



Cipher Mining

November 2021



Cipher Mining

Summary

- Recently completed listing on Nasdaq with ticker CIFR – raised net proceeds of \$391 million
- Currently executing strategy to develop and deploy five data centers where bitcoin production is expected to ramp up significantly throughout the course of 2022
- Long-term competitive advantages compared to other miners:
 - 5-year+ power purchase agreements with compelling weighted average power price of 2.72 c / kWh
 - Purchase agreements executed for mining rigs capable of generating up to 19.5 EH/s scheduled to be delivered in 2022
 - Long-term agreement with the experienced team at Bitfury for operational services and equipment

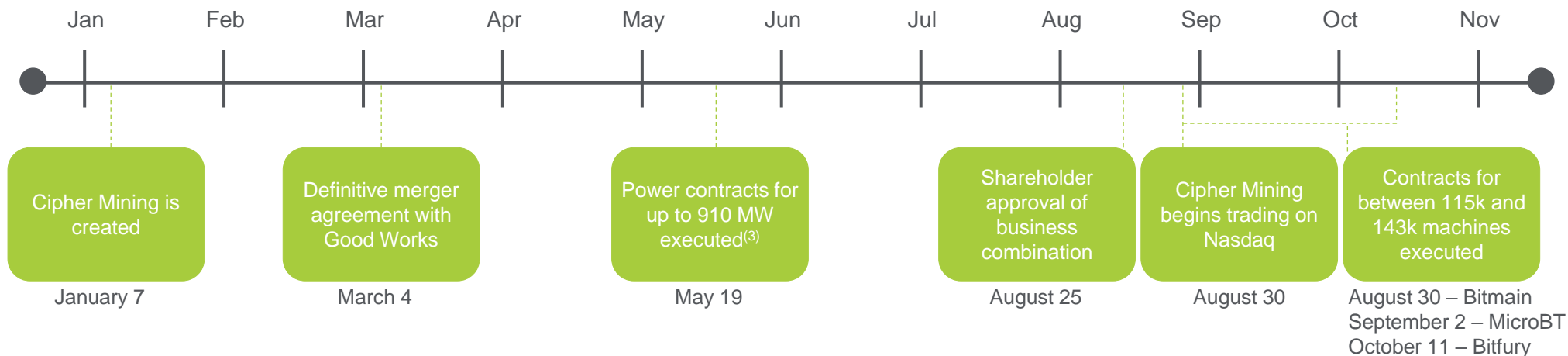
Cipher Mining's Busy First Year in Context



Bitcoin 2021 YTD Price Timeline



Cipher Mining 2021 YTD Timeline



Source: Cipher Mining management

⁽¹⁾ Represents 2021 YTD average USD market price across major Bitcoin exchanges, as of November 3, 2021, per Blockchain.com

⁽²⁾ Per Global Times article dated June 20, 2021

⁽³⁾ Represents an expected total under current contractual arrangements through December 31, 2026



Requirements for a successful large scale BTC miner

Capital



- ✓ Nasdaq Global listed company
- ✓ Potential for a wide variety of future financing structures

Power



- ✓ Up to 910+ MW with current providers and 5+ year contracts
- ✓ Robust pipeline of potential future deals
- ✓ Scalability of the “Turnkey JV” for energy partners

Equipment



- ✓ 7-year MSSA with Bitfury with ROFR and MFN pricing
- ✓ Executed machine contracts with Bitmain, MicroBT and Bitfury

Operational Expertise

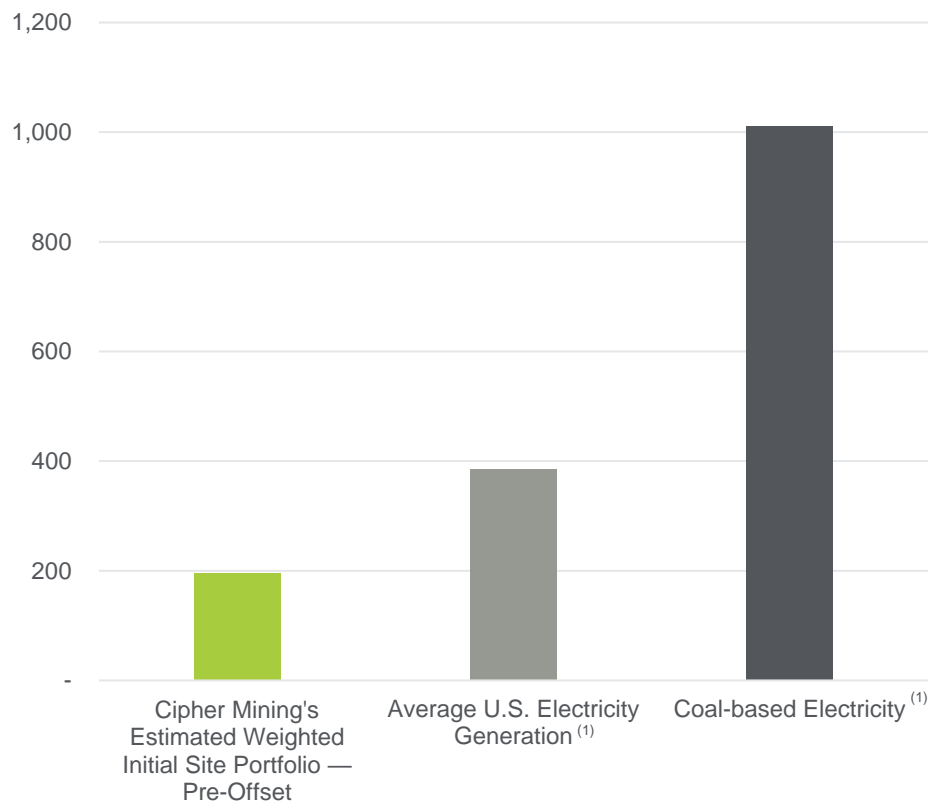


- ✓ 7-year MSSA with Bitfury
- ✓ Cipher's best-in-class operating model

 **Cipher Mining**



Carbon Emissions per MWh
(kg-CO₂ / MWh)



Key Points

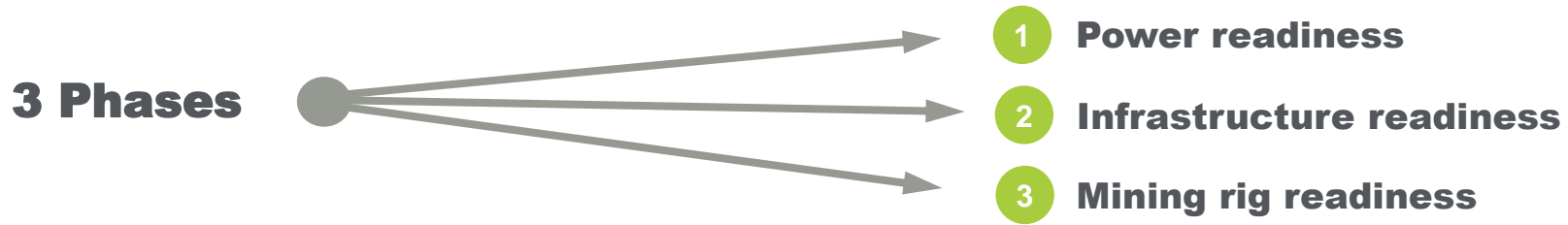
- No purchase agreements with coal-fired power generation facilities
- Preference for renewable or nuclear sources of power
- Measure and report CO₂ emissions
- Target carbon neutrality in mining operations by 2023

Source: Cipher Mining management

⁽¹⁾ U.S. Energy Information Administration Data for 2020

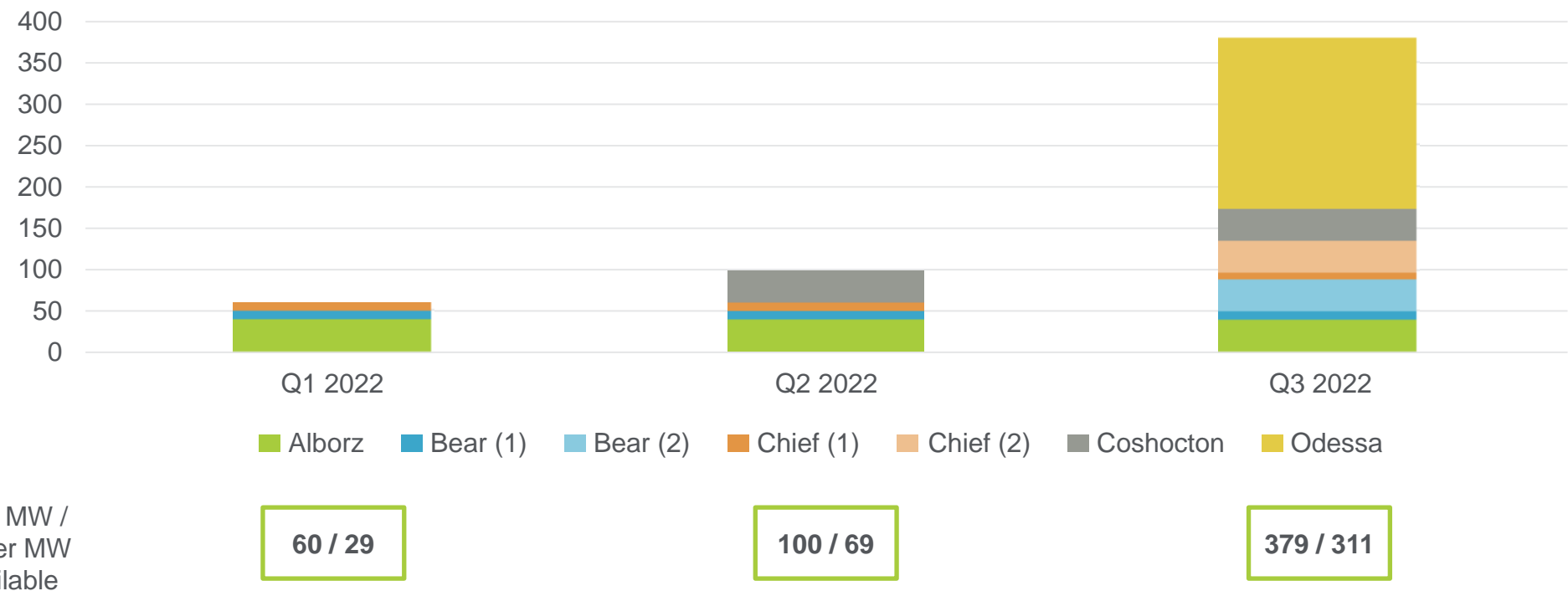


Implementation Plan & Strategy



Power & Infrastructure Readiness by Quarter

Total MWs Capacity Currently Under Development



Source: Cipher Mining management

Implementation – Power and Infrastructure Readiness



Source: Cipher Mining management

Implementation – Power and Infrastructure Readiness



Source: Cipher Mining management



Source: Cipher Mining management

Implementation – Power and Infrastructure Readiness



Source: Cipher Mining management

Implementation – Power and Infrastructure Readiness



Source: Cipher Mining management

Implementation – Power and Infrastructure Readiness



Note: This site is operated by Bitfury and is not owned by Cipher Mining. It is intended solely to give a visual representation of a completed site.

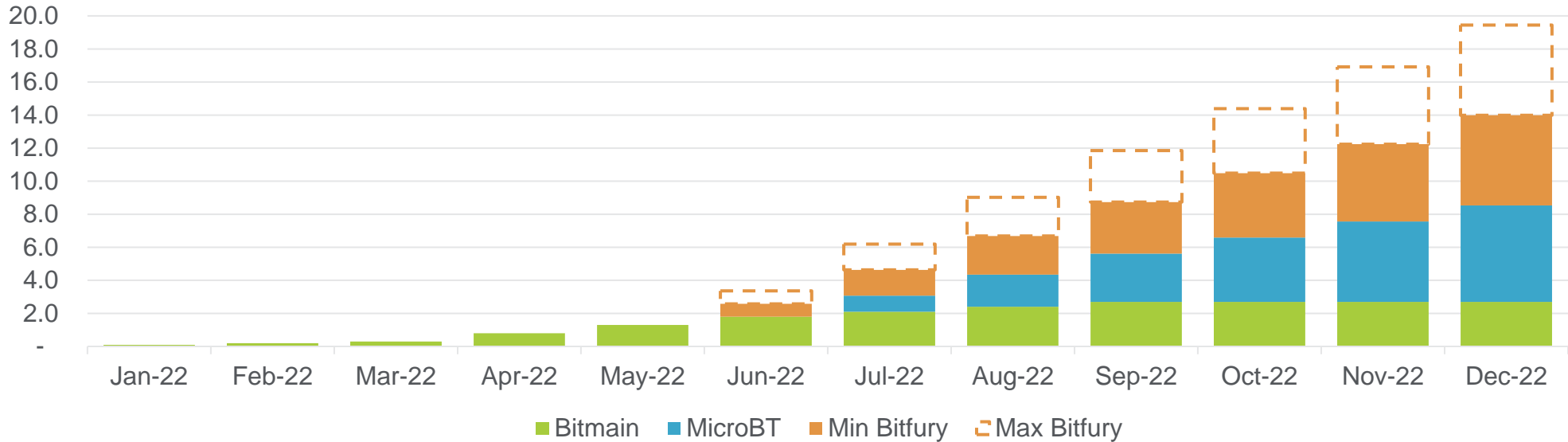
Implementation – Mining Rig Delivery



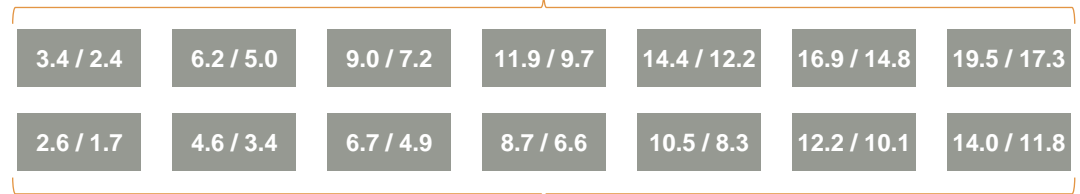
- Philosophy of mining rig purchases → Maintain **price discipline** based on \$ / TH framework
- \$38.58 anticipated weighted average cost for mining rigs (\$ / TH)
- Rely on **long-term** competitive advantages

Machine Delivery Schedule by Month

Total Hash Rate (EH/s)

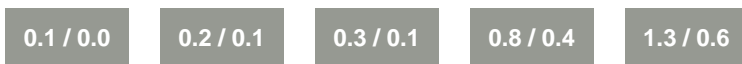


Max Bitfury machine order



Min Bitfury machine order

Total HR /
Cipher HR
Available





\$38.58

Anticipated Weighted Average Cost for Mining Rigs (\$ / TH)

33.2

Weighted Average Mining Rig Efficiency (J / TH)

2.72c

Weighted Average Power Price⁽¹⁾ (c / kWh)

~\$450k

Anticipated Infrastructure Capex Costs per MW⁽²⁾ (\$)



Consolidated Balance Sheets

	<u>September 30, 2021</u>	<u>January 31, 2021</u>
	<u>(Unaudited)</u>	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 282,276,578	\$ -
Prepaid expenses	15,348,809	-
Total current assets	297,625,387	-
Property and equipment, net	130,451	1,637
Deposits on equipment	74,345,874	-
Deferred offering costs	-	171,450
Deferred investment costs	174,250	-
Security deposits	9,381,172	-
Total assets	<u>\$ 381,657,134</u>	<u>\$ 173,087</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Accounts payable	\$ 127,878	\$ 1,919
Accrued legal costs	1,202,293	171,450
Accrued expenses	76,923	3,198
Warrant liability	271,320	-
Total current liabilities	1,678,414	176,567
Total liabilities	1,678,414	176,567
Commitments and contingencies (Note 9)		
Stockholders' equity (deficit)		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized, none issued and outstanding as of September 30, 2021 and January 31, 2021	-	-
Common stock, \$0.001 par value, 500,000,000 shares authorized, 246,381,119 shares issued and outstanding as of September 30, 2021 and 200,000,000 shares subscribed as of January 31, 2021	246,381	200,000
Subscription receivable	(1,690,351)	(5)
Additional paid-in capital	384,508,122	(199,995)
Accumulated deficit	(3,085,432)	(3,480)
Total stockholders' equity (deficit)	379,978,720	(3,480)
Total liabilities and stockholders' equity (deficit)	<u>\$ 381,657,134</u>	<u>\$ 173,087</u>



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Appendix

Consolidated Statement of Operations



	Three Months Ended September 30, 2021	Eight Months Ended September 30, 2021
Costs and expenses		
General and administrative	\$ 2,282,256	\$ 2,941,700
Depreciation	891	1,423
Total costs and expenses	<u>2,283,147</u>	<u>2,943,123</u>
Operating loss	<u>(2,283,147)</u>	<u>(2,943,123)</u>
Other expense		
Interest income	775	775
Interest expense	(26,119)	(26,912)
Change in fair value of warrant liability	(112,692)	(112,692)
Total other expense	<u>(138,036)</u>	<u>(138,829)</u>
Net loss	<u>\$ (2,421,183)</u>	<u>\$ (3,081,952)</u>
Basic and diluted net loss per share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Basic and diluted weighted average number of shares outstanding	<u>217,644,991</u>	<u>206,708,013</u>

Consolidated Statements of Changes in Stockholders' Equity (Deficit)



Three Months Ended September 30, 2021

	Common Stock		Subscription Receivable	Additional Paid-in Capital	Accumulated deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount				
Balance as of June 30, 2021	500	\$ 1	\$ -	\$ 4	\$ (664,249)	\$ (664,244)
Retroactive application of recapitalization	199,999,500	199,999	-	(199,999)	-	-
Balance as of June 30, 2021, after effect of reverse acquisition	200,000,000	200,000	-	(199,995)	(664,249)	(664,244)
Business Combination, net of redemptions and equity issuance costs of \$41.0 million	46,381,119	46,381	(1,690,351)	384,708,117	-	383,064,147
Net loss	-	-	-	-	(2,421,183)	(2,421,183)
Balance as of September 30, 2021	<u>246,381,119</u>	<u>\$ 246,381</u>	<u>\$ (1,690,351)</u>	<u>\$ 384,508,122</u>	<u>\$ (3,085,432)</u>	<u>\$ 379,978,720</u>

Eight Months Ended September 30, 2021

	Common Stock		Subscription Receivable	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount				
Balance as of January 31, 2021, as previously reported	500	1	\$ (5)	\$ 4	\$ (3,480)	\$ (3,480)
Retroactive application of recapitalization	199,999,500	199,999	-	(199,999)	-	-
Balance as of January 31, 2021, after effect of reverse acquisition	200,000,000	200,000	(5)	(199,995)	(3,480)	(3,480)
Cash received for common stock subscribed	-	-	5	-	-	5
Business Combination, net of redemptions and equity issuance costs of \$41.0 million	46,381,119	46,381	(1,690,351)	384,708,117	-	383,064,147
Net loss	-	-	-	-	(3,081,952)	(3,081,952)
Balance as of September 30, 2021	<u>246,381,119</u>	<u>\$ 246,381</u>	<u>\$ (1,690,351)</u>	<u>\$ 384,508,122</u>	<u>\$ (3,085,432)</u>	<u>\$ 379,978,720</u>

Consolidated Statement of Cash Flows



	Eight Months Ended September 30, 2021
Cash flows from operating activities	
Net loss	\$ (3,081,952)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	1,423
Change in fair value of warrant liability	112,692
Changes in assets and liabilities:	
Prepaid expenses	(14,915,623)
Security deposits	(9,381,172)
Accounts payable	86,986
Accrued legal costs	3,600
Accrued expenses	73,725
Net cash used in operating activities	<u>(27,100,321)</u>
Cash flows from investing activities	
Deposits on equipment	(74,345,874)
Purchases of property and equipment	(130,237)
Net cash used in investing activities	<u>(74,476,111)</u>
Cash flows from financing activities	
Proceeds from borrowings on related party loan	7,038,038
Repayments under related party loan	(7,038,038)
Proceeds from the issuance of common stock	5
Business Combination, net of issuance costs paid	383,853,005
Net cash provided by financing activities	<u>383,853,010</u>
Net increase in cash and cash equivalents	282,276,578
Cash and cash equivalents, beginning of the period	-
Cash and cash equivalents, end of the period	<u>\$ 282,276,578</u>
Supplemental disclosure of cash flow information	
Cash paid for interest	\$ 89
Cash paid for income taxes, net	\$ -
Supplemental disclosure of noncash investing and financing activities	
Business Combination costs included in accrued legal costs	\$ 1,024,443
Business Combination costs included in accounts payable	\$ 38,973
Net assets assumed from GWAC in the Business Combination	\$ 433,186
Non-cash fair value of private warrants	\$ 261,060
Deferred investment costs included in accrued legal costs	\$ 174,250



Cipher Mining

November 2021
