

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 12, 2021

CIPHER MINING INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-39625
(Commission File Number)

85-1614529
(IRS Employer
Identification No.)

222 Purchase Street, Suite #290
Rye, New York
(Address of Principal Executive Offices)

10580
(Zip Code)

Registrant's Telephone Number, Including Area Code: (914) 370-8006

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|------------------------------|--|
| Common Stock, par value \$.001 per share | CIFR | The Nasdaq Stock Market LLC |
| Warrants, each whole warrant exercisable for one share of Common Stock at an exercise price of \$11.50 per whole share | CIFRW | The Nasdaq Stock Market LLC |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On November 12, 2021, Cipher Mining, Inc. (the “Company”) announced its results for the three and nine months ended September 30, 2021. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Item 7.01 Regulation FD Disclosure.

On November 12, 2021, the Company posted a Presentation to its website at <https://investors.ciphermining.com> (the “Presentation”). A copy of the Presentation is furnished as Exhibit 99.2 to this Current Report on Form 8-K. The Company expects to use the Presentation, in whole or in part, and possibly with modifications, in connection with the earnings call with investors, analysts and others.

The information contained in the Presentation is summary information that is intended to be considered in the context of the Company’s Securities and Exchange Commission (“SEC”) filings and other public announcements that the Company may make, by press release or otherwise, from time to time. The Presentation speaks only as of the date of this Current Report on Form 8-K. The Company undertakes no duty or obligation to publicly update or revise the information contained in the Presentation, although it may do so from time to time. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure. In addition, the exhibit furnished herewith contains statements intended as “forward-looking statements” that are subject to the cautionary statements about forward-looking statements set forth in such exhibit. By furnishing the information contained in the Presentation, the Company makes no admission as to the materiality of any information in the Presentation that is required to be disclosed solely by reason of Regulation FD.

The information in Item 7.01 and 2.02 of this Current Report on Form 8-K (including Exhibits 99.1 and 99.2 attached hereto) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly provided by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits related to Item 2.02 shall be deemed to be furnished, and not filed:

| Exhibit Number | Description |
|-----------------------|---|
| 99.1 | Press Release of the Company, dated November 12, 2021 |
| 99.2 | Presentation of the Company, dated November 12, 2021 |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Cipher Mining Inc.

Date: November 12, 2021

By: _____
/s/ Tyler Page
Tyler Page
Chief Executive Officer

Cipher Mining Provides Third Quarter 2021 Business Update

Completed Listing on Nasdaq (CIFR), Raising Net Proceeds of \$391 Million

Executing Plan to Develop and Deploy Five Bitcoin Mining Data Centers in 2022

Entered Five Year+ Power Purchase Agreements at Compelling Avg. Price of 2.72 cents per kWh

Signed Purchase Agreements for Mining Rigs Capable of up to 19.5 Exahash per Second

NEW YORK—November 12, 2021—Cipher Mining, Inc. (NASDAQ: CIFR) (“Cipher” or the “Company”), a U.S.-based Bitcoin mining company, today announced results for its third quarter ended September 30, 2021 with an update on its operational implementation plan and strategy.

“As a newly formed public company, I am proud to say we are making great strides in putting in place the essential building blocks for a premier North American Bitcoin mining enterprise,” said Tyler Page, CEO of Cipher. “We have made tremendous progress deploying our new capital in a disciplined manner and, in just a few short months, plan to begin strengthening Bitcoin’s critical network infrastructure. In addition to our low-cost power purchase agreements, we have a delivery timeline for highly efficient mining rigs, and our site development is well underway here in the United States. As we respond to market dynamics and continue to exercise cost discipline, we remain laser-focused on our execution milestones and preparing the equipment to begin mining in the first quarter of 2022, with a significant ramp-up anticipated for the second half of the year.”

Third Quarter 2021 Business Highlights

- Became a publicly listed company on Nasdaq, effective August 30, 2021, raising net proceeds of \$391 million.
- Executed power agreements for up to 910 megawatts at a weighted average power price of approximately 2.72 cents per kWh.
- Entered into machine contracts for a potential total of between 115,000 and 143,000 Bitcoin mining rigs capable of generating an aggregate hashrate of up to 19.5 EH/s.
- Mining rig delivery is expected to begin in 2022. The weighted average cost for mining rigs is expected to be approximately \$38.58 per terahash, and the weighted average mining efficiency is anticipated to be approximately 33.2 joules per terahash.
- Began executing strategy to develop and deploy five data centers where Bitcoin mining is expected to begin in early 2022 and ramp up significantly during the second half of 2022.

Business Update Call and Webcast

Cipher will host a conference call and webcast today at 8:00 a.m. Eastern Time. The live webcast and a webcast replay of the conference call can be accessed from the investor relations page of Cipher’s website at <https://investors.ciphermining.com>. To access this conference call, dial (844) 689-1757 or (929) 517-0940 and use the conference ID 2759838.

About Cipher

Cipher is an industrial-scale Bitcoin mining company dedicated to expanding and strengthening the Bitcoin network's critical infrastructure. Its goal is to be the leading Bitcoin mining company in the United States. Cipher aims to leverage its best-in-class technology, market-leading power purchase arrangements, and a seasoned, dedicated senior management team to become the market leader in Bitcoin mining. To learn more about Cipher, please visit <https://www.ciphermining.com/>.

Forward Looking Statements

This press release contains certain forward-looking statements within the meaning of the federal securities laws of the U.S. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of complying with these safe harbor provisions. Any statements made in this press release or during the business update conference call that are not statements of historical fact, including statements about our beliefs and expectations regarding our performance, strategy, expansion plans, future operations, future operating results, projected costs, prospects, plans, and objectives of our management, are forward-looking statements and should be evaluated as such. Forward-looking statements include information concerning possible or assumed future results of operations, including descriptions of our business plan and strategies. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "forecast," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions (including the negative versions of such words or expressions).

These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by Cipher and its management, are inherently uncertain. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward looking statements. New risks and uncertainties may emerge from time to time, and it is not possible to predict all risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this document, including but not limited to: volatility in the price of Cipher's securities due to a variety of factors, including changes in the competitive and regulated industry in which Cipher operates, variations in performance across competitors, changes in laws and regulations affecting Cipher's business, and the ability to implement business plans, forecasts, and other expectations and to identify and realize additional opportunities. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the "Risk Factors" section of our Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission ("SEC") on November 12, 2021 and in Cipher's subsequent filings with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and Cipher assumes no obligation and, except as required by law, does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise.

Contacts:

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cipher@blueshirtgroup.com

Media Contact:

Ryan Dicoivitsky / Kendal Till
Dukas Linden Public Relations
CipherMining@DLPR.com

CIPHER MINING INC.
CONDENSED 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 | <u>297,625,387</u> | <u>-</u> |
| 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 |
| Total current liabilities | <u>1,407,094</u> | <u>176,567</u> |
| Warrant liability | 271,320 | - |
| Total liabilities | <u>1,678,414</u> | <u>176,567</u> |
| Commitments and contingencies | | |
| 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 authorized and 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) | <u>379,978,720</u> | <u>(3,480)</u> |
| Total liabilities and stockholders' equity (deficit) | <u>\$ 381,657,134</u> | <u>\$ 173,087</u> |

CIPHER MINING INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

| | 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> |

CIPHER MINING INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

| | | 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 | | (27,100,321) |
| Cash flows from investing activities | | |
| Deposits on equipment | | (74,345,874) |
| Purchases of property and equipment | | (130,237) |
| Net cash used in investing activities | | (74,476,111) |
| 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 | | 383,853,010 |
| 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 | \$ | 282,276,578 |
| 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 |

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Cipher Mining

November 2021



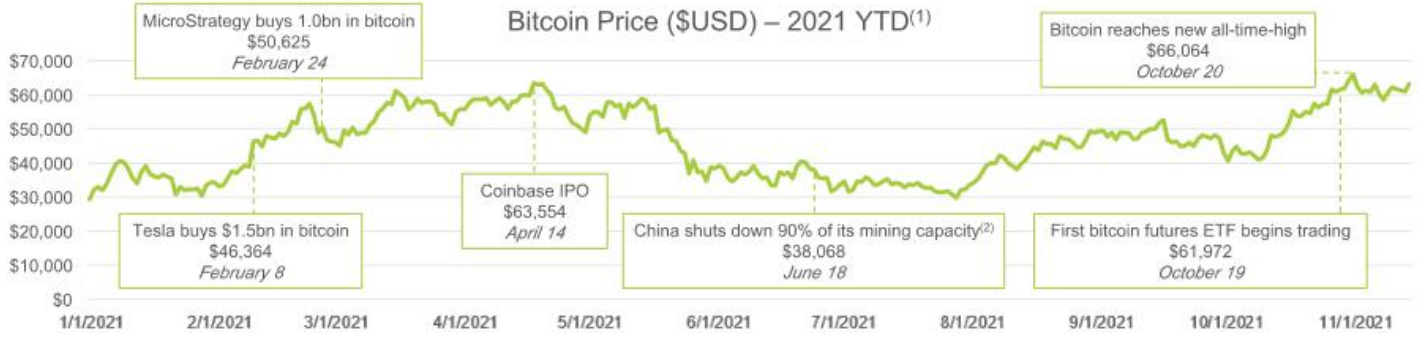
Cipher Mining

Summary

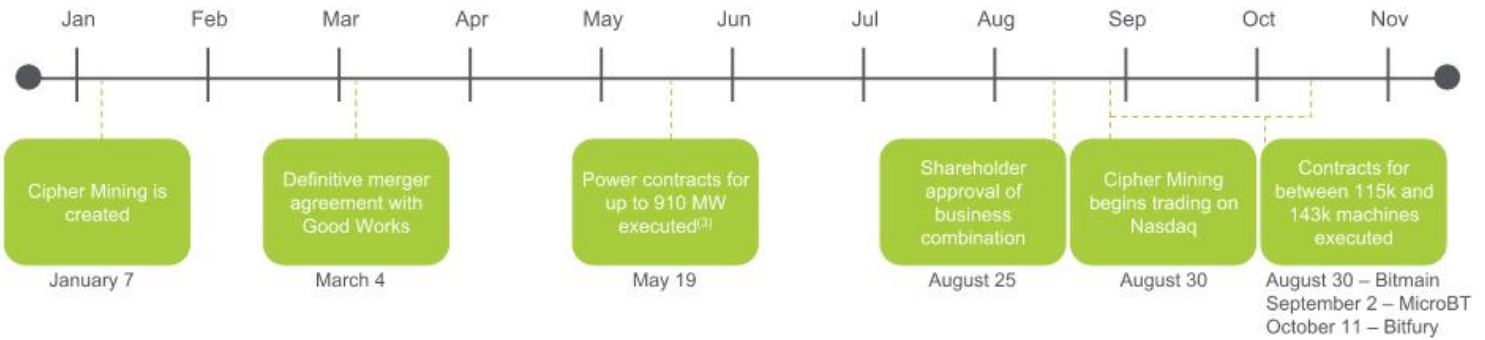
- Recently completed listing on Nasdaq with ticker CIFR – raised net proceeds of \$391 million
- Currently executing strategy to develop and deploy five data centers where bitcoin production is expected to ramp up significantly throughout the course of 2022
- Long-term competitive advantages compared 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



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

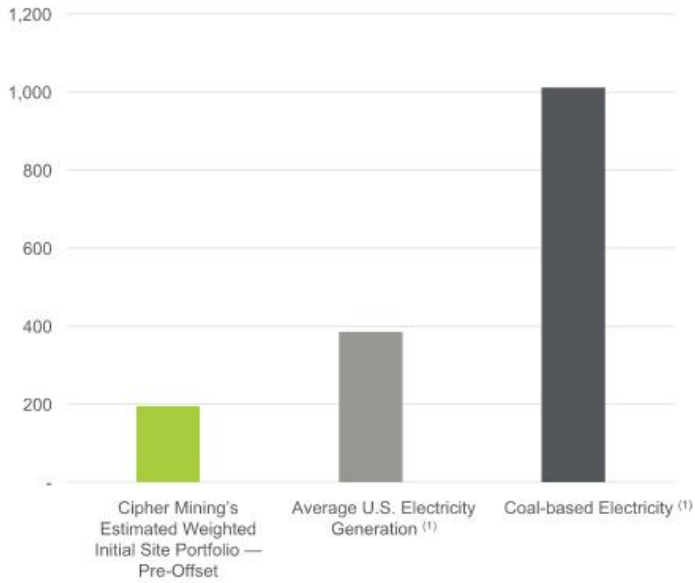
Operational Expertise



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



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

A grayscale image of a wind turbine's nacelle and three blades, set against a dark background. A thin yellow horizontal line is positioned above the main title.

Implementation Plan & Strategy





Power & Infrastructure Readiness by Quarter

Total MWs Capacity Currently Under Development



Source: Cipher Mining management





Source: Cipher Mining management



Source: Cipher Mining management



Source: Cipher Mining management



Source: Cipher Mining management



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

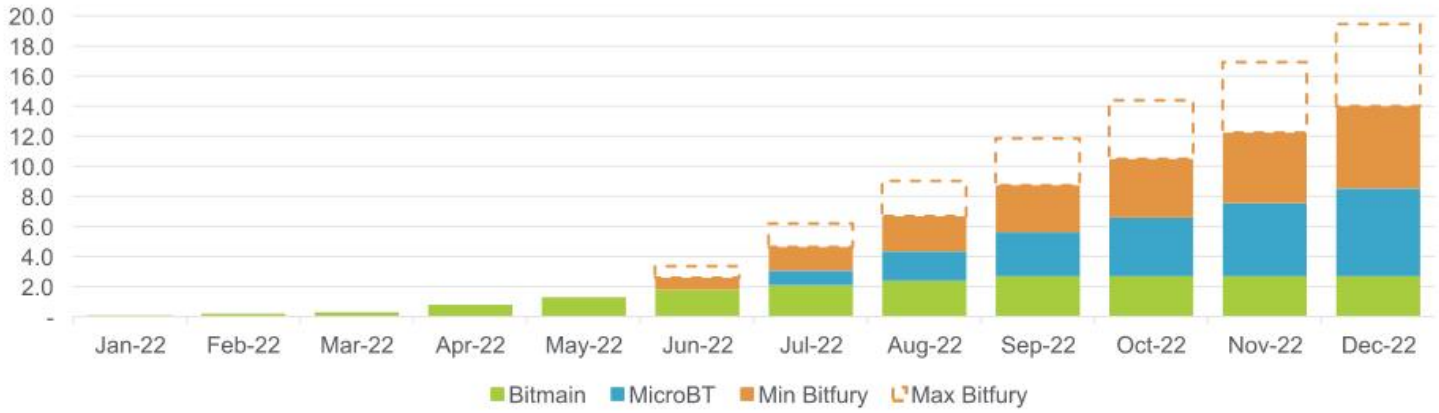
Implementation – Mining Rig Delivery



- 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)



Source: Cipher Mining management



\$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⁾ (\$)

Source: Cipher Mining management

⁽¹⁾ Represents the expected weighted average power price across sites currently under development

⁽²⁾ Preliminary estimate of non-miner infrastructure capex based on the current market environment (subject to change)



| | September 30, 2021 (Unaudited) | January 31, 2021 |
|---|-----------------------------------|-------------------|
| 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 | <u>1,678,414</u> | <u>176,567</u> |
| 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) | <u>379,978,720</u> | <u>(3,480)</u> |
| Total liabilities and stockholders' equity (deficit) | <u>\$ 381,657,134</u> | <u>\$ 173,087</u> |

Source: Cipher Mining management



- This presentation has been prepared by Cipher Mining Inc. and is made for informational purposes only. The information set forth herein does not purport to be complete or to contain all of the information you may desire. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor.
- Statements contained herein are made as of the date of this presentation unless stated otherwise, and this presentation shall not under any circumstances create an implication that the information contained herein is correct as of any time after such date or that information will be updated or revised to reflect information that subsequently becomes available or changes occurring after the date hereof. You should read the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2021 and the other documents that the Company has filed with the SEC for more information about the Company. You can obtain these documents for free by visiting EDGAR on the SEC website at www.sec.gov or on our website at <https://investors.ciphermining.com/financial-information/sec-filings>.
- This presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such state or jurisdiction. This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of complying with these safe harbor provisions. Any statements made in this presentation that are not statements of historical fact, including statements about the Company's beliefs and expectations, are forward-looking statements and should be evaluated as such. Forward-looking statements include information concerning possible or assumed future results of operations, including descriptions of our business plan and strategies. These statements often include words such as "anticipate," "expect," "suggests," "plan," "believe," "intend," "estimates," "targets," "projects," "should," "could," "would," "may," "will," "forecast," "outlook," "guidance" and other similar expressions. The Company bases these forward-looking statements on its current expectations, plans and assumptions that the Company has made in light of its experience in the industry, as well as its perceptions of historical trends, current conditions, expected future developments and other factors the Company believes are appropriate under the circumstances at such time. As you read and consider this presentation, you should understand that these statements are not guarantees of future performance or results. The forward-looking statements are subject to and involve risks, uncertainties and assumptions, and you should not place undue reliance on these forward-looking statements. Although the Company believes that these forward-looking statements are based on reasonable assumptions at the time they are made, you should be aware that many factors could affect the Company's actual results or results of operations and could cause actual results to differ materially from those expressed in the forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. All future written and oral forward-looking statements made in connection with this presentation attributable to the Company or persons acting on the Company's behalf are expressly qualified in their entirety by this paragraph.
- The contents and appearance of this presentation is copyrighted and the trademarks and service marks are owned by Cipher Mining, Inc. All rights reserved.



Appendix





| | 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 | 2,283,147 | 2,943,123 |
| Operating loss | (2,283,147) | (2,943,123) |
| 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 | (138,036) | (138,829) |
| Net loss | \$ (2,421,183) | \$ (3,081,952) |
| Basic and diluted net loss per share | \$ (0.01) | \$ (0.01) |
| Basic and diluted weighted average number of shares outstanding | 217,644,991 | 206,708,013 |

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> |

Source: Cipher Mining management

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 | (27,100,321) |
| Cash flows from investing activities | |
| Deposits on equipment | (74,345,874) |
| Purchases of property and equipment | (130,237) |
| Net cash used in investing activities | (74,476,111) |
| 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 | 383,853,010 |
| 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 | \$ 282,276,578 |
| 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 |

Source: Cipher Mining management



Cipher Mining

November 2021
