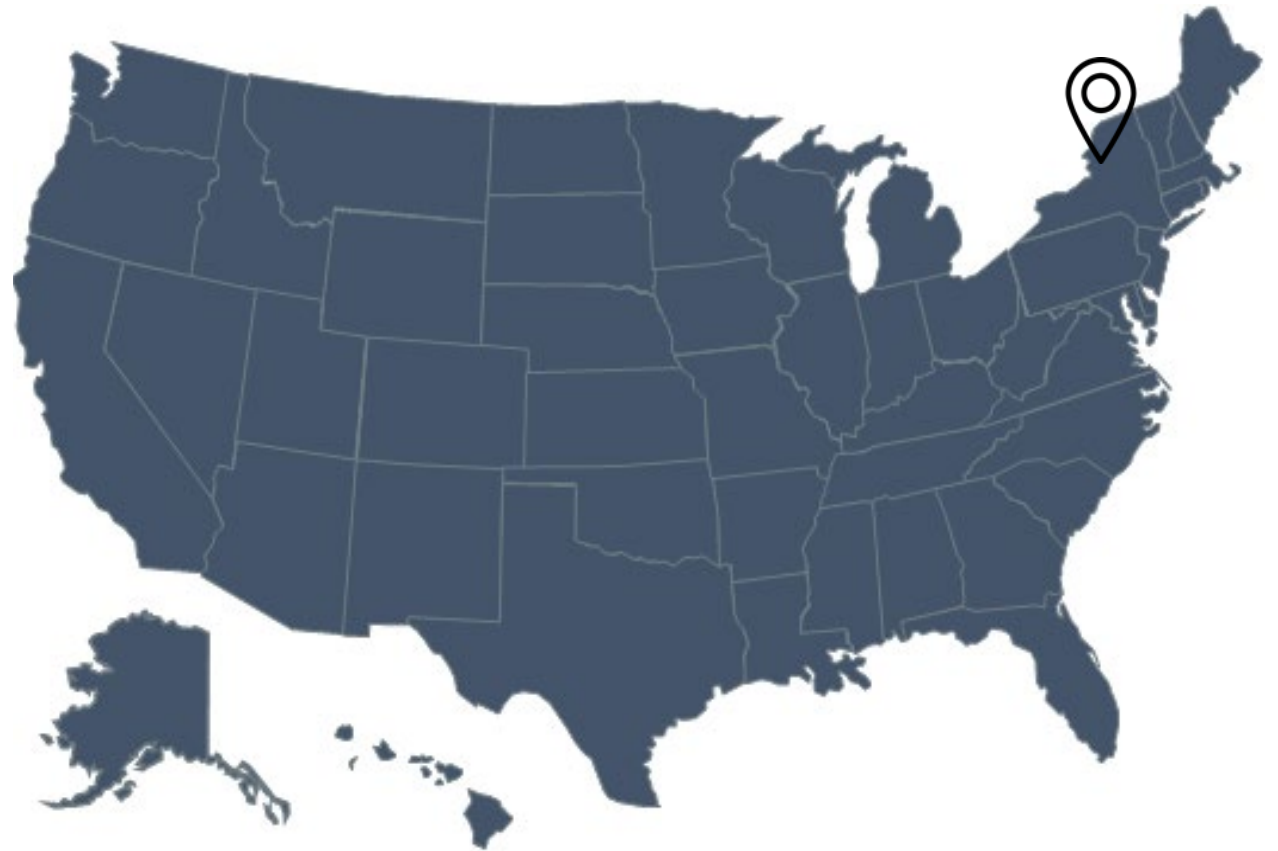
¹ Royalty partner has purported to terminate this arrangement and has taken back possession of its blockchain operations. Gryphon is pursuing litigation to recover damages for breach of the agreement in the amount of \$30 million and while Gryphon is confident it will prevail, no assurance can be given 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
 - \$22,495/BTC cost*
- Gryphon has secured 28 MW of power for its ~9,000 machines
- Hosting and share structure reduces capital investment and financial risk



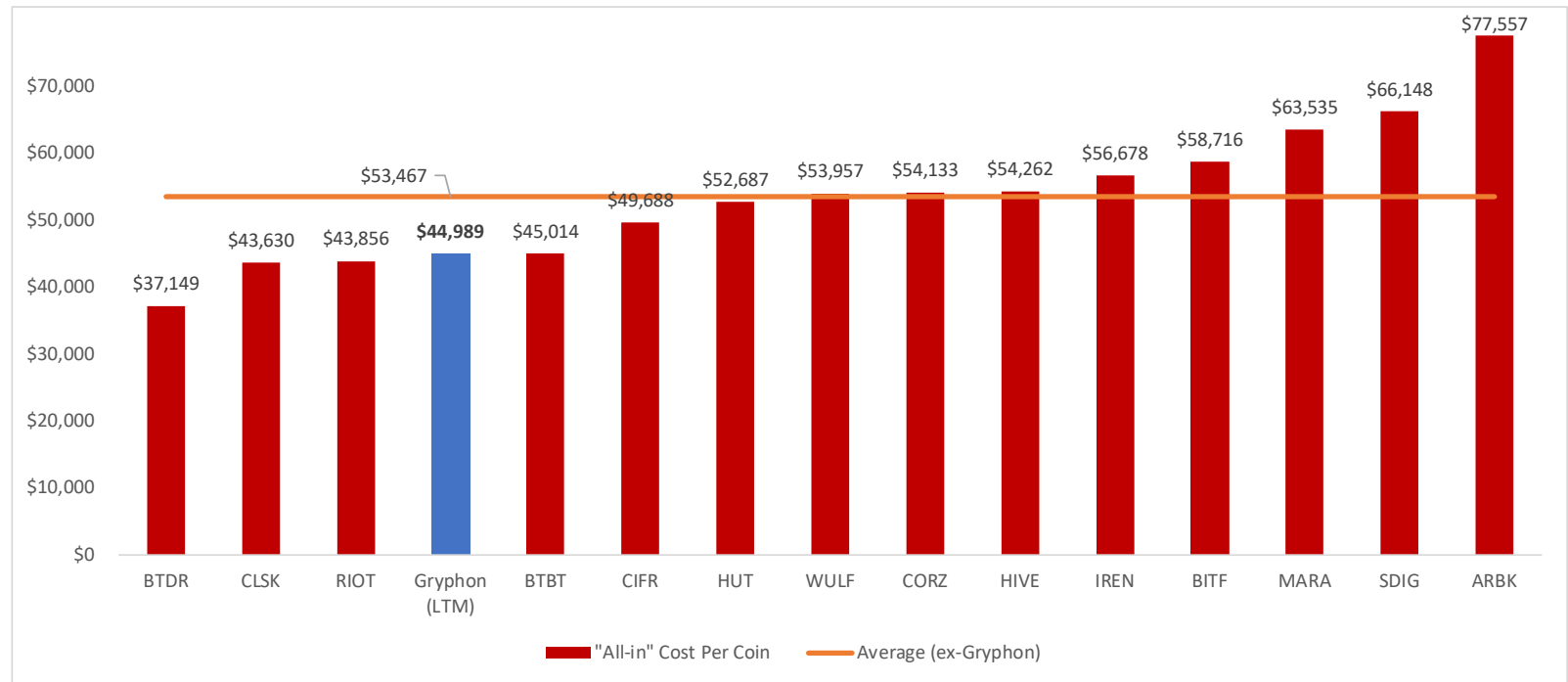
*LTM As at Mar 31, 2024. See Appendix: Non-GAAP Reconciliation.



“All-In” Cost-per-Coin*

An Industry Leader in Cost per Coin Post Halving

- Gryphon’s cost per bitcoin produced post halving has historically ranked among the industry leaders
- Calculated based on Cantor Fitzgerald Research Methodology**
- Gryphon’s forecast “All-in” Cost-per-Coin would be \$44,989/BTC post halving***



* Source: Cantor Fitzgerald Research, April 19, 2024, Gryphon cost as Q1/24

** 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 43 BTC/EH in April 2024
- Gryphon has consistently placed at or near the top of these publicly available bitcoin efficiency scores
 - Top tier efficiency among all peers since inception and 1st in 17 out of 31 months since operations commenced
 - At or tied for 1st in six of the last 12 months
- Superior performance driven by Gryphon's experienced mining team in making key differentiated choices (location, hosting structure, etc.)

	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
Mar-24	49	47	6

*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



2024E Gross Profit Sensitivity Analysis – Self Mining Only¹

Global Hash Rate (TH/s)	BTC - USD										
	\$60,000	\$65,000	\$70,000	\$75,000	\$80,000	\$85,000	\$90,000	\$95,000	\$100,000	\$125,000	\$150,000
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 ~\$16.9 million as of Mar 31, 2024

** Post halving 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 halving





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Contact:
james@haydenir.com



Appendix: Non-GAAP Reconciliations

Breakeven Costs (i.e.. 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 142 and 212 Bitcoin, respectively for the quarter ended March 31, 2024 and 2023, 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.

	Q2/23		Q3/23		Q4/23		Q1/24		Trailing Twelve Months
Mining Revenues	\$	4,963,000	\$	4,940,000	\$	6,309,000	\$	7,490,000	\$ 23,702,000
Bitcoin mined		187		176		164		142	669
Value of one mined bitcoin	\$	26,540	\$	28,068	\$	38,470	\$	52,746	\$ 35,429
Cost of Revenues (excluding depreciation)	\$	2,823,000	\$	3,982,000	\$	3,920,000	\$	4,837,000	\$ 15,562,000
Cost to mine one bitcoin	\$	15,096	\$	22,625	\$	23,902	\$	34,063	\$ 23,262
Total Bitcoin Equivalent Coins Generated (Total BTC Equiv)*		200		185		165		142	692
Breakeven of Total BTC Equiv	\$	14,115	\$	21,501	\$	23,813	\$	34,063	\$ 22,495



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) change in fair value of notes payable and (iii) unrealized (gain) loss on marketable equity securities.

	Three Months Ended March 31,	
	2024	2023
Reconciliation to Adjusted EBITDA:		
Net loss	<u>\$(11,744,000)</u>	<u>\$(6,910,000)</u>
Exclude: Depreciation	3,247,000	3,981,000
Exclude: Interest expense	<u>330,000</u>	<u>190,000</u>
EBITDA	<u>(8,167,000)</u>	<u>(2,739,000)</u>
Non-cash/non-recurring operating expenses:		
Exclude: Stock based compensation expense	208,000	(1,152,000)
Exclude: Change in fair value of notes payable	9,638,000	8,189,000
Exclude: Unrealized (gain) loss on marketable equity securities	<u>216,000</u>	<u>(63,000)</u>
Adjusted EBITDA	<u><u>\$ 1,895,000</u></u>	<u><u>\$ 4,235,000</u></u>

