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

ARGO BLOCKCHAIN

Investor Presentation

March 2022

argoblockchain.com

NASDAQ: ARBK; LSE: ARB

LEGAL DISCLAIMERS

Forward Looking Statements

This presentation contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, including statements regarding the build-out and expected completion of our Helios mining facility in Texas. Forward-looking statements can be identified by words like "may," "will," "likely," "should," "expect," "anticipate," "future," "plan," "believe," "intend," "goal," "seek," "estimate," "project," "continue" and similar expressions. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, the principal risks and uncertainties listed in our risk factors set forth in our filings with the Securities and Exchange Commission (the SEC).

Non-IFRS Measures

This presentation contains references to certain non-IFRS measures including EBITDA, EBITDA margin 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. EBITDA, EBITDA margin 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 $1.35, which was the noon buying rate of the Federal Reserve Bank of New York on September 30, 2021. 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.

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Argo at-a-glance

Industry-leading cryptocurrency miner with a focus on sustainability

1,605
PH capacity (SHA-256)[1]

24,000+
Mining machines in Canada & US[1]

100%
Carbon neutral (includes carbon credits)

83%
Mining margin in 2021 (industry leading)[2,3]

2,685
HODL of Bitcoin and Bitcoin Equivalents[1,4]

~10% HODL
Allocation to Argo Labs for non-mining activities

1. As of February 28, 2022. 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 Full Year 2021. 4. Includes 246 BTC equivalents

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

Mining at scale using low cost power with focus on efficiency

Climate positive with focus on sustainability

Argo Labs is diversifying into non-mining activities

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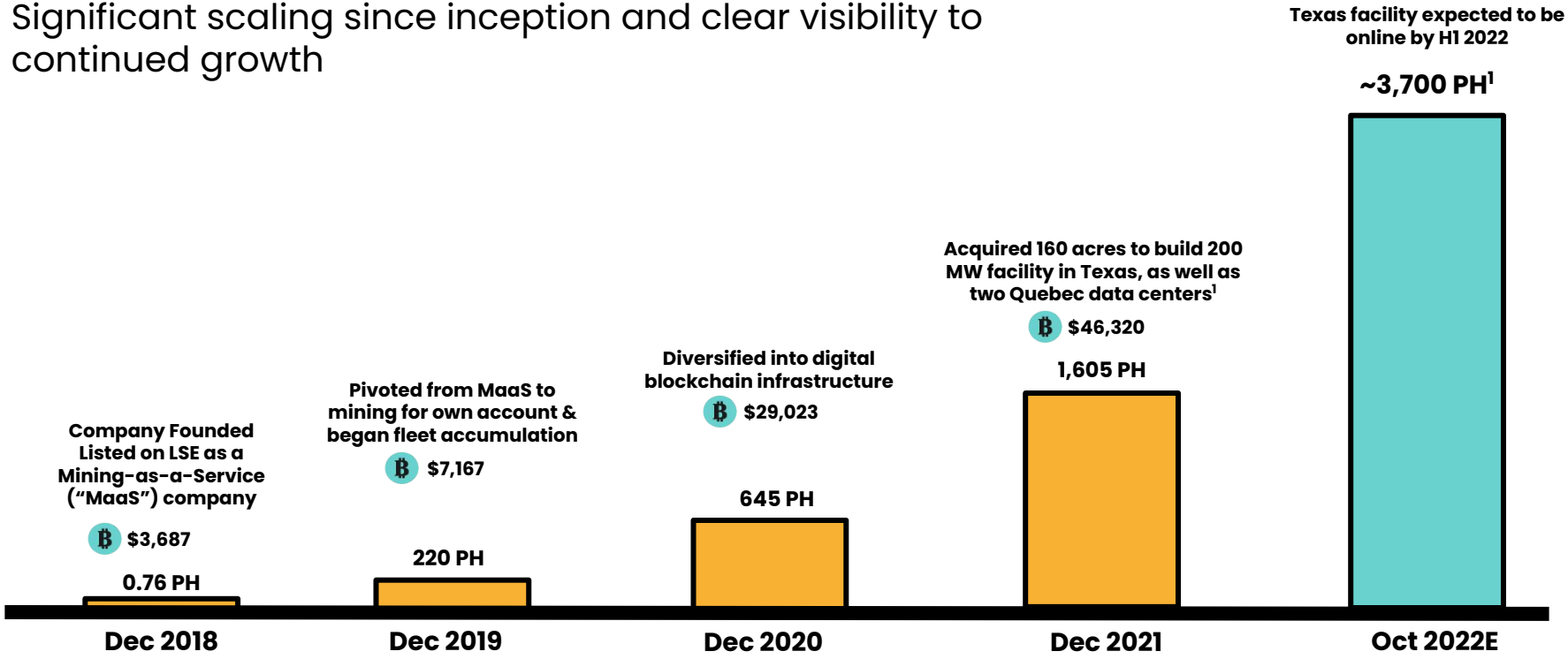
Track Record of Execution

Significant scaling since inception and clear visibility to continued growth



Note: BTC Prices represent year-end figures at close..
1. Based on current orders.

Access to Low Cost and Renewable Power

Solidifying Quebec While Expanding to Texas

Quebec Attractiveness

Hydro Québec

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

West Texas Renewable Energy

ercot

- Largest wind generator with low electricity rates
- Significant excess / unused capacity
- Attractive incentives
- Lower cost (~2 cents / kWh)

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Flagship Mining Facility in West Texas

- Approved for 800 MW of power from neighboring substation
- 100 MW of capacity ready by Q2 2022; 200 MW by Q3 2022

- 135,000 sq ft building
- Located in Dickens County, 1 hr east of Lubbock
- 28 full time jobs

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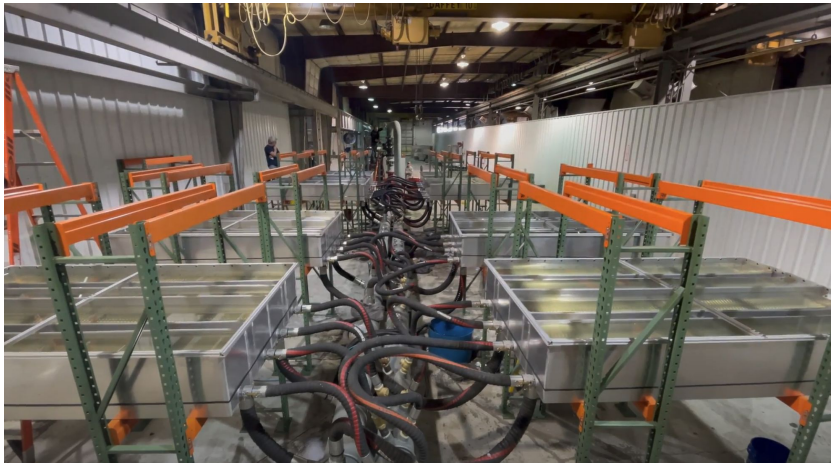
Largest Deployment of Immersion Cooling for Bitcoin Mining



- Ideal technology for Texas panhandle conditions
- Proprietary system design
- Fabricated in US by global manufacturer
- Demonstrated uplift in hashrate and longer machine life

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Blockchain Accelerator Supply Agreement with Intel Corporation

intel

Blockchain and the New Custom Compute Group

Intel will contribute to the development of blockchain technologies with a roadmap of energy-efficient accelerators

By Raja M. Koduri
Senior Vice President
General Manager, Accelerated Computing Systems and Graphics Group

Digital computing continues to enrich our lives in more ways than we can imagine. We acquire, consume, and create content and services with a few clicks or taps of our fingertips. Exponential increases in compute performance, enabled by Moore's Law, play a significant role in making these experiences seamless. Moore's Law is also enabling us to democratize access to this enormous pool of processing power. Amazing things happen when a lot of compute is available to a lot of people without much friction.

We are looking forward to the next set of amazing things.

Blockchain is a technology that has the potential to enable everyone to own much of the digital content and services they create. Some even call it an inflection point in computing, fundamentally disrupting the way we store, process and transact our digital assets as we usher in the era of metaverse and Web 3.0. No matter how the future evolves, it is certain the availability of a lot more compute to everyone will play a central role.

Today, we at Intel are declaring our intent to contribute to the development of blockchain technologies, with a roadmap of energy-efficient accelerators. Intel will engage and promote an open and secure blockchain ecosystem and will help advance this technology in a responsible and sustainable way.

- Diversifies ASIC supply chain to include top US semiconductor manufacturer
- Argo is guaranteed access to pro rata share of available units
- Delivery anticipated to begin in the second half of 2022
- Will increase hashrate significantly once deployed

Source: Intel Corporation website

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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**
  - Climate positive in 2020 and 21 after purchasing RECs and VERs in excess of Scope 2 & 3 GHG emissions
- **Established Terra Pool as the first mining pool powered by clean energy**

TERRA POOL

CRYPTO CLIMATE ACCORD

CLIMATE NEUTRAL NOW

Bitcoin Mining Council

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Argo Labs is an In-House Innovation Arm

- **Participate in disruptive sectors of the broader blockchain and Web 3.0 ecosystem**
- **Increase shareholder value through strategic diversification and network participation**
- **Led by Sebastien Chalus (Chief Strategy Officer) and Keesan Mahalingam (Head of Argo Labs)**

Initial allocation of ~10% of Argo's digital assets

Innovative Exposure

Provide exposure into innovative Web 3.0 technologies and new blockchain applications

Revenue Generation

Create revenue from staking, nodes, and DeFi protocols

Growth Opportunities

Research and deploy assets into high conviction and promising early stage projects

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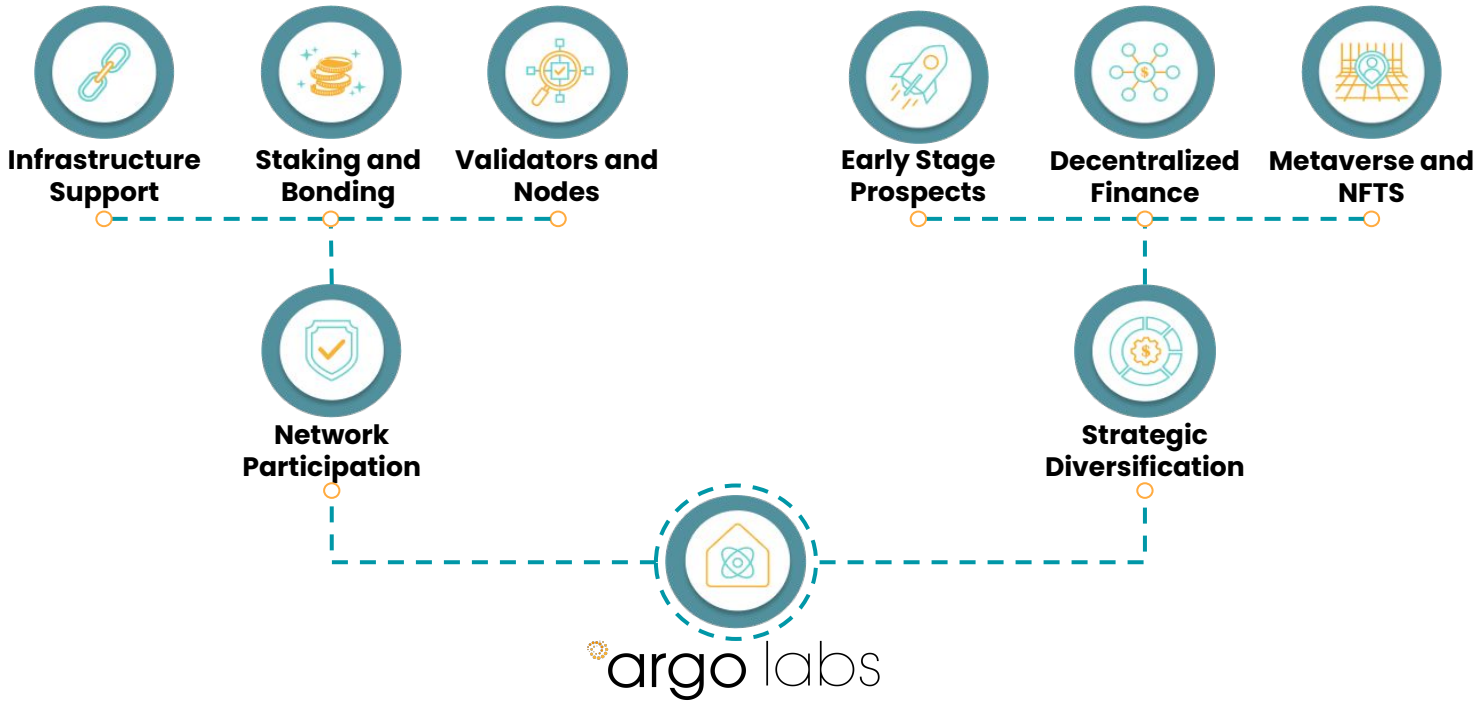
Network Participation & Strategic Diversification



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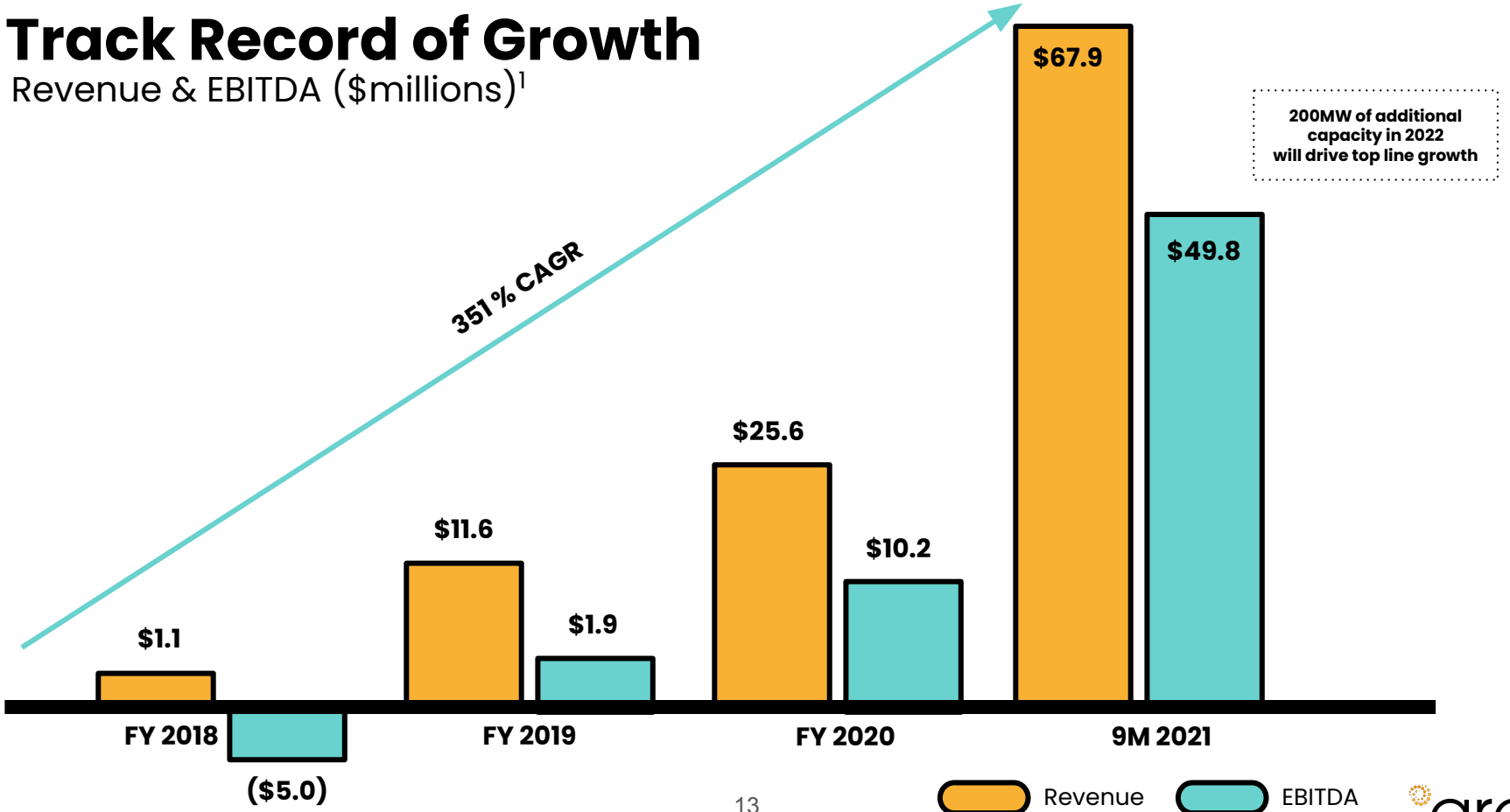
Track Record of Growth

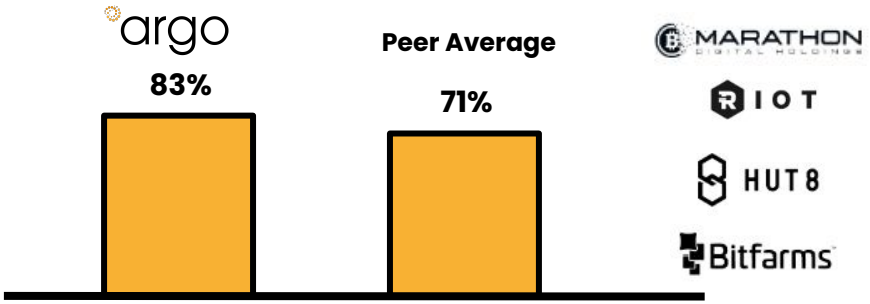
Revenue & EBITDA ($millions)[1]



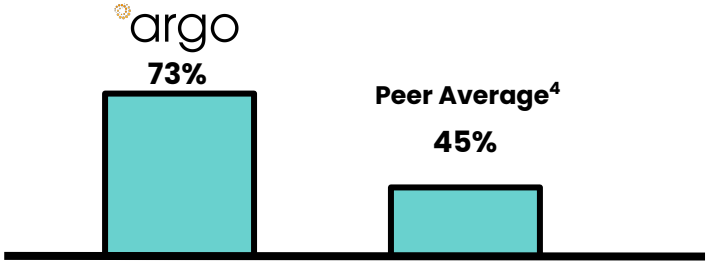
1. Please see Appendix for reconciliation of non-IFRS measures to IFRS.

Industry Leading Profitability Margins

Mining Margin (9M 2021) [1,2,3]



EBITDA Margin (9M 2021) [1,2]



- 238% revenue growth from 9M 2020 to 9M 2021
- Low power 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. 4. Excludes MARA which has negative EBITDA margin

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

- Helios and Argo Labs 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.

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Appendix

Financial Performance

(000s unless otherwise stated)	Three months ended September 30, 2021[1]		Nine months ended September 30, 2021[1]	
	$	£	$	£
Revenues	**$25,979**	**£19,287**	**$67,852**	**£50,372**
Direct costs	(3,757)	(2,790)	(11,322)	(8,404)
Depreciation of mining equipment	(3,249)	(2,412)	(9,646)	(7,161)
Change in fair value of digital currencies	11,725	8,705	3,094	2,297
Realized gain on sale of digital currencies	512	380	807	599
Gross Profit	**$31,210**	**£23,170**	**$50,785**	**£37,703**
Operating costs and expenses				
Consulting fees	($812)	(£602)	($1,222)	(£907)
Professional fees	(307)	(228)	(866)	(643)
General and administrative	(555)	(412)	(2,675)	(1,986)
Share based payment	(1,734)	(1,287)	(3,845)	(2,855)
Foreign exchange	(1,963)	(1,458)	(1,374)	(1,020)
Total operating expenses	**($5,371)**	**(£3,987)**	**($9,982)**	**(£7,411)**
Operating profit	**$25,839**	**£19,183**	**$40,803**	**£30,292**
Other income/(expense)				
Loss on sale of investment	($1,010)	(£750)	($1,010)	(£750)
Interest income	-	-	-	-
Interest expense	(273)	(203)	(826)	(613)
Total other income/(expense)	**($1,283)**	**(£953)**	**($1,836)**	**(£1,363)**
Income tax expense	($7,212)	(£5,354)	($11,905)	(£8,838)
Net income[2]	**$17,344**	**£12,876**	**$27,062**	**£20,091**
Foreign exchange gain/(loss)	(138)	(102)	(624)	(463)
Total comprehensive income	**$17,206**	**£12,774**	**$26,438**	**£19,628**

1. Figures translated at a USD/GBP rate of 1.347. 2. Net income = Profit after taxation.

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Historical Financials – Balance Sheet

(000s unless otherwise stated)	As of September 30, 2021[1]		As of December 31, 2020[1]	
	$	£	$	£
Current Assets				
Digital assets	$79,088	£58,714	$6,247	£4,637
Cash & cash equivalents	85,840	63,727	2,762	2,051
Trade & other receivables	65,212	48,413	2,930	2,175
Other current assets	-	-	-	-
Total Current Assets	**$230,140**	**£170,854**	**$11,939**	**£8,863**
Property, plant, & equipment	$104,442	£77,536	$24,116	£17,904
Other non-current assets	12,014	8,920	7,915	5,876
Total Assets	**$346,596**	**£257,310**	**$43,970**	**£32,643**
Current Liabilities				
Trade & other payables	$14,527	£10,785	$1,262	£937
Short term debt	46,463	34,493	-	-
Other current liabilities	26,764	19,870	4,674	3,469
Total Current Liabilities	**$87,754**	**£65,148**	**$5,936**	**£4,406**
Long term debt	4,567	3,391	-	-
Other non-current liabilities	3,926	2,914	5,266	3,910
Total Liabilities	**$96,247**	**£71,453**	**$11,202**	**£8,316**
Total Equity	250,349	185,857	32,768	24,327
Total Liabilities & Equity	**$346,596**	**£257,310**	**$43,970**	**£32,643**
Liquidity	**$85,840**	**£63,727**	**$2,762**	**£2,051**
Liquidity + Digital Assets	**$164,928**	**£122,441**	**$9,009**	**£6,688**

1. Figures translated at a USD/GBP rate of 1.347.

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 September 30, 2021 and the nine months ended September 30, 2021.

(000s unless otherwise stated)	Three months ended September 30, 2021[1]		Nine months ended September 30, 2021[1]	
	$	£	$	£
Gross profit	**$31,210**	**£23,170**	**$50,785**	**£37,703**
Gross margin	120%	120%	75%	75%
Depreciation of mining equipment	3,249	2,412	9,646	7,161
Change in fair value of digital currencies	(11,725)	(8,705)	(3,094)	(2,297)
Realized gain on sale of digital currencies	(512)	(380)	(807)	(599)
Cryptocurrency management fees	(710)	(527)	(2,257)	(1,675)
Mining profit	**$21,512**	**£15,970**	**$54,273**	**£40,293**
Bitcoin and Bitcoin Equivalent Mining Margin	**85%**	**85%**	**83%**	**83%**

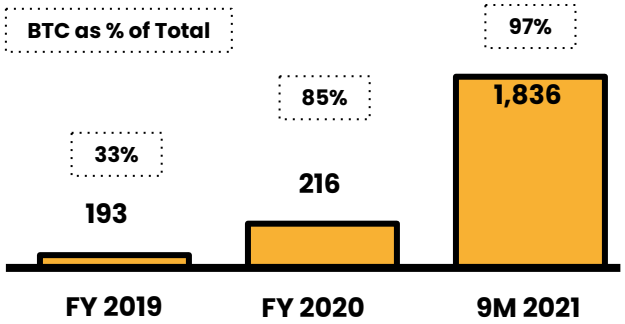
The following table shows a reconciliation of EBITDA to net income, the most directly comparable IFRS measure, for the three months ended September 30, 2021 and the nine months ended September 30, 2021.

(000s unless otherwise stated)	Three months ended September 30, 2021[1]		Nine months ended September 30, 2021[1]	
	$	£	$	£
Net income[2]	**$17,344**	**£12,876**	**$27,062**	**£20,091**
Interest expense	273	203	826	613
Income tax expense	7,212	5,354	11,905	8,838
Depreciation/amortization	3,418	2,537	9,964	7,398
EBITDA	**$28,247**	**£20,970**	**$49,757**	**£36,940**
EBITDA Margin[3]	109%	109%	73%	73%

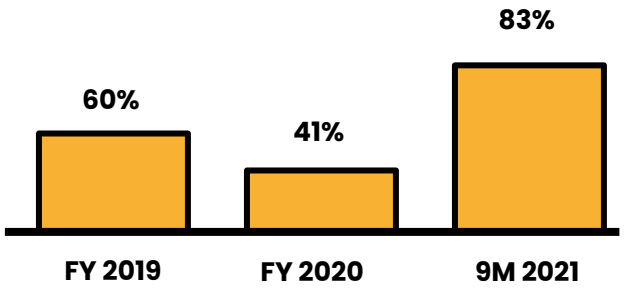
1. Figures translated at a USD/GBP rate of 1.347. 2. Net income = Profit after taxation. 3. EBITDA exceeded revenue for the period due to favorable movement in the fair value of digital currencies in the period.

Historical KPIs

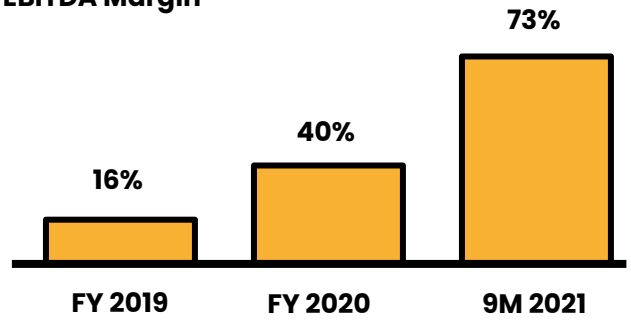
Bitcoin and Bitcoin Equivalent on Balance Sheet



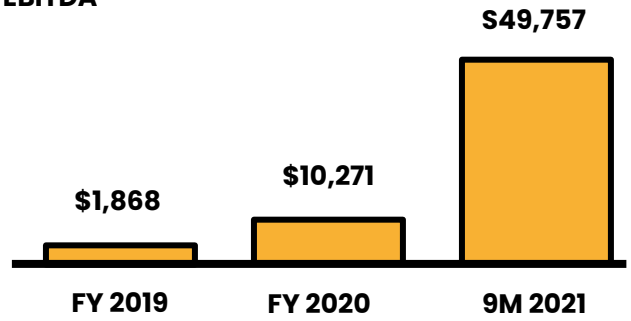
Mining Margin[1,2]



EBITDA Margin[2]



EBITDA[2]



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

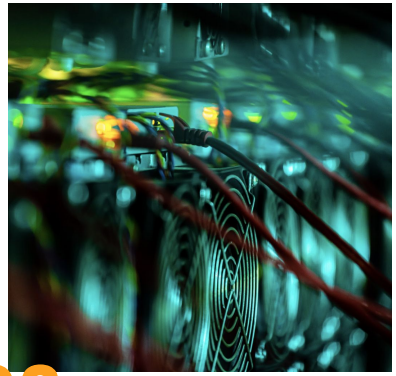
2020 GHG Report Results

01

More of Argo's energy usage comes from clean power than other sources. Argo does not produce Scope 1 emissions.

02

Most of Argo's GHG emissions (82%) 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.

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How Bitcoin is Mined

1. Bitcoin transactions are pooled together in a “block”.
2. Once a block is formed, miners compete to solve it.
3. Transactions are “verified” by the network.
4. Verified transaction block is attached to a chain.
5. For solving the block, miners are rewarded with bitcoin.

Currently, the reward is 6.25 BTC per block solved.

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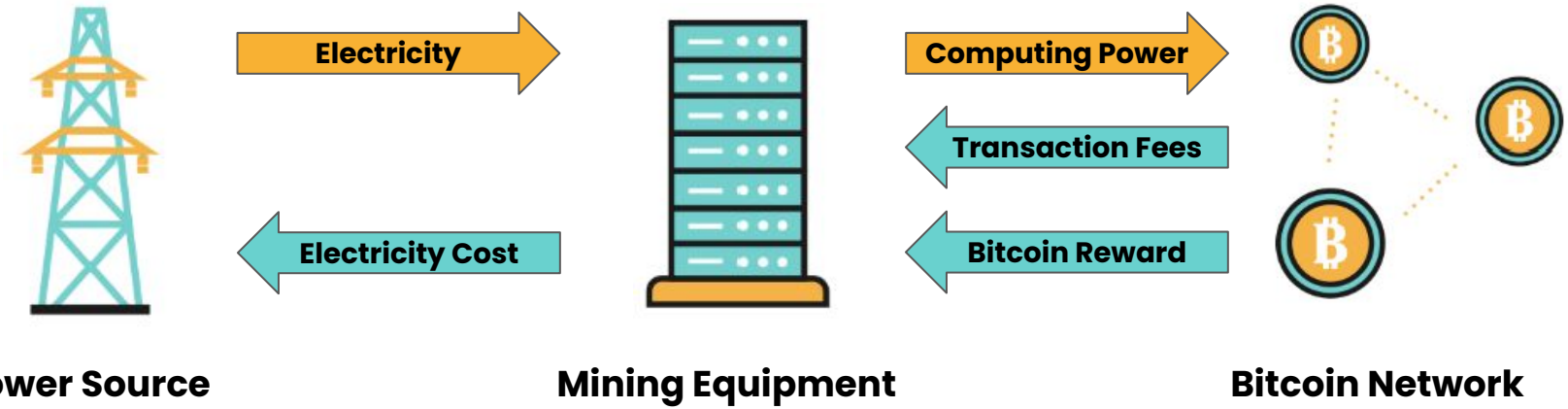
Business Model in Bitcoin Mining



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

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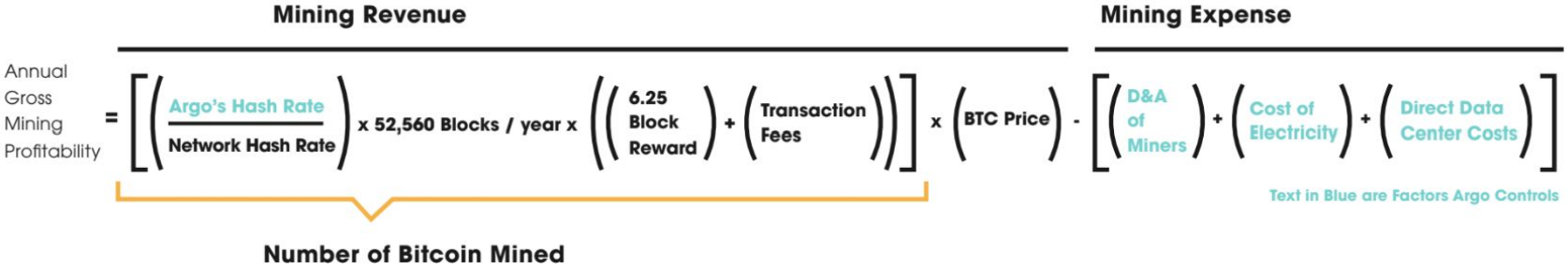
Calculating Gross Mining Profitability

The Model Is Formulaic



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**

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