



We power the world's most
innovative and sustainable
blockchain infrastructure

argoblockchain.com

ARGO BLOCKCHAIN
Investor Presentation
September 2022

NASDAQ: ARBK; LSE: ARB

LEGAL DISCLAIMERS

Forward Looking Statements

This presentation contains inside information and includes forward-looking statements which reflect the Company's or, as appropriate, the Directors' current views, interpretations, beliefs or expectations with respect to the Company's financial performance, business strategy and plans and objectives of management for future operations. These statements include forward-looking statements both with respect to the Company and the sector and industry in which the Company operates. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue", "estimate", "future", "opportunity", "potential" or, in each case, their negatives, and similar statements of a future or forward-looking nature identify forward-looking statements. All forward-looking statements address matters that involve risks and uncertainties because they relate to events that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. Accordingly, there are or will be important factors that could cause the Company's actual results, prospects and performance to differ materially from those indicated in these statements. In addition, even if the Company's actual results, prospects and performance are consistent with the forward-looking statements contained in this document, those results may not be indicative of results in subsequent periods. These forward-looking statements speak only as of the date of this presentation. Subject to any obligations under the Prospectus Regulation Rules, the Market Abuse Regulation, the Listing Rules and the Disclosure and Transparency Rules and except as required by the FCA, the London Stock Exchange, the City Code or applicable law and regulations, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. For a more complete discussion of factors that could cause our actual results to differ from those described in this presentation, please refer to the filings that Company makes from time to time with the United States Securities and Exchange Commission and the United Kingdom Financial Conduct Authority, including the section entitled "Risk Factors" in the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2021.

Non-IFRS Measures

This presentation contains references to certain non-IFRS measures including Adjusted EBITDA and mining margin, each of which are not recognized under International Financial Reporting Standards ("IFRS"). Our management team uses these non-IFRS financial measures to evaluate our profitability and efficiency, to compare operating results to prior periods, and to measure and allocate financial resources internally. The Company believes that these non-IFRS financial measures may be helpful to investors because they provide consistency and comparability with past financial performance and may assist in comparisons with other companies, some of which use similar non-IFRS financial information to supplement their IFRS results. The non-IFRS financial information is presented for supplemental informational purposes only, and should not be considered a substitute for financial information presented in accordance with IFRS, and may be different from similarly titled non-IFRS measures used by other companies. Adjusted EBITDA and mining margin each have limitations as analytical tools, and you should not consider any of these measures either in isolation or as a substitute for other methods of analyzing the results as reported under IFRS.

Exchange Rates

For the convenience of the reader, in this presentation, unless otherwise indicated, translations from pound sterling into U.S. dollars were made at the rate of £1.00 to \$1.2161. Such U.S. dollar amounts are not necessarily indicative of the amounts of U.S. dollars that could actually have been purchased upon exchange of pound sterling at the dates indicated or any other date.

Argo at-a-glance

Industry-leading cryptocurrency miner with a focus on sustainability



3.2 EH/s

Mining capacity
(SHA-256)¹



100%

Carbon neutral⁴



220 MW

Total Power Capacity
(megawatts)



1,098

HODL of Bitcoin and
Bitcoin Equivalents⁵



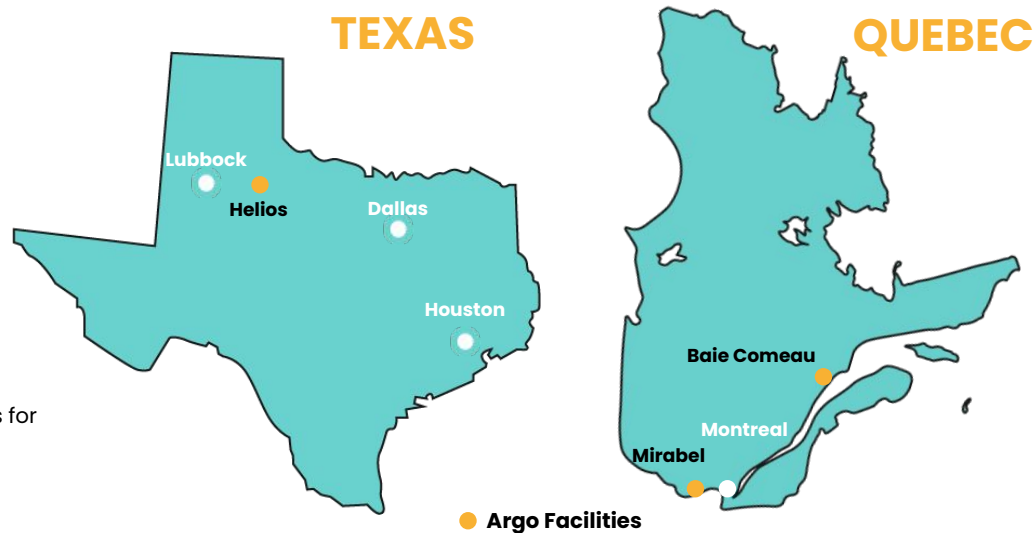
71%

Industry leading
mining margin^{2,3}



~22% HODL

Allocation to Argo Labs for
non-mining activities

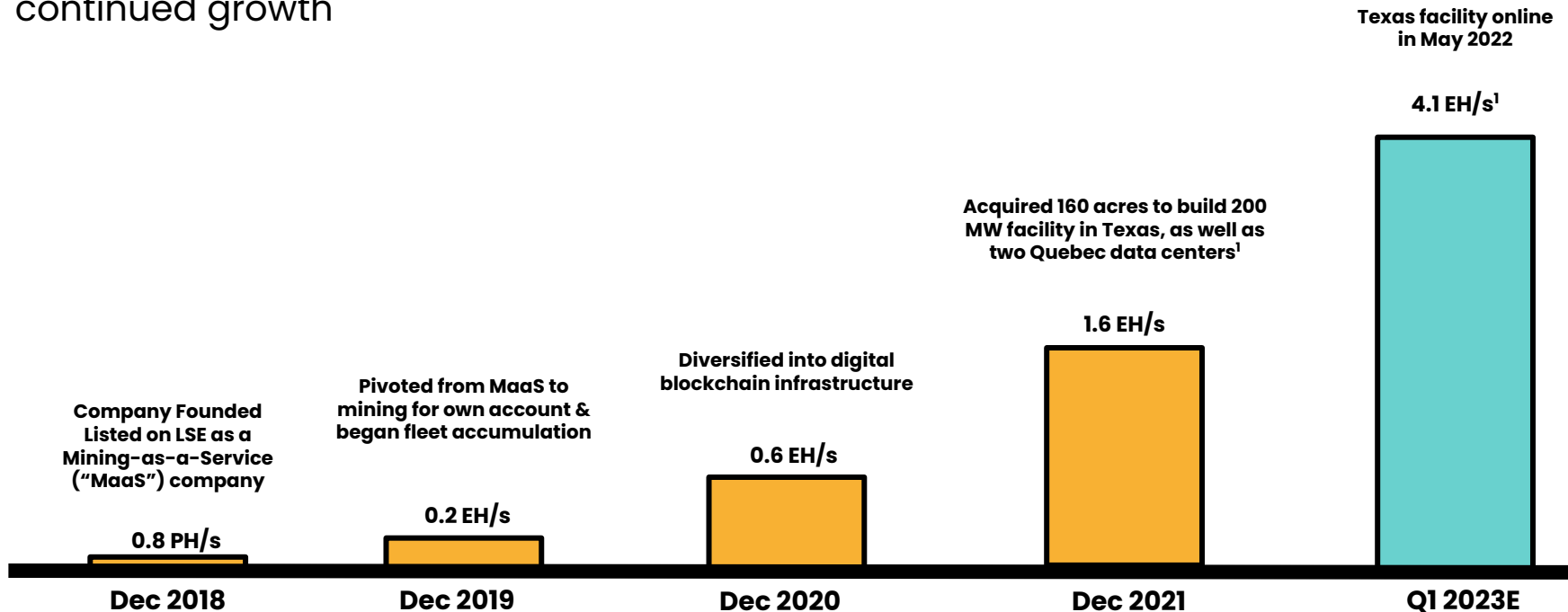


1. Existing mining machines as of August 31, 2022 and contracted purchases from Bitmain. 2. Please see Appendix for reconciliation for non-IFRS measures to IFRS. 3. Argo mining margin defined as: (cryptocurrency mining revenue – direct costs) / cryptocurrency mining revenue for 1H 2022. 4. Includes carbon credits 5. As of August 31, 2022 and includes 244 BTC equivalents



Track Record of Execution

Significant scaling since inception and clear visibility to continued growth





Access to Low Cost and Renewable Power

Solidifying Quebec While Expanding to Texas

**Quebec
Attractiveness**



- ▶ Clean, cheap hydroelectricity
- ▶ Large clean energy surplus
- ▶ Low cost (~4 cents / kWh)

**West Texas
Renewable Energy**



- ▶ Largest wind generator with low electricity rates
- ▶ Significant excess / unused capacity
- ▶ Attractive incentives
- ▶ Lower cost (long term target ~2.5 cents / kWh)

Helios: Flagship Mining Facility in West Texas

- ▶ **Mining operations commenced in May 2022**
- ▶ 126,000 sq ft data center in Dickens County, TX
- ▶ 800 MW interconnection agreement from neighboring substation
- ▶ Installation of miners to continue through Q1 2023
- ▶ ~50 full time jobs at the site and in community



Industrial Scale Deployment of Immersion Cooling

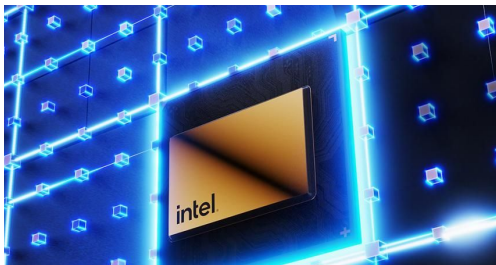


- ▶ Ideal technology for Texas Panhandle conditions
- ▶ Proprietary system design
- ▶ Fabricated in US by global manufacturer
- ▶ Uplift in hashrate and longer machine life

Blockscale ASIC Supply Agreement with Intel



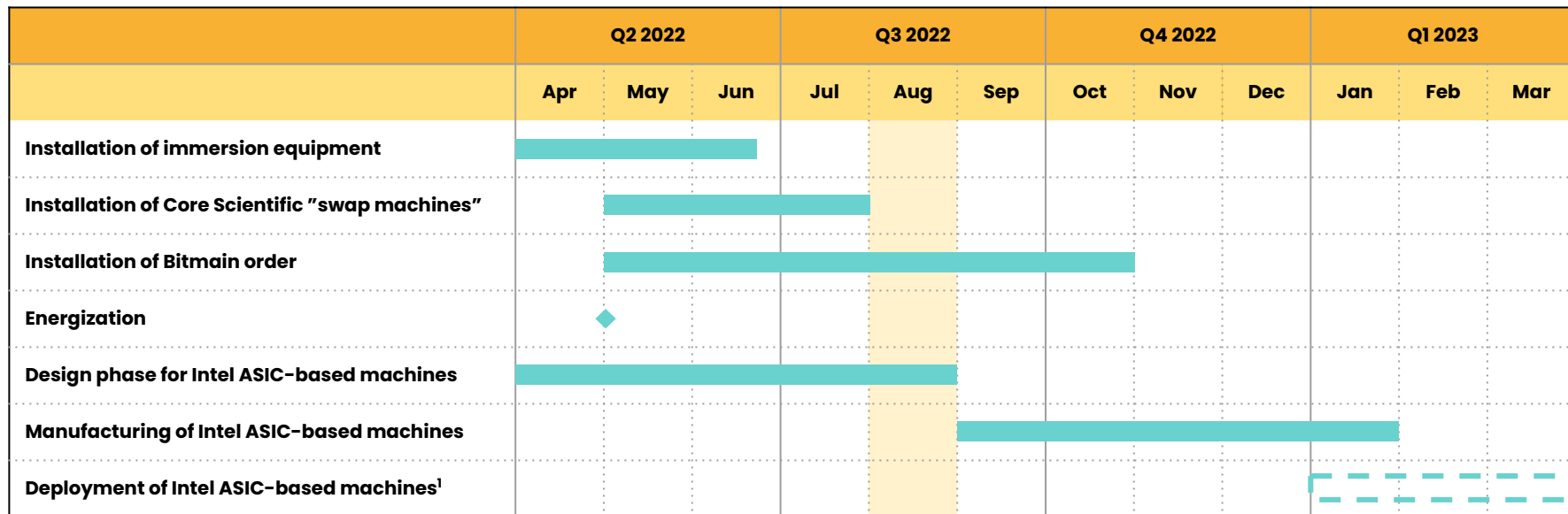
Intel Launches New Intel Blockscale Technology for Energy-Efficient Blockchain Hashing



“Argo Blockchain...will be among the first customers to work with the Intel Blockscale ASIC.”

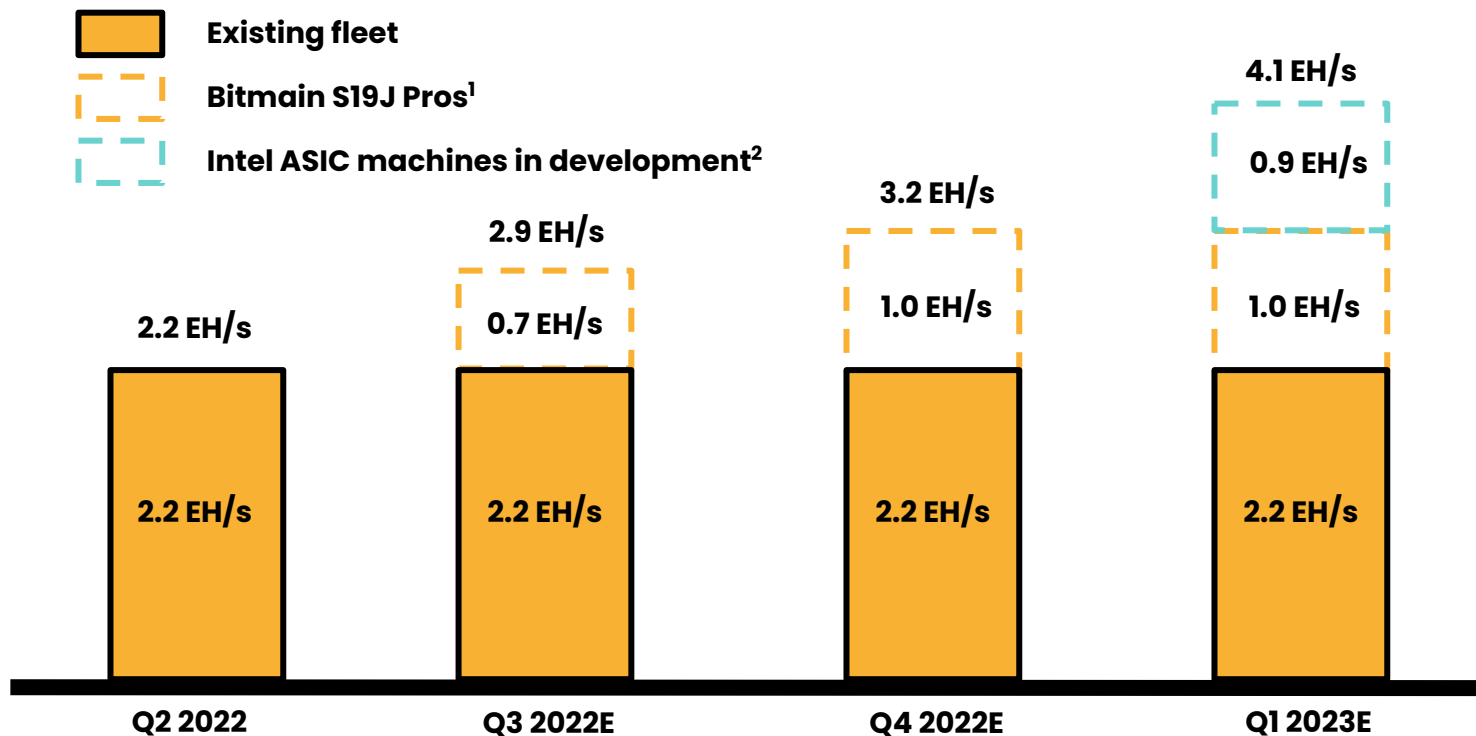
- ▶ Diversifies ASIC supply chain to include top US semiconductor manufacturer
- ▶ Argo has rights to pro-rata share of production
- ▶ ePIC Blockchain Technologies is helping with the design and will be manufacturing custom mining machines to utilize the Intel ASICs

A Look Ahead at Helios Phase 1 (200 MW)



1. Deployment of Intel ASIC-based machines is based on assumptions for procurement using current production forecasts. The projected timeline could vary due to several factors including supply chain issues, regulatory issues, available capital, and the price of Bitcoin.

Total Hashrate Capacity Guidance

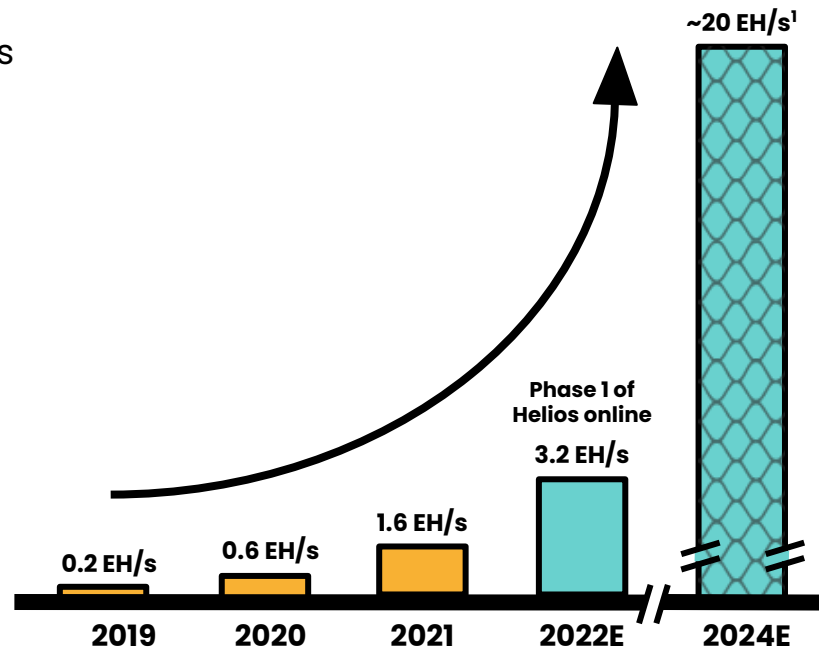


1. Hashrate does not include potential uplift attributable to immersion cooling

2. Incremental hashrate from Intel ASIC machines is based on assumptions for procurement using current production forecasts. The projected timeline could vary due to several factors including supply chain issues, regulatory issues, available capital, and the price of Bitcoin.

Poised for exponential hashrate growth

- ▶ Up to 600 MW of additional power capacity at Helios
- ▶ ASIC chip supply agreement with Intel
- ▶ Runway to grow hashrate to ~20 EH/s over the next few years



1. Argo does not have firm commitments from chip suppliers or mining machine manufacturers, nor the necessary infrastructure necessary to deploy projected mining capacity at present. The projected timelines, or Argo's ability to achieve projected mining capacity at all, may change due to factors outside our control, including due to supply chain interruptions; cost and availability of mining equipment; counterparty delay or non-performance; regulatory factors; the value of Bitcoin; and/or access to additional capital on competitive terms. See the Legal Disclaimers on Slide 2.

Argo Labs: In-House Innovation Arm

- ▶ Five person team led by Sebastien Chalus (Chief Strategy Officer)
- ▶ Participate in disruptive sectors of the broader blockchain and Web 3.0 ecosystem
- ▶ Increase shareholder value through strategic diversification and network participation



**Currently managing ~22% of Argo's digital asset holdings
(244 BTC & BTC Equivalents)**



Argo's Commitment to Sustainability

▶ Mining with carbon-neutral energy

- ▶ Quebec facilities powered by hydro electricity
- ▶ Helios facility in Texas is in West Load Zone - high amount of wind power generation



▶ Helios will help to stabilize the Texas electric grid

- ▶ Local, flexible demand in a region with excess renewable generation
- ▶ Facility can rapidly reduce electricity usage during peak demand
- ▶ Promotes expansion of more renewable energy in Texas



▶ Argo is the first bitcoin miner to publish a climate strategy

- ▶ Carbon Neutral in 2020 and 21 after purchasing RECs and VERs in excess of Scope 2 & 3 GHG emissions





Recent Social & Governance Initiatives

- ▶ **Helios is bringing benefits to Dickens County**

- ▶ 130 construction jobs; ~50 full time jobs for Phase 1
- ▶ Refurbishing community swimming pool

- ▶ **Strengthened Board of Directors with new members**

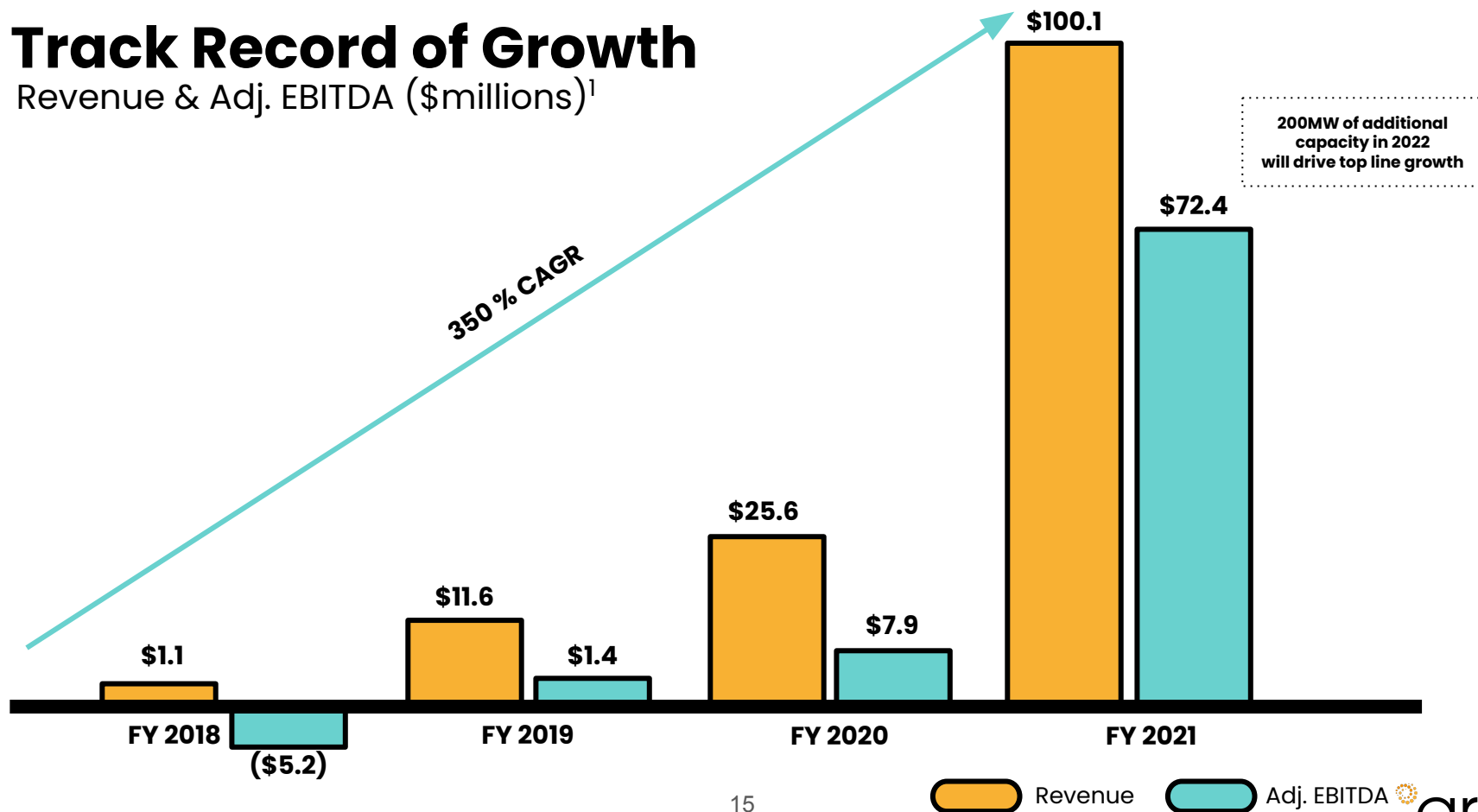
- ▶ **Raghav Chopra:** Strong background in capital markets and investing, with experience at AllianceBernstein, The Carlyle Group, and Goldman Sachs
- ▶ **Sarah Gow:** Strong background in investing and asset management operations with experience at Citigroup, HSBC, and TrinityCapM
- ▶ **Maria Perrella:** Strong background in capital markets, M&A, and strategic corporate finance with experience as the Chief Financial Officer at MDA and ATS Automation (TSX: ATA)

- ▶ **Improved Board governance by creation of remuneration, audit, and nominating committees**



Track Record of Growth

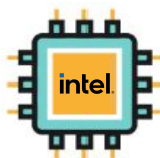
Revenue & Adj. EBITDA (\$millions)¹



1. Please see Appendix for reconciliation of non-IFRS measures to IFRS.

Argo is one of the most efficient, sustainable, and forward-thinking miners in the world

- ▶ Helios and Intel chip supply agreement are near-term catalysts for growth
- ▶ Leader in sustainable mining at scale
- ▶ Best in class mining margins
- ▶ Exceptional team of crypto natives, with track record of execution





Appendix

Income Statement

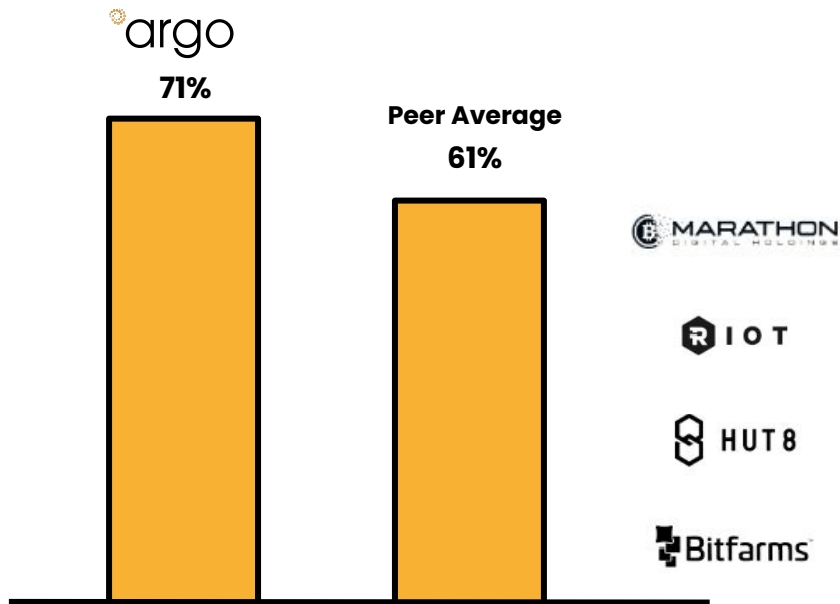
(000s unless otherwise stated)	Three months ended June 30, 2022 ¹		Six months ended June 30, 2022 ¹	
	\$	£	\$	£
Revenues	\$14,396	£11,838	\$32,470	£26,700
Direct costs	(5,307)	(4,364)	(9,563)	(7,864)
Depreciation of mining equipment	(6,750)	(5,551)	(13,197)	(10,852)
Change in fair value of digital currencies	(38,179)	(31,395)	(43,810)	(36,025)
Realized gain on sale of digital currencies	(7,787)	(6,403)	(7,749)	(6,372)
Gross Profit	(\$43,627)	(£35,874)	(\$41,849)	(£34,413)
<i>Gross Margin</i>	-303%	-303%	-129%	-129%
Operating costs and expenses				
Consulting fees	(41)	(33)	(233)	(192)
Professional fees	(1,278)	(1,051)	(2,447)	(2,012)
General and administrative	(6,599)	(5,428)	(9,295)	(7,642)
Share based payment	(2,106)	(1,732)	(3,424)	(2,816)
Foreign exchange	7,199	5,920	12,484	10,265
Operating profit	(\$46,452)	(£38,198)	(\$44,764)	(£36,810)
Other income/(expense)				
Interest expense	(1,966)	(1,617)	(4,228)	(3,477)
Gain on sale of investment	322	265	162	133
Fair value (loss) of investment	(345)	(284)	(345)	(284)
Revaluation of contingent consideration	2,371	1,950	4,910	4,038
Equity accounted loss from associate	(596)	(490)	(596)	(490)
Total other income/(expense)	(\$214)	(£176)	(\$97)	(£80)
Income tax credit	7,658	6,297	7,766	6,386
Net income²	(\$39,008)	(£32,077)	(\$37,095)	(£30,504)
Other comprehensive income, net of tax	(84)	(69)	(15,986)	(13,145)
Total comprehensive income	(\$39,092)	(£32,146)	(\$53,081)	(£43,649)

1. Figures translated at a USD/GBP rate of 1.2161. 2. Net income = Profit after taxation.



Industry Leading Profitability Margins

Mining Margin (1H 2022) ^{1,2,3}



- ▶ Low operating costs protect margins amidst BTC volatility
- ▶ Optimize capex and minimize depreciation through strategic sourcing
- ▶ ROI discipline / tight payback periods on acquired machines

1. Data derived from public filings. 2. See appendix for reconciliation for non-IFRS measures. 3. Argo mining margin defined as: (cryptocurrency mining revenue – direct costs) / cryptocurrency mining revenue.

Balance Sheet

(000s unless otherwise stated)	As of June 30, 2022 ⁽¹⁾		As of March 31, 2022 ⁽¹⁾	
	\$	£	\$	£
Current Assets				
Digital assets	34,162	28,092	97,091	79,839
Cash & cash equivalents	11,200	9,210	11,025	9,066
Trade & other receivables	120,938	99,448	103,263	84,914
Total Current Assets	\$166,301	£136,750	\$211,379	£173,819
Property, plant, & equipment	191,893	£157,795	145,184	119,386
Other non-current assets	11,091	9,120	28,374	23,332
Total Assets	\$369,284	£303,665	\$384,937	£316,537
Current Liabilities				
Trade & other payables	21,443	17,633	\$16,786	£13,803
Short term debt	54,379	44,716	54,287	44,641
Variable consideration	-	-	7,276	5,983
Other current liabilities	2,979	2,450	10,035	8,252
Total Current Liabilities	\$78,801	£64,799	\$88,384	£72,679
Long term debt	88,630	72,881	54,188	44,559
Other non-current liabilities	1,006	827	1,127	927
Total Liabilities	\$168,437	£138,507	\$143,699	£118,165
Total Equity	200,847	165,158	241,238	198,372
Total Liabilities & Equity	\$369,284	£303,665	\$384,937	£316,537

1. Figures translated at a USD/GBP rate of 1.2161.

Appendix: Non-IFRS Reconciliations

The following table shows a reconciliation of Bitcoin and Bitcoin Equivalent Mining Margin to gross margin, the most directly comparable IFRS measure, for the three months ended June 30, 2022 and the six months ended June 30, 2022.

(000s unless otherwise stated)	Three months ended June 30, 2022 ⁽¹⁾		Six months ended June 30, 2022 ⁽¹⁾	
	\$	£	\$	£
Gross profit	(\$43,627)	(£35,874)	(\$41,849)	(£34,413)
Gross margin	-303%	-303%	-129%	-129%
Depreciation of mining equipment	6,750	5,551	13,197	10,852
Change in fair value of digital currencies	38,179	31,395	43,810	36,025
Realized gain on sale of digital currencies	7,787	6,403	7,749	6,372
Mining profit	\$9,090	£7,474	\$22,906	£18,836
Bitcoin and Bitcoin Equivalent Mining Margin	63%	63%	71%	71%

The following table shows a reconciliation of Adjusted EBITDA to net income, the most directly comparable IFRS measure, for the three months ended June 30, 2022 and the six months ended June 30, 2022.

(000s unless otherwise stated)	Three months ended June 30, 2022 ⁽¹⁾		Six months ended June 30, 2022 ⁽¹⁾	
	\$	£	\$	£
Net income²	(\$39,008)	(£32,077)	(\$37,095)	(£30,504)
Interest expense	1,966	1,617	4,228	3,477
Income tax expense	(7,658)	(6,297)	(7,766)	(6,386)
Depreciation/amortization	7,614	6,261	14,250	11,718
Share based payment	2,106	1,732	3,424	2,816
Change in fair value of digital currencies	38,179	31,395	43,810	36,025
Adjusted EBITDA	\$3,199	£2,631	\$20,852	£17,146

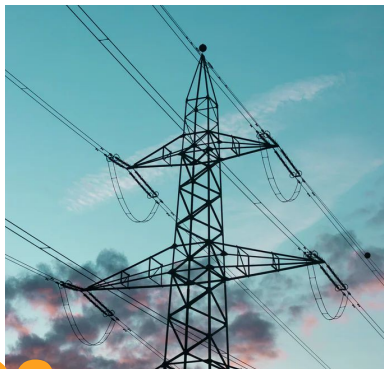
1. Figures translated at a USD/GBP rate of 1.2161. 2. Net income = Profit after taxation

2021 GHG Report Results



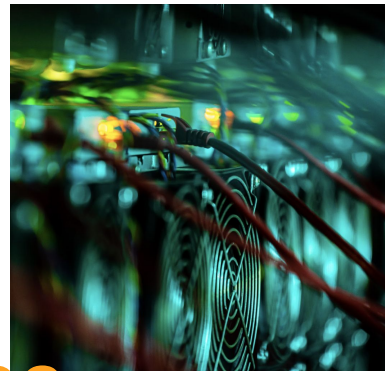
01

Argo intentionally locates operations on grids with low carbon emissions. Argo does not produce Scope 1 emissions.



02

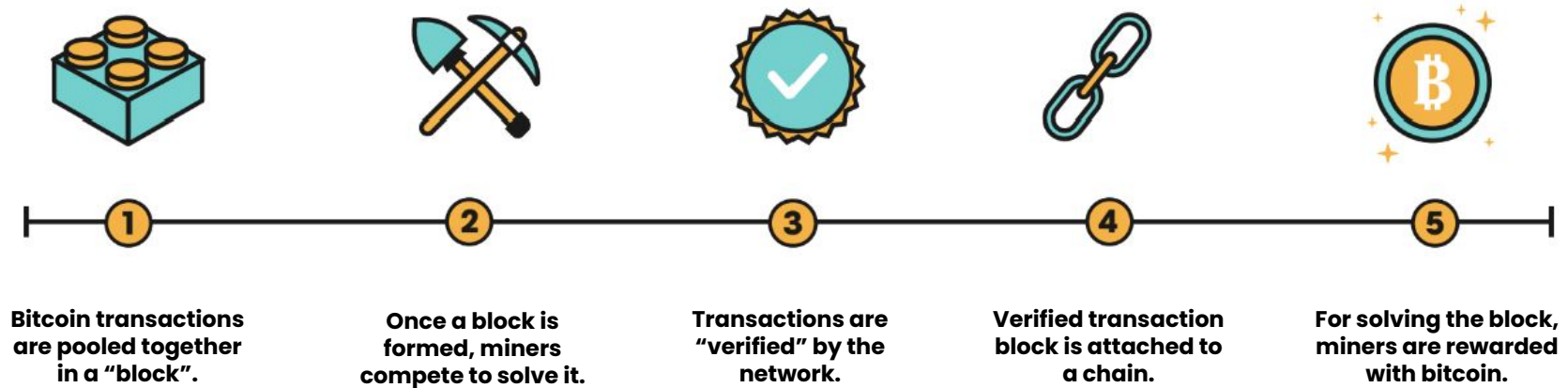
Most of Argo's GHG emissions (66%) come from Scope 2 (electricity use).



03

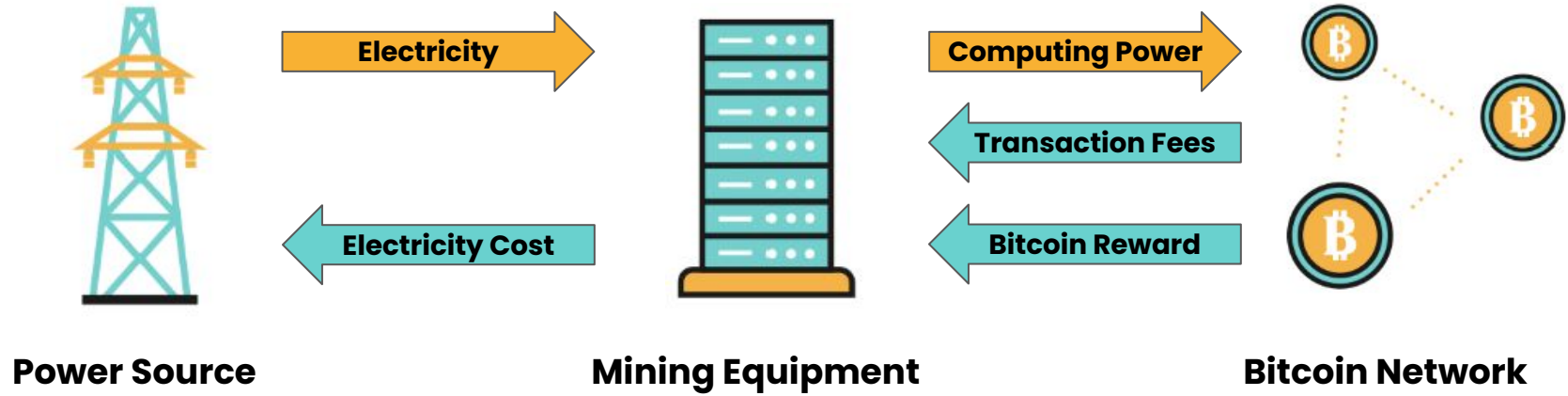
Scope 3 GHG emissions come mostly from fuel and energy related activities and upstream transmission and distribution (T&D) losses.

How Bitcoin is Mined



Currently, the reward is 6.25 BTC per block solved.

Business Model in Bitcoin Mining



Bitcoin Mining Considerations

- ▶ Revenue consists of block reward plus a transaction fee
- ▶ Costs include electricity and purchases of miners
- ▶ On average, a block is solved every 10 minutes

Calculating Gross Mining Profitability

The Model Is Formulaic

$$\begin{array}{l}
 \text{Annual Gross Mining Profitability} = \left[\underbrace{\left(\frac{\text{Argo's Hash Rate}}{\text{Network Hash Rate}} \right) \times 52,560 \text{ Blocks / year} \times \left(\left(\begin{array}{c} 6.25 \\ \text{Block} \\ \text{Reward} \end{array} \right) + \left(\begin{array}{c} \text{Transaction} \\ \text{Fees} \end{array} \right) \right)}_{\text{Number of Bitcoin Mined}} \right] \times (\text{BTC Price}) - \left[\left(\begin{array}{c} \text{D\&A} \\ \text{of} \\ \text{Miners} \end{array} \right) + \left(\begin{array}{c} \text{Cost of} \\ \text{Electricity} \end{array} \right) + \left(\begin{array}{c} \text{Direct Data} \\ \text{Center Costs} \end{array} \right) \right]
 \end{array}$$

Text in Blue are Factors Argo Controls

Bitcoin Mining Considerations

- ▶ Revenue consists of block reward plus a transaction fee
- ▶ Reward is dependent upon the difficulty set by the network hash rate versus Argo's hash rate
- ▶ Number of block rewards is fixed
- ▶ Key costs of mining include purchases of miners and costs to run miners, primarily electricity

Key Management



Peter Wall
Chief Executive Officer



Alex Appleton
Chief Financial Officer



Seb Chalus
Chief Strategy Officer



Perry Hothi
Chief Technology Officer



Seif El-Bakly
Chief Operating Officer



Justin Nolan
Chief Growth Officer



Davis Zapffe
General Counsel

Board of Directors



Peter Wall
Interim Chairman



Alex Appleton
CFO



Maria Perrella
Non Exec. Director



Sarah Gow
Non Exec. Director



Matthew Shaw
Non Exec. Director



Raghav Chopra
Non Exec. Director



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sustainable blockchain infrastructure.

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