



# Sustainable Bitcoin Mining

Powered by Renewable Energy

November 2021 STRICTLY CONFIDENTIAL

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During the course of this presentation, we may make forward-looking statements or provide forward-looking information. In some cases, you can identify these statements by forward-looking words, such as "may," "might," "will," "should," "could," "would," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "suggests," "intend," "targets," "projects," "forecast," "potential" or "continue," the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to risks, uncertainties, and assumptions about us, may include projections of our future financial performance, our anticipated growth strategies, and anticipated trends in our business. These statements are only predictions based on current expectations, plans, and assumptions that we have made in light of our experience in the industry, as well as our perceptions of historical trends, current conditions, expected future developments, and other factors we believe are appropriate under the circumstances and at such time. These forward-looking statements include, but are not limited to, statements concerning our future financial and operational performance, estimates of market size and opportunity, our growth prospects. You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this presentation primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and operating results. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements, and such differences could be material. You should not place undue reliance on our forward-looking statements. The forward-looking statements made in this presentation relate only to events as of the date on which the statements are made. We undertake no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances.

## Non-IFRS Financial Measures

This presentation includes adjusted EBITDA margin, which is a non-IFRS measure. See Appendix for a definition of adjusted EBITDA and adjusted EBITDA margin, along with a reconciliation to loss after income tax expense, the nearest applicable IFRS measure, for the periods presented. We provide adjusted EBITDA margin in addition to, and not as a substitute for, measures of financial performance prepared in accordance with IFRS. There are a number of limitations related to the use of adjusted EBITDA margin. For example, other companies, including companies in our industry, may calculate adjusted EBITDA margin differently. The Company believes that these measures are important and supplement discussions and analysis of its results of operations and enhances an understanding of its operating performance.

## Industry and Statistical Data

This presentation includes industry data, statistical data, estimates and other forecasts that may have been obtained from periodic industry publications, third-party studies and surveys, filings of public companies in our industry, internal company surveys, and our review and analysis of market conditions, surveys and industry feedback. Our expectations regarding market and industry data, including expected growth rates, are subject to change based on our ongoing analysis of prevailing market and industry conditions and, as a result, assumptions based on such expectations may not be reliable indicators of future results. We undertake no obligation to update such figures in the future. These sources include government and industry sources. Industry publications and surveys generally state that the information contained therein has been obtained from sources believed to be reliable. Although we believe the industry data to be reliable as of the date of this presentation, this information could prove to be inaccurate. Industry data could be wrong because of the method by which sources obtained their data and because information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process, and other limitations and uncertainties. In addition, we do not know all of the assumptions regarding general economic conditions or growth that were used in preparing the forecasts from the sources relied upon or cited herein. This presentation is strictly confidential, is for informational purposes only and may not be relied upon in connection with the purchase or sale of any security. You may not disclose any of the information contained herein to any other parties without our prior express written permission. Further, certain financial measures and statistical information in this document have been subject to rounding adjustments. Accordingly, the sum of certain data may not conform to the expressed total.

# Offering overview

<b>Issuer:</b>	<ul style="list-style-type: none"><li>▪ Iris Energy Limited</li></ul>
<b>Exchange / ticker:</b>	<ul style="list-style-type: none"><li>▪ NASDAQ / IREN</li></ul>
<b>Security type:</b>	<ul style="list-style-type: none"><li>▪ Initial public offering of ordinary shares</li></ul>
<b>Offering size:</b>	<ul style="list-style-type: none"><li>▪ \$215,000,006 (excluding overallotment)</li></ul>
<b>Shares offered:</b>	<ul style="list-style-type: none"><li>▪ 8,269,231 (100% primary)</li></ul>
<b>Over-allotment option:</b>	<ul style="list-style-type: none"><li>▪ 15% (100% primary)</li></ul>
<b>Filing range:</b>	<ul style="list-style-type: none"><li>▪ \$25.00 to \$27.00 per share</li></ul>
<b>Lock-up agreements:</b>	<ul style="list-style-type: none"><li>▪ 180 day lock up of our officers and directors and substantially all of our shareholders</li></ul>
<b>Use of proceeds:</b>	<ul style="list-style-type: none"><li>▪ To fund growth initiatives (including hardware purchases and acquisition and development of data center sites and facilities) and for working capital and general corporate purposes</li></ul>
<b>Active Bookrunners:</b>	<ul style="list-style-type: none"><li>▪ J.P. Morgan, Canaccord, Citi</li></ul>
<b>Passive Bookrunners:</b>	<ul style="list-style-type: none"><li>▪ Macquarie, Cantor Fitzgerald, CLSA, Cowen</li></ul>
<b>Co-manager:</b>	<ul style="list-style-type: none"><li>▪ Compass Point</li></ul>
<b>Digital Asset Advisor:</b>	<ul style="list-style-type: none"><li>▪ Galaxy Digital Partners</li></ul>
<b>Expected pricing:</b>	<ul style="list-style-type: none"><li>▪ Tuesday, November 16, 2021</li></ul>

# Seasoned team with experience building large-scale businesses

## Board, Senior Leadership & Strategic Partners

\* Today's presenters



**David Bartholomew\***  
Independent Chair



**Daniel Roberts\***  
Co-Founder and Co-CEO



**Will Roberts**  
Co-Founder and Co-CEO



**Lindsay Ward**  
President



**Chris Guzowski**  
Non-Executive Director



**Mike Alfred**  
Non-Executive Director



**Joanna Brand**  
General Counsel & Company Secretary



**David Shaw**  
Chief Operating Officer



**Denis Skrinnikoff**  
Chief Technology Officer



**Brian Fehr**  
Strategic Partner



**Brian Fry**  
Strategic Partner

## Corporate

## Operations team



**Glenn Harrison**  
Vice President – Operations



**Bom Shin**  
Vice President – Corporate Finance



**Kent Draper**  
Vice President – Commercial



**Jarrett Chasse**  
Site Manager



**Yvonne Martins**  
Group Financial Controller



**Tom Sparrow**  
Vice President – Project Delivery



**Aaron Hawkins**  
Senior Manager – Project Delivery & Commercial



**Peter Fry**  
Fabrication Manager



**John Juarez**  
Vice President – Commercial



**Jonathan Liong**  
Senior Manager – Corporate Finance



**Maxim Yushchenko**  
Mechanical Engineer in Training



**Gregoire Mauve**  
Associate – Corporate Finance & Operations



**Jason Date**  
Associate – Commercial



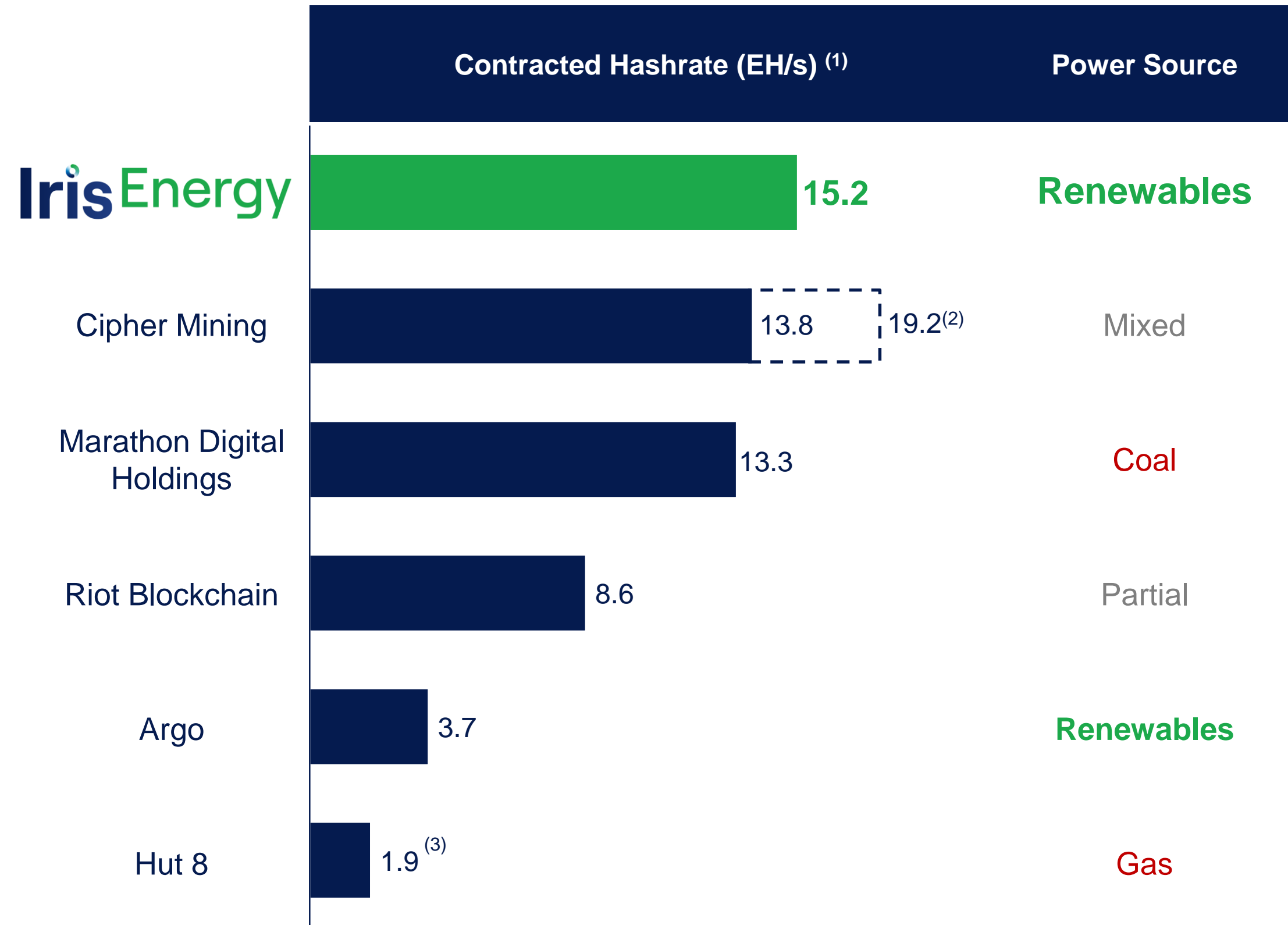
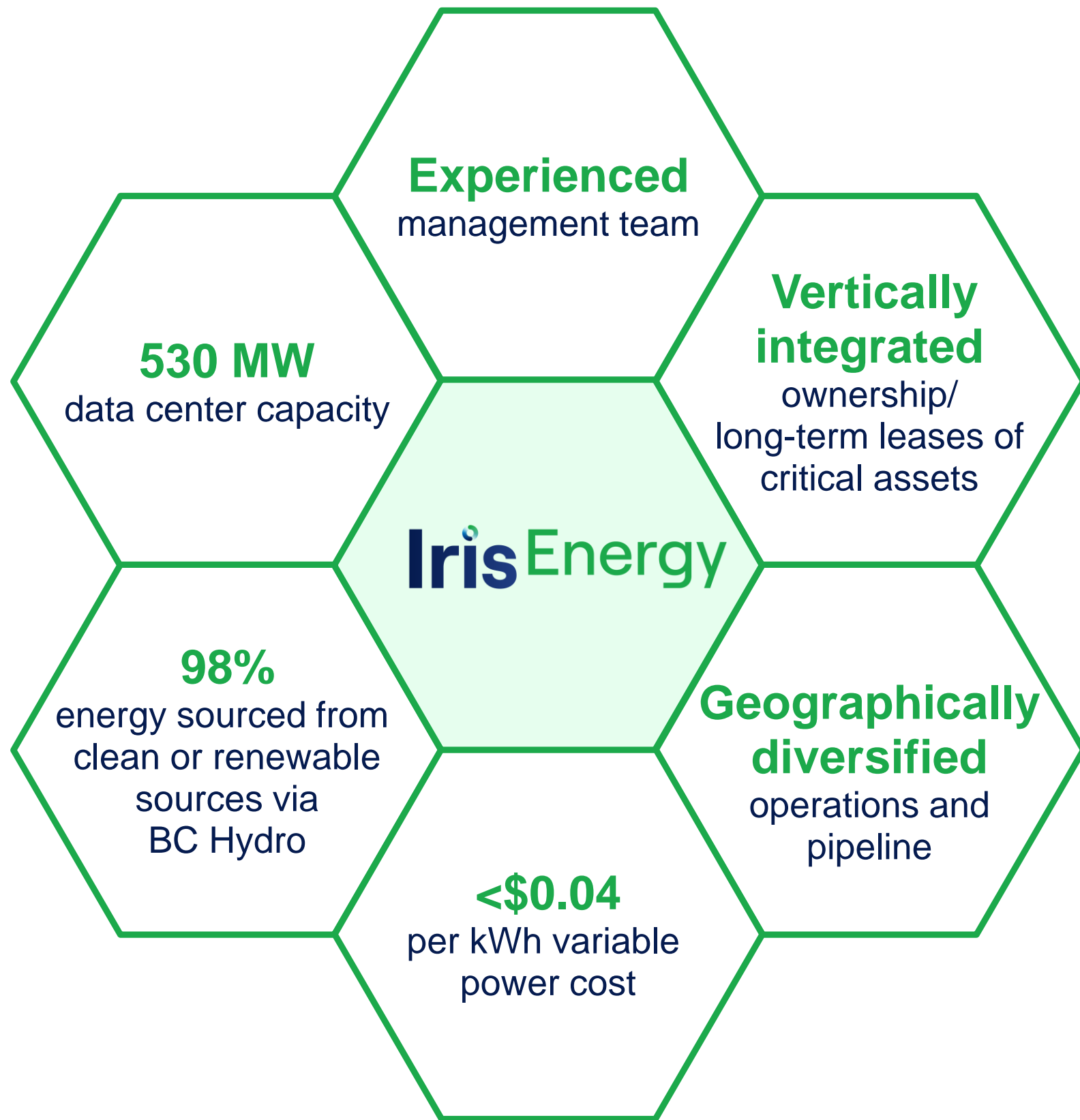
**Lorri Fehr**  
Community Relations Director

We believe western energy markets,  
regional communities and the global bitcoin  
network are transitioning into the  
decarbonized world.

**We believe Iris Energy  
is at the forefront of  
this evolution**



# Iris Energy at a glance



Source: Company filings. All data and analysis based on public market data. Iris Energy makes no representations as to the accuracy of the information presented.

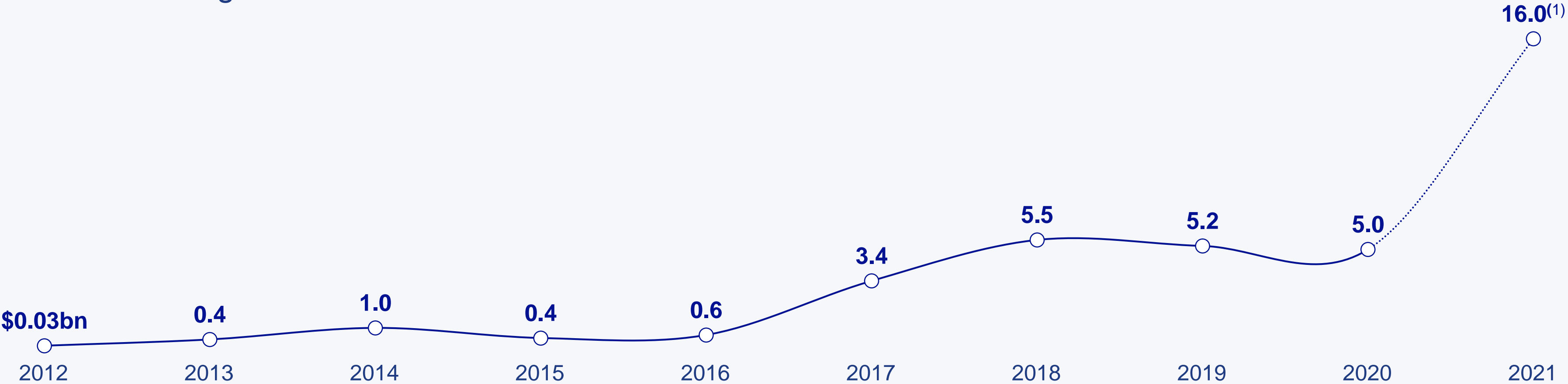
(1) Contracted hashrate from current & ordered new gen hardware (hardware with power intensity lower than 70W/TH).

(2) Range is based on available information as provided by Cipher; ability to reach 19.2 EH/s based on final purchase options.

(3) Excludes old-gen hardware from reported 2.5 EH/s.

# \$16 billion per year market opportunity

Global Bitcoin Mining Revenues in U.S. Dollars



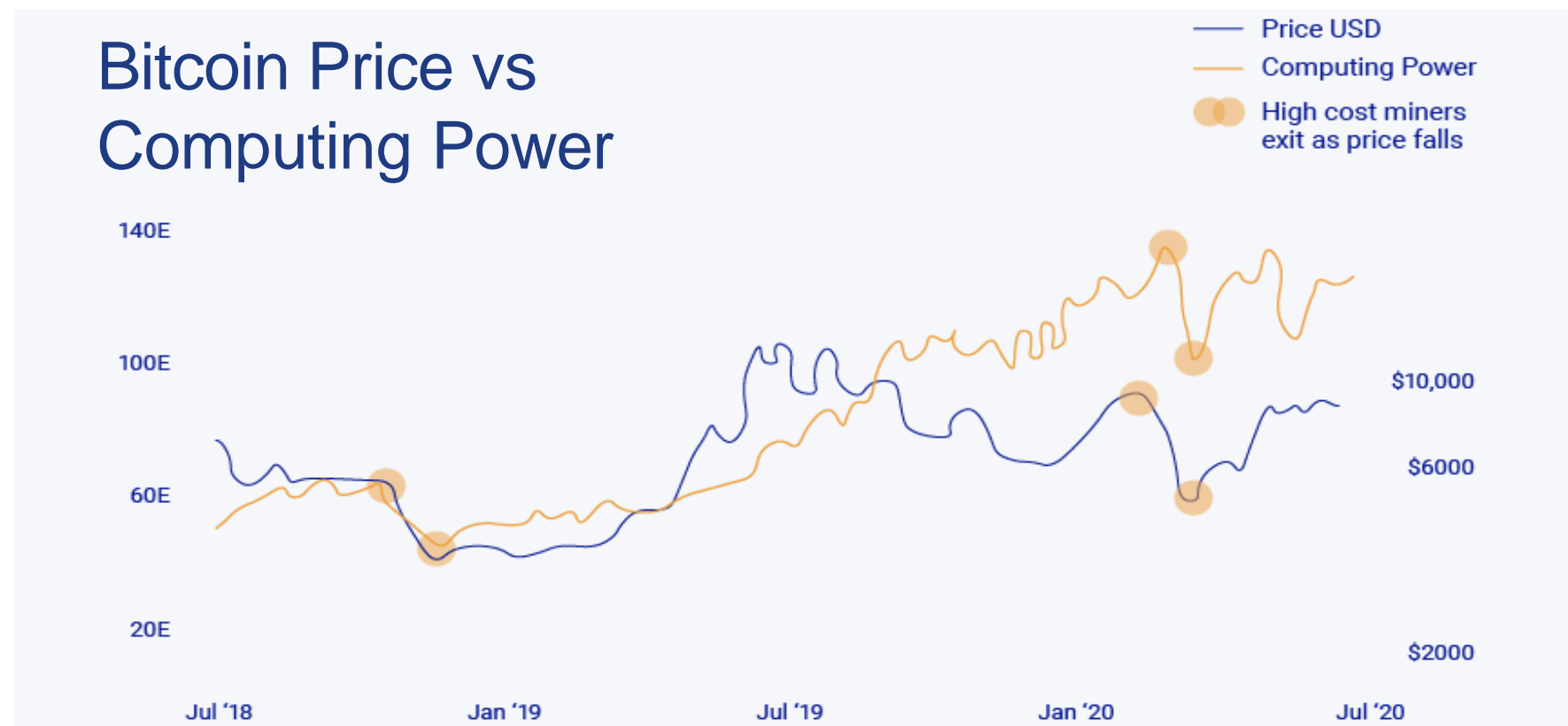
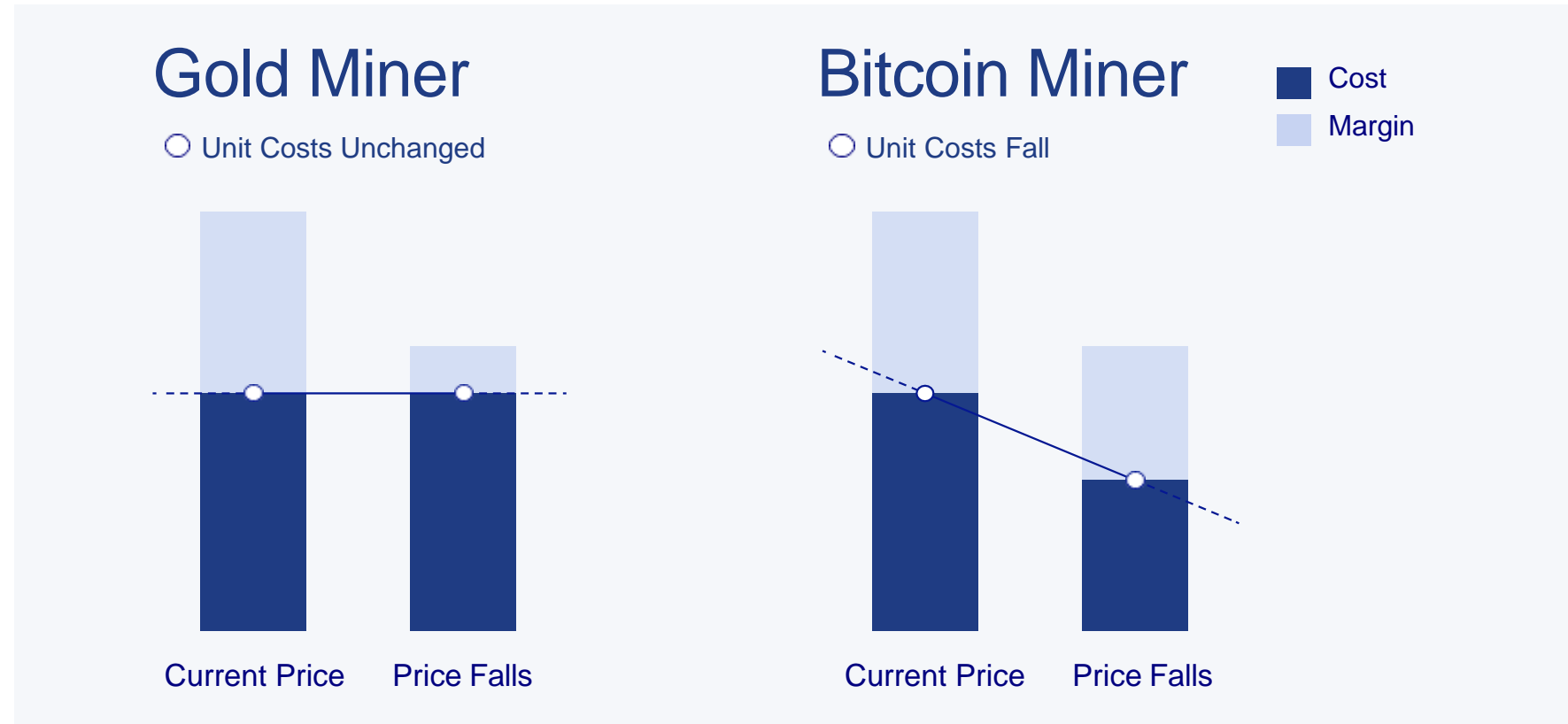
**Deeply liquid market** (~\$50bn daily traded volume vs. ~\$160bn for gold)

$$\text{Iris Energy Mining revenue} = \frac{\text{Iris Energy hashrate}}{\text{Network hashrate}} \times \text{Block reward (6.25 BTC + transaction fees)} \times \text{Bitcoin price}$$

# Bitcoin mining is asymmetric and provides attractive upside

**BTC price falls:** Downside mitigation as unit cost of production falls

**BTC price increases:** Real world infrastructure lags digital networks



Source: Blockchain.com

(1) Based on estimated global Bitcoin mining energy consumption of ~8GW (~73TWh) in October 2020 by Digiconomist (<https://digiconomist.net/bitcoin-energy-consumption>). The Bitcoin price has increased from ~\$11k in October 2020 to ~\$55k in October 2021.

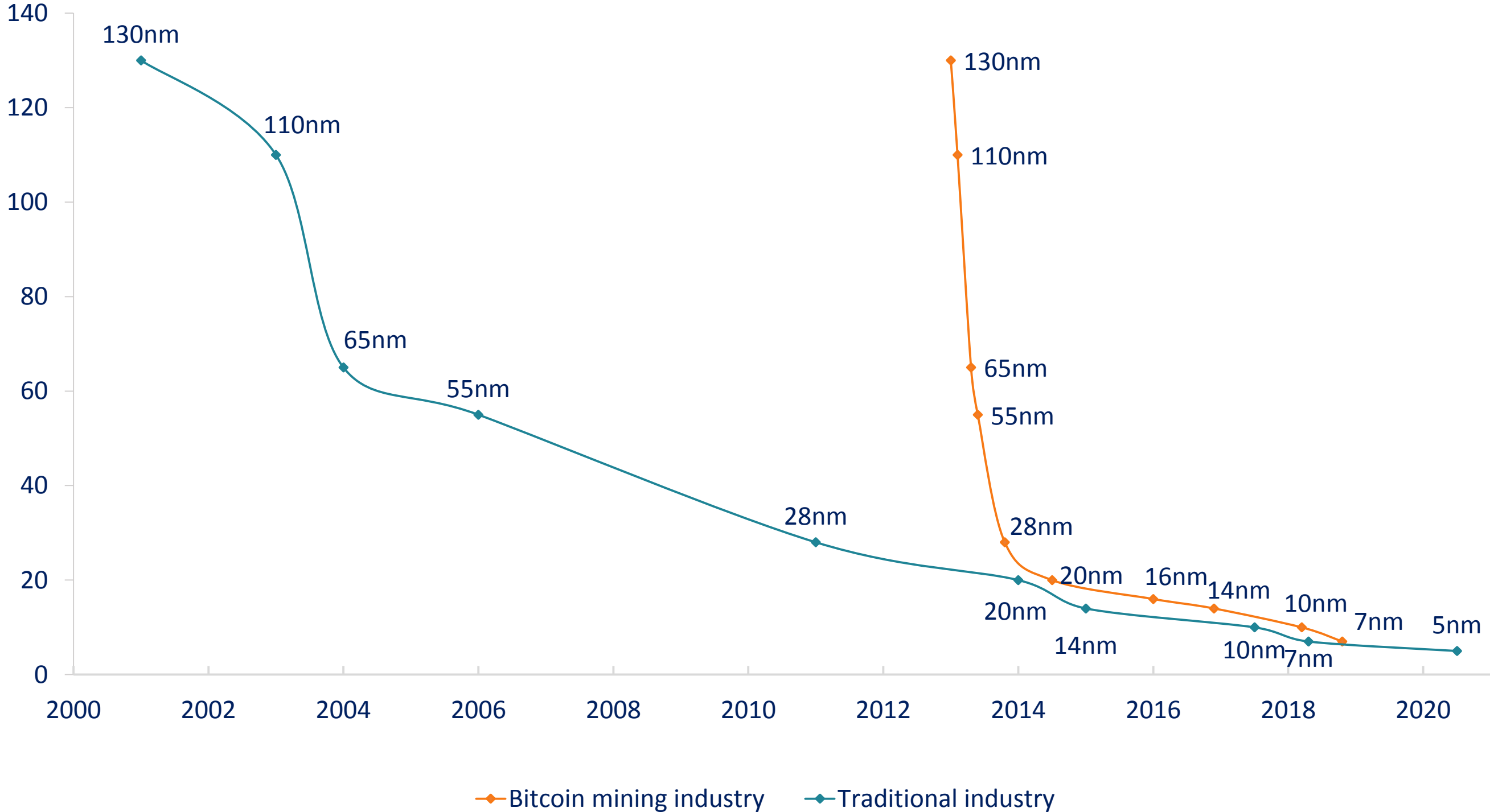
Assumes ~\$2.4m per MW for new investment based on: (i) hardware capex of ~\$1.8m comprising 290 x S19j Pro miners at \$6.3k per unit (based on recently announced purchase by LM Funding of ~4k units for ~\$25m ([https://www.sec.gov/Archives/edgar/data/1640384/000156459021050331/lmfa-ex101\\_7.htm](https://www.sec.gov/Archives/edgar/data/1640384/000156459021050331/lmfa-ex101_7.htm))); and (ii) infrastructure capex of ~\$600k (based on internal company estimates).

(2) International Energy Agency estimates 200TWh energy consumption across traditional, cloud and hyperscale data centers in 2020 (<https://www.iea.org/data-and-statistics/charts/global-data-centre-energy-demand-by-end-use-and-data-centre-type-2014-2020>).

# Competitive advantage is no longer driven by the technology

We believe market leaders will be determined by their ability to build out large-scale infrastructure platforms and gain access to institutional capital markets

Bitcoin mining (ASIC) catches up to traditional industry



# Iris Energy Overview

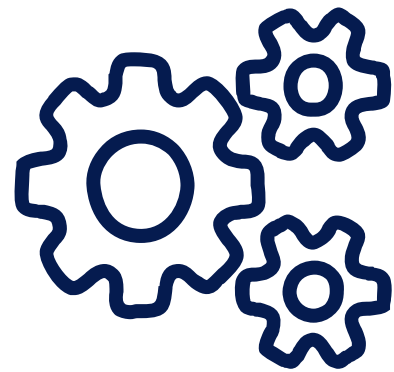
# Focus on strengthening our company's competitive position

Experienced management and operations team of approximately 40 employees worldwide

1

**0.7 EH/s**

operating hashrate capacity



**30 MW**

capacity in BC, Canada

2

**15.2 EH/s**

contracted hashrate capacity



**530 MW**

of data center capacity

3



**1 GW**

under development

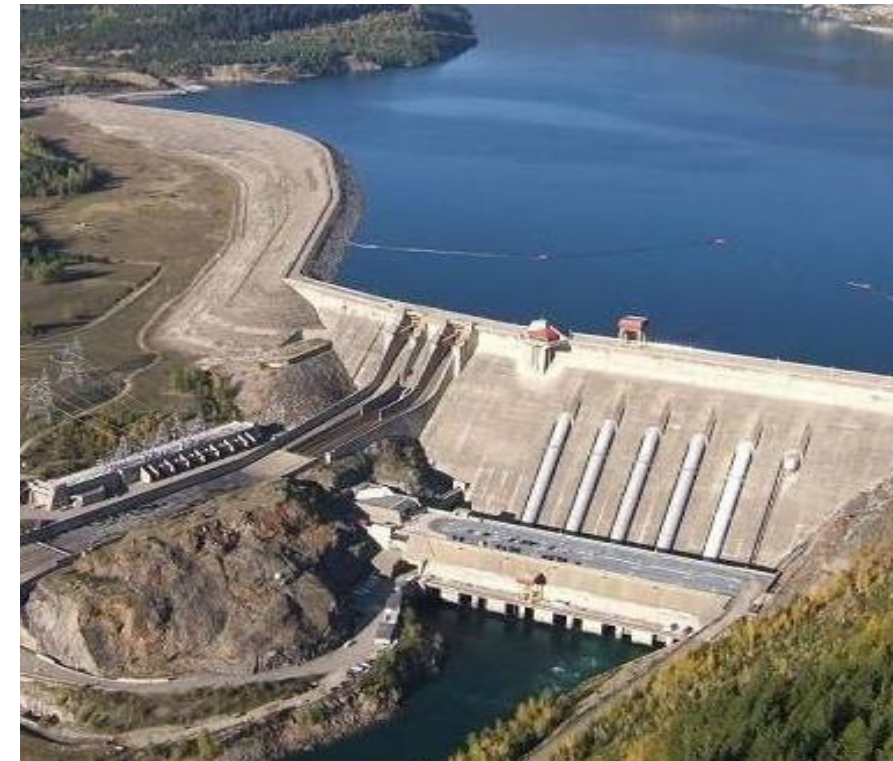
# Potential advantage through sustainable energy strategy

## Regulated markets

- Solving structural oversupply

$$\text{Avg. Rates} = \frac{\text{Total Costs (PPAs, Fuel, Opex, G\&A, Cost of Debt, ROE, etc.)}}{\text{Total Volume}}$$

Declining loads force rates up



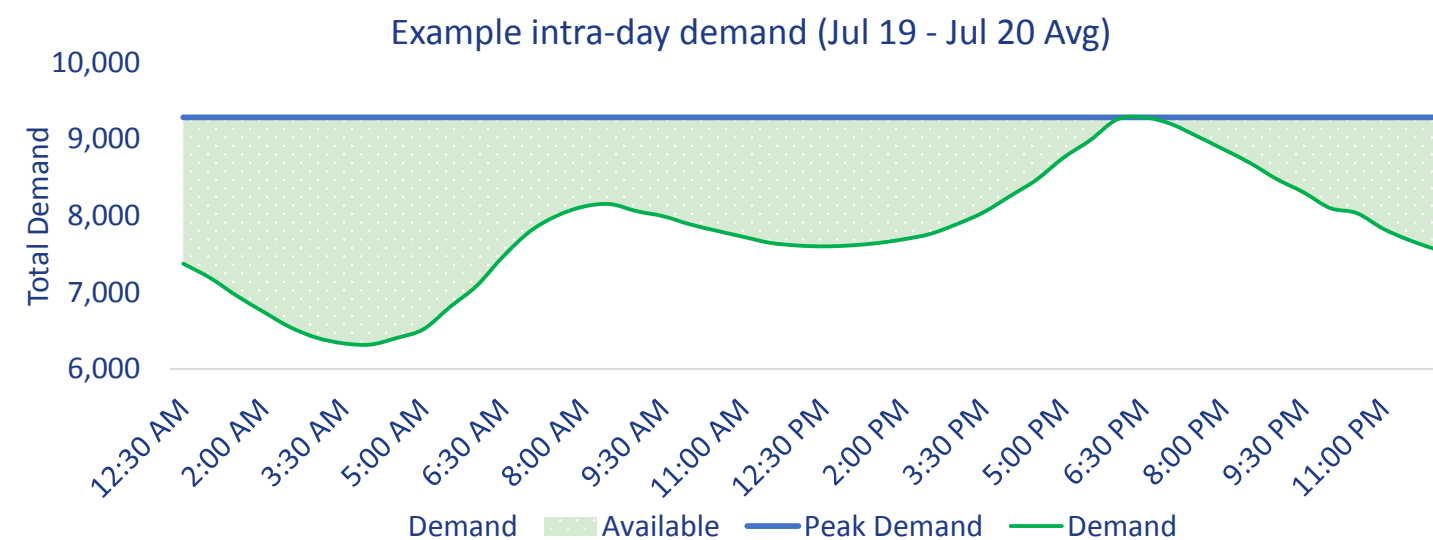
Power source: BC Hydro



Power source: Renewables

## Deregulated markets

- Providing grid support



Existing operations: Canal Flats

# Engage and support local communities to further our regional and community strategy



*Supporting four Ktunaxa First Nations communities*



*Volunteering with the Canal Flats Volunteer Fire Department*



*Canal Flats Volunteer Fire & First Aid community group*



*Canal Flats Volunteer Fire Department*

# Vertical integration & proprietary design drive resilient business model and cash flows



## Vertically integrated

- Long-term security or ownership of land, substation, data centers and hardware
- Direct grid-connected access to underlying power price
- Robust and reliable HV transmission network
- Proprietary data centers are designed, owned and operated by Iris Energy



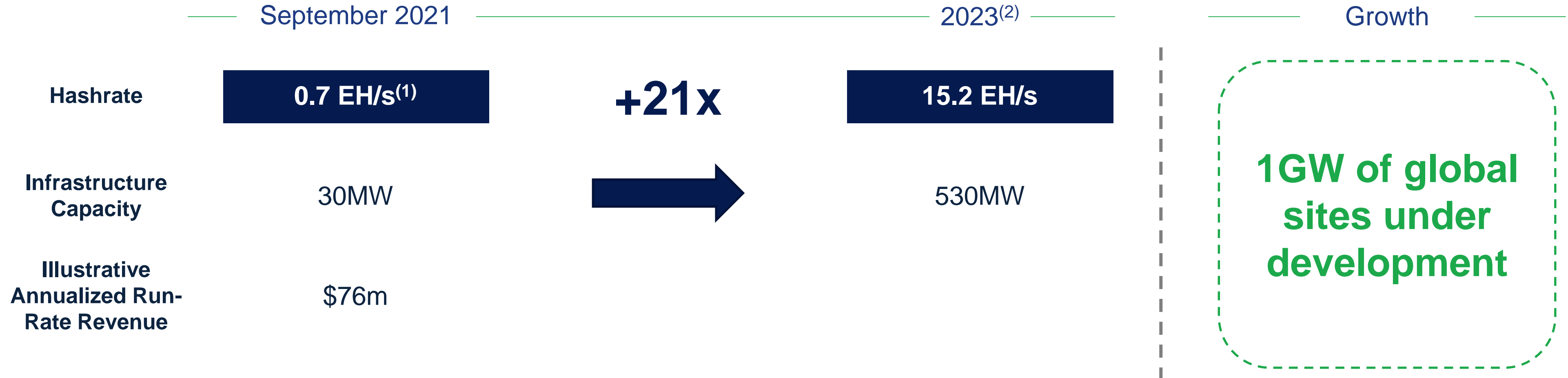
## Leading in-house data center design

- Stable uptime performance during high and low temperature periods
- Low PUE (ancillary cooling costs)



*Existing data center at Canal Flats*

# Contracted expansion + growth



Based on **Coinwarz Bitcoin Mining Calculator**:

- **Inputs for 0.7 EH/s:** ~650 PH/s (hashrate), ~24 MW (power consumption) and \$0.05 /kWh (electricity costs) – *prefilled link [here](#)*

**Notes:**

- Illustrative outputs assume, **as a placeholder only, as at 12 October 2021**, Bitcoin price of \$50k (14-day average, rounded), global hashrate (implied by network difficulty) of ~142 EH/s and transaction fees of ~0.1 BTC per block (14-day average). Assumes pool fees of 0.5% of mining rewards and mining hardware operates at 100% uptime.
- The illustrative outputs assume nameplate hashrate is **fully installed and operating today** using the above assumptions. **These assumptions are likely to be different in the future and users should input their own assumptions.**

## ASICs Provider

**BITMAIN**

Antminer S19j &  
Antminer S19j Pro



Shipping commenced in  
October 2021 and ending in  
September 2023

(1) Operating hashrate capacity as at October 1, 2021.

(2) Based on binding hardware purchase contracts which are expected to increase operating and contracted nameplate hashrate capacity to 15.2 EH/s, equating to ~530 MW of data center capacity when online and fully operational (based on internal company estimates).

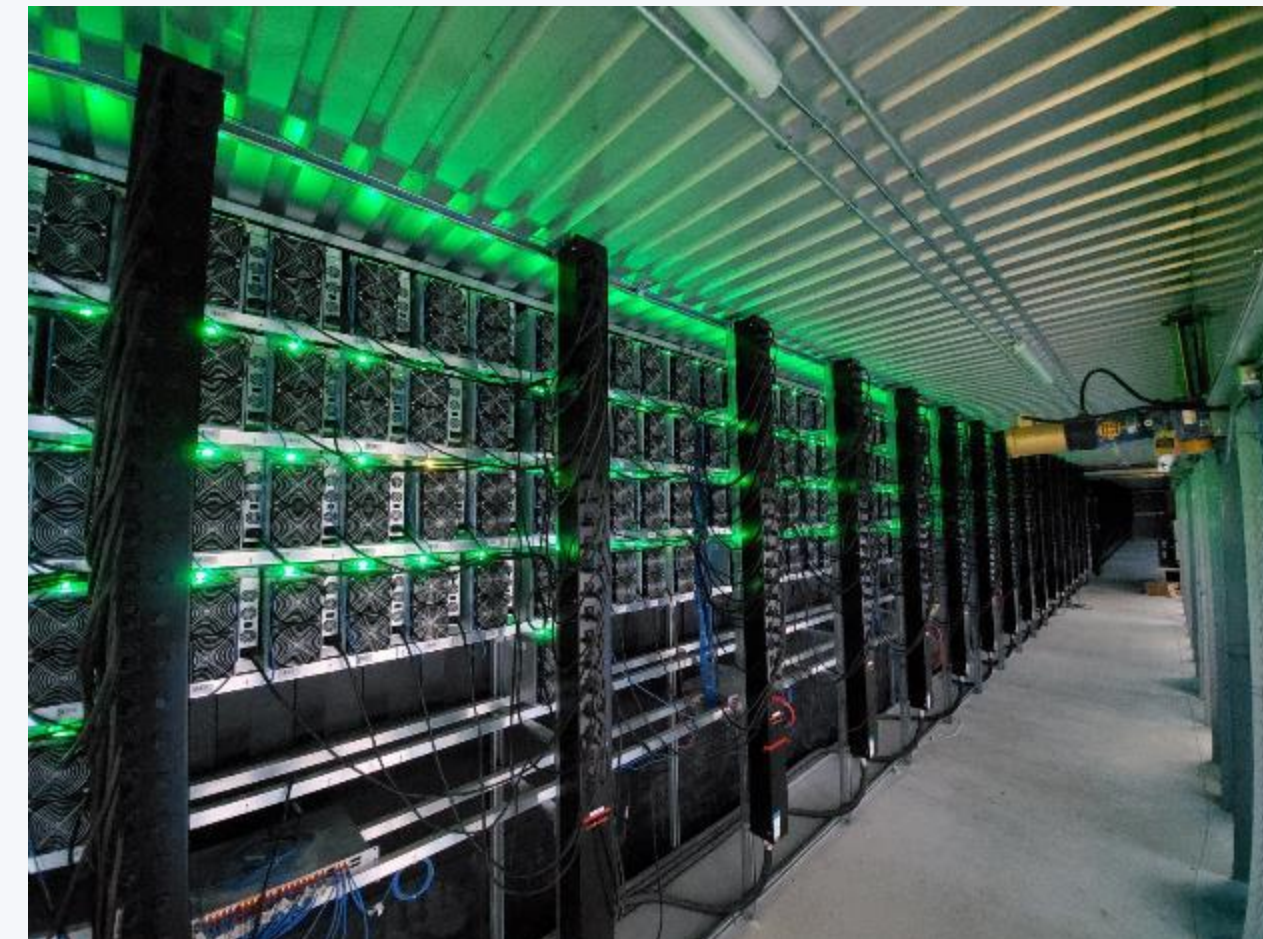
# Existing operations British Columbia, Canada

## Overview

- **30MW project**
- **98% of electricity** sourced from clean or renewable sources
- Average variable power cost less than **\$0.04 per kWh** plus monthly charge of approximately \$6.85 per kVA<sup>(1)</sup>

## Highlights

- Full **fiber** connectivity
- Secure and owned **10-acre property** in Canal Flats, BC
- **In-house construction**; on-site fabrication shop and team
- Grid-connection at 69kV, **with 30MW on-site substation**



# Global platform

## Power and sites secured

Global pipeline under development across Western Canada, Central USA & Asia-Pacific  
targeting **1GW+** of aggregate power capacity

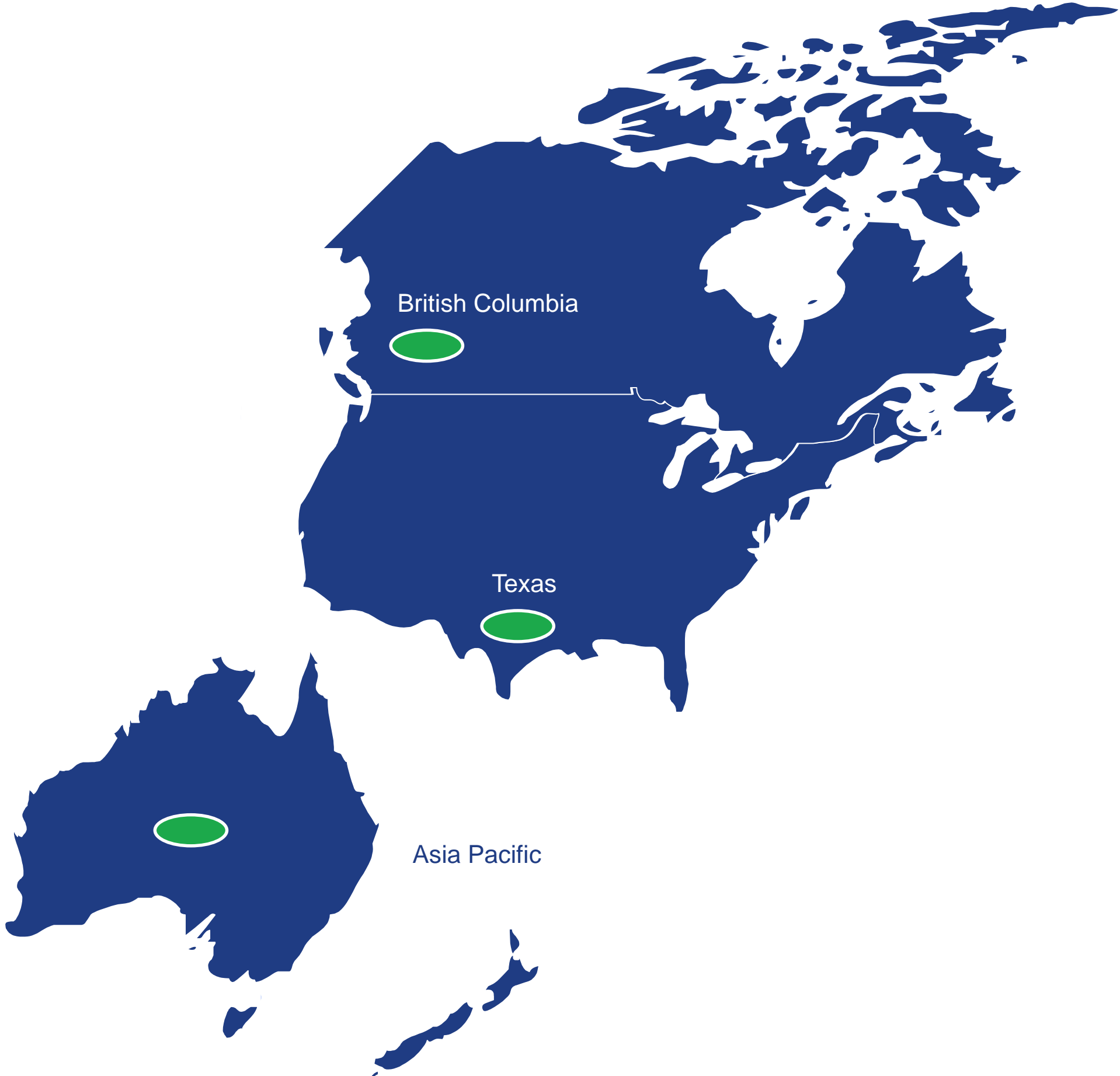
Sample sites currently under construction



Mackenzie



Prince George



# Iris Energy is well-positioned to be an industry leader

	<b>IrisEnergy</b>	<b>Industry challenges</b>
<b>Contracted mining hardware</b>	✓	Forecast growth profiles not necessarily secured by contracts
<b>Power source – majority renewable</b>	✓	Still primarily utilizing legacy fossil fuels such as gas and coal
<b>Vertical integration – no reliance on 3rd party hosting</b>	✓	Reliance on outsourced providers and rolling short term contracts
<b>Proprietary data centers</b>	✓	Makeshift mining centers/shipping containers with less efficient airflow systems
<b>Implemented ESG strategy and community focus</b>	✓	Lack of a clear ESG strategy or community purpose
<b>Geographically diversified</b>	✓	Single site or region
<b>Management team – established energy and infrastructure credentials</b>	✓	Lack of relevant experience and track record of execution

# Multiple avenues for growth



**Develop existing sites**



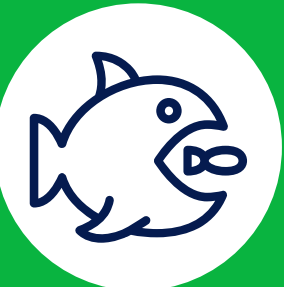
**Add new sites with favorable energy arrangements**



**Own, develop and operate renewable generation**

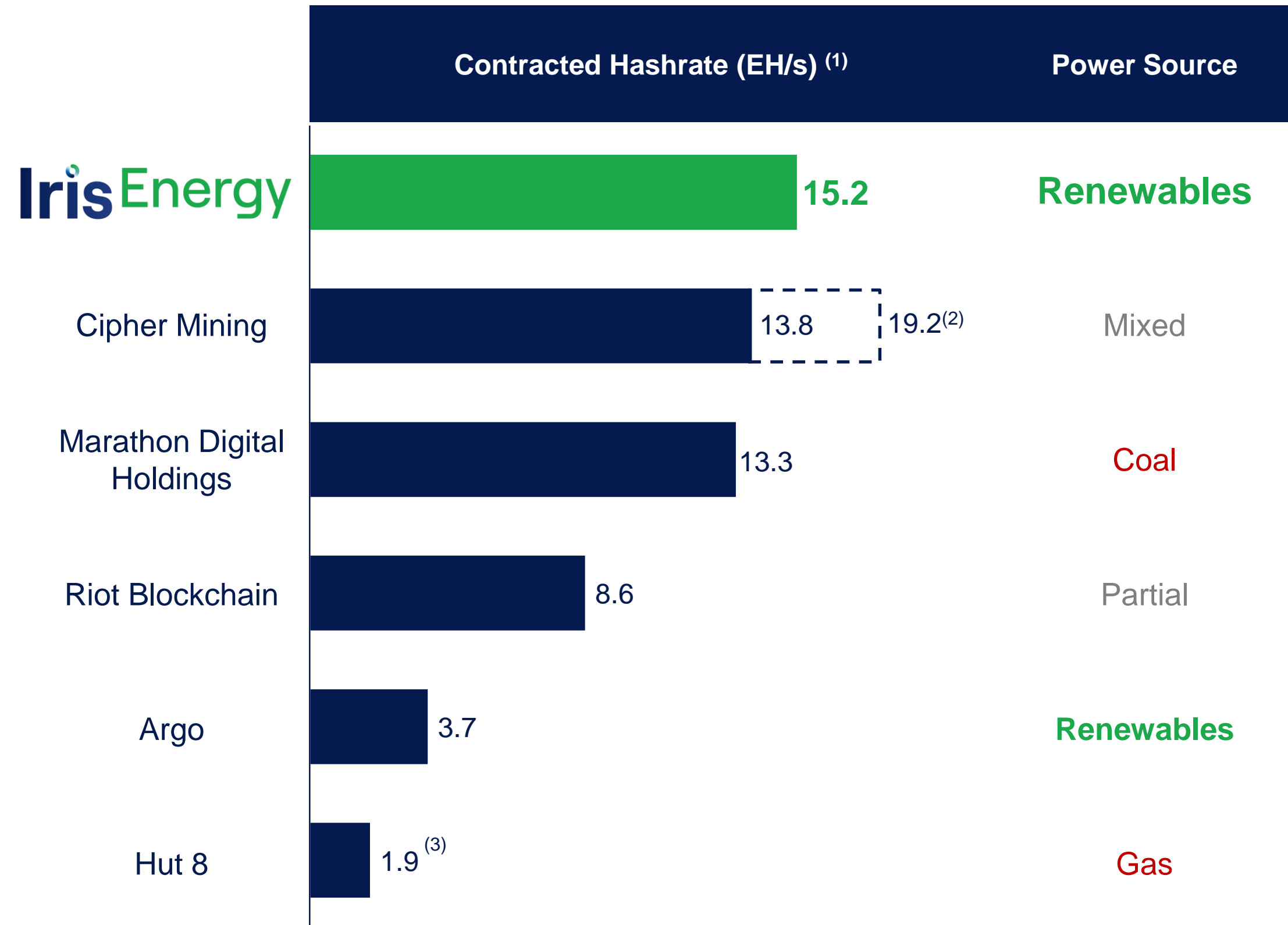
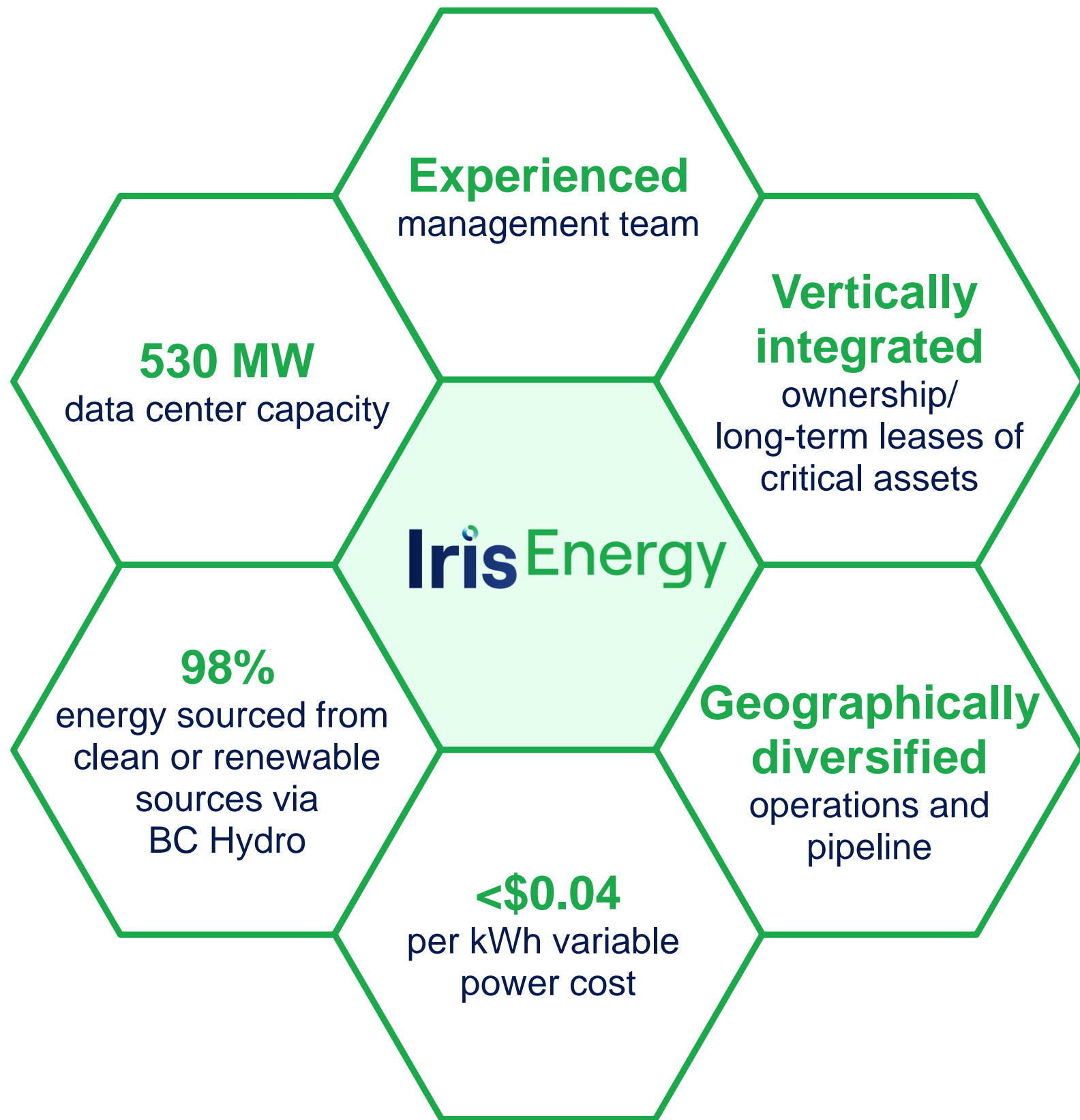


**Leverage potential platform opportunities**



**Consider pursuing strategic acquisitions**

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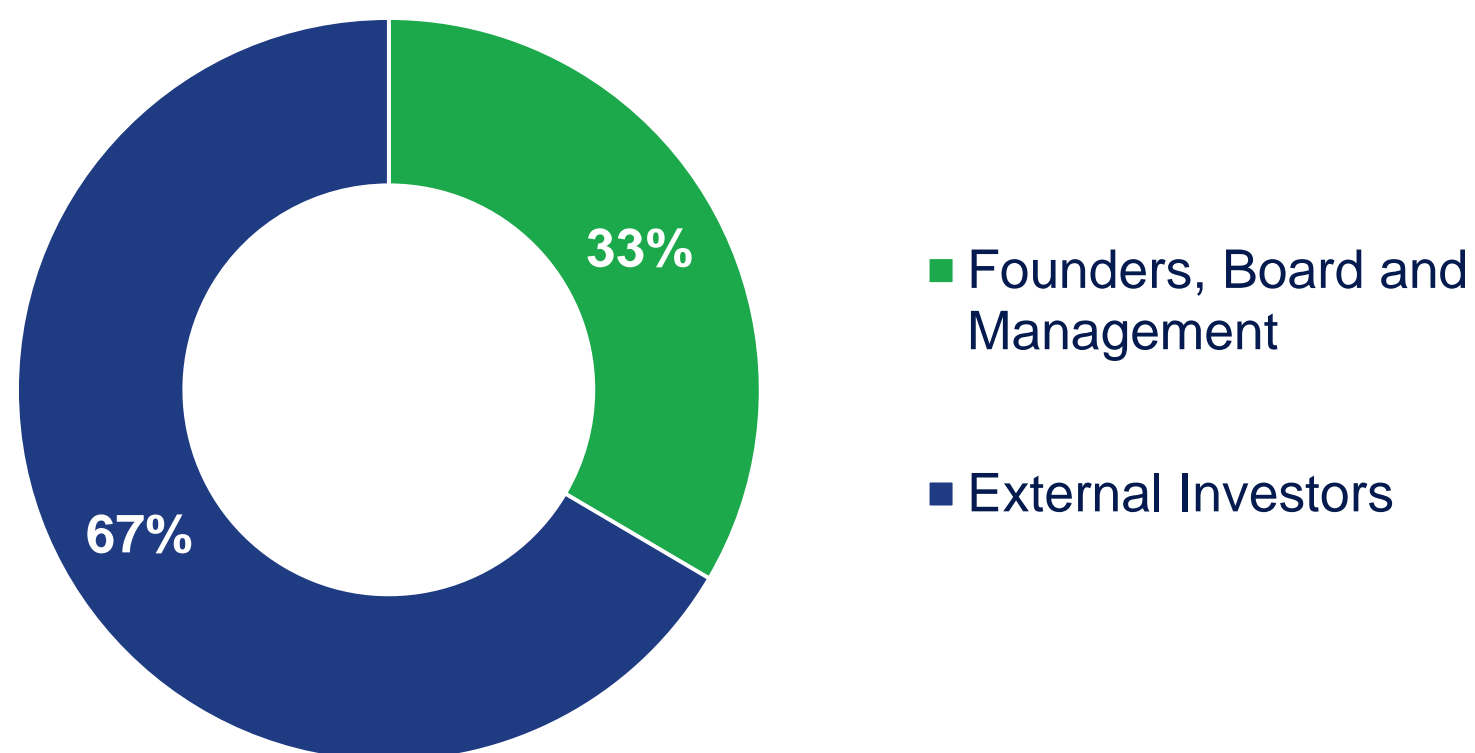
(3) Excludes old-gen hardware from reported 2.5 EH/s.

# Appendix



# Iris Energy shareholder register

Shareholder	#m shares <sup>(1)</sup>	% held
1 Founders, Board and Management	16	33%
2 External Investors	33	67%
<b>Total (estimated diluted shares outstanding)</b>	<b>49</b>	<b>100%</b>



## Founders, Board and Management

- Directors
- Senior Management
- Daniel & Will Roberts (Iris Energy co-founders)
- Brian Fehr & Brian Fry (PodTech co-founders, acquired by Iris Energy in 2019)

## External Investors

- Platinum Asset Management
- Regal Funds Management
- Wilson Asset Management
- Thorney Investment Group
- OC Funds
- Other institutions, family offices and HNW individuals

(1) Reflects a one-for-five reverse share split of the Company's shares, which was effected on 4 November 2021. Assumes conversion of existing SAFE instruments issued in October 2020 at A\$3.50 per share, convertible notes issued in January 2021 at A\$3.50 per share, convertible notes issued in April 2021 at A\$11.75 per share and convertible notes issued in October 2021 at US\$19.50 per share (at an indicative conversion date of 16 November 2021, assuming an IPO price of US\$26 per share, the midpoint of the estimated price range set forth on the cover of the prospectus dated 9 November 2021). These conversion prices are indicative only and will ultimately depend on the actual IPO price (and for the convertible notes issued in October 2021, the 30-day average Bitcoin price up to the date immediately preceding the effective date for the Company's registration statement. Interest accrues daily on the face value of the existing convertible notes and as such, the actual number of shares issued on conversion will depend on the date of conversion (and may differ to the number of shares outstanding shown above). Estimated diluted shares outstanding also includes in-the-money options issued to founders, Board and management.

# Adjusted EBITDA reconciliation

Year ended 30 June 2021	A\$	US\$
Bitcoin Mining Revenue	10,432	7,820
Loss after income tax expense	(80,533)	(60,365)
Add / (deduct) the following:		
Finance expense	81,524	61,110
Interest income	(8)	(6)
Depreciation and amortization	1,677	1,257
Income tax expense	1,653	1,239
<b>EBITDA</b>	<b>4,313</b>	<b>3,236</b>
Add / (deduct) the following:		
Share-based payments expense	1,063	797
<b>ADJUSTED EBITDA</b>	<b>5,376</b>	<b>4,033</b>
<b>ADJUSTED EBITDA MARGIN <sup>(1)</sup></b>	<b>52%</b>	<b>52%</b>

**Iris** Energy

**Thank You**  
**for Your Attention!**

