

**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): August 9, 2022**

**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.)

**1 Vanderbilt Avenue**  
**Floor 54, Suite C**  
**New York, New York**  
(Address of Principal Executive Offices)

**10017**  
(Zip Code)

**Registrant's Telephone Number, Including Area Code: (332) 262-2300**

**N/A**  
(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:

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
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 August 9, 2022, Cipher Mining, Inc. (the "Company") announced its results for the three and six months ended June 30, 2022. 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 (the "Report").

**Item 7.01 Regulation FD Disclosure.**

On August 9, 2022, 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 Report. 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 Report. 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 Items 2.02 and 7.01 of this Report (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 and Item 7.01 shall be deemed to be furnished, and not filed:

<u>Exhibit Number</u>	<u>Description</u>
99.1	<a href="#">Press Release of the Company, dated August 9, 2022</a>
99.2	<a href="#">Presentation of the Company, dated August 9, 2022</a>
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: August 9, 2022

By: \_\_\_\_\_ /s/ Tyler Page  
**Tyler Page**  
**Chief Executive Officer**

**Cipher Mining Provides Second Quarter 2022 Business Update***First of Four Initial Data Centers Completed**Three Additional Data Centers on Track for Deployment this Year**Power and Machine Contract Cost Discipline Provides Flexible and Resilient Business Model*

NEW YORK—August 9, 2022—Cipher Mining Inc. (NASDAQ: CIPR) ("Cipher" or the "Company"), a U.S.-based bitcoin mining company, today announced results for its second quarter ending June 30, 2022, along with an update on its operations and deployment strategy.

"We are pleased to announce another quarter of successfully meeting our significant build-out milestones. We completed our Alborz data center, mining rigs are en route to finalize the initial phases of the Bear and Chief data centers, and our 205 megawatt facility at Odessa is scheduled to deploy over the remainder of 2022," said Tyler Page, CEO of Cipher. "Against challenging cryptocurrency market conditions, our attractive bitcoin mining unit economics uniquely position us to move ahead successfully with our plans to become the world's most efficient U.S.-based, large-scale bitcoin miner."

**Operations Updates**

- Cipher's initial data centers are on track and continue to reach major milestones:
    - Alborz: All mining rigs have been installed at this 40 MW wind-powered site with Cipher's joint venture partner, producing up to 1.3 EH/s;
    - Bear and Chief: All mining rigs are en route to these two sites, which will have a total initial capacity of 20MW, expected to produce up to 0.6 EH/s; and
    - Odessa: Initial mining rigs are shipping soon to this 205 MW site, and Cipher anticipates ramping up production throughout the rest of the year.
  - Across the four initial data centers, Cipher remains on track to deploy up to 6.9 EH/s by early 2023, with a highly efficient machine fleet, averaging 32.1 J/TH, and purchased at an average price of \$34.96/TH/s.
  - The weighted average power price at the company's sites currently under contract is approximately 2.73 c/kWh.
  - The company has sufficient capital to complete the non-rig infrastructure buildout at all of its initial data centers, and no debt obligations other than its share of an equipment finance facility at its Alborz joint venture of approximately \$11 million.
  - Cipher's best-in-class team now consists of 20 senior members, with a wide range of skills and experience, drawn from industry leaders in crypto, finance, energy, operations, data science, and technology fields, who oversee approximately 180 contractors at its data center sites.
  - Cipher's data science team is working to optimize efficiency at our sites with predictive wind models developed using machine learning.
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## **Business Update Call and Webcast**

Cipher will host a conference call and webcast today at 8:00 a.m. Eastern Time to discuss the second quarter results for 2022 and management's outlook for future financial and operational performance. 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 (800) 715-9871 or (646) 307-1963 and use the conference ID 9118892.

## **About Cipher**

Cipher is an emerging technology company focused on the development and operation of bitcoin mining data centers in the United States. Cipher is dedicated to expanding and strengthening the Bitcoin network's critical infrastructure. Together with its diversely talented team and strategic partnerships, Cipher aims to be a market leader in bitcoin mining growth and innovation. 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

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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 Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 4, 2022, the "Risk Factors" section of our Quarterly Report on Form 10-Q filed with the SEC on May 10, 2022 and in Cipher's subsequent filings with the SEC including Cipher's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission ("SEC") on August 9, 2022. 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 MINING INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands except for share and per share amounts)

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
	(unaudited)	
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 37,042	\$ 209,841
Receivables, related party	467	-
Prepaid expenses and other current assets	9,554	13,819
Cryptocurrencies	787	-
Total current assets	47,850	223,660
Deposits on equipment	196,707	114,857
Property and equipment, net	23,637	5,124
Security deposits	11,417	10,352
Investment in equity investee	56,828	-
Right-of-use asset	5,512	-
Deferred investment costs	-	174
Total assets	\$ 341,951	\$ 354,167
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 4,739	\$ 242
Accounts payable, related party	12,038	-
Operating lease liability, current portion	975	-
Accrued expenses	5,811	257
Total current liabilities	23,563	499
Operating lease liability, net of current portion	5,023	-
Warrant liability	26	137
Total liabilities	28,612	636
Commitments and contingencies		
<b>Stockholders' equity</b>		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized, none issued and outstanding as of June 30, 2022 and December 31, 2021	-	-
Common stock, \$0.001 par value, 500,000,000 shares authorized, 251,001,072 and 252,131,679 shares issued as of June 30, 2022 and December 31, 2021, respectively, and 247,489,582 and 249,279,420 shares outstanding as of June 30, 2022 and December 31, 2021, respectively	251	252
Additional paid-in capital	431,966	425,438
Treasury stock, at par, 3,511,490 and 2,852,259 shares at June 30, 2022 and December 31, 2021, respectively	(4)	(3)
Accumulated deficit	(118,874)	(72,156)
Total stockholders' equity	313,339	353,531
Total liabilities and stockholders' equity	\$ 341,951	\$ 354,167

**CIPHER MINING INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands except for share and per share amounts)  
(unaudited)

	Three Months Ended		Six Months Ended		Five Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Costs and expenses</b>						
General and administrative	\$ 16,704	\$ 546	\$ 34,094	\$ 659		
Depreciation	8	1	15	1		
Impairment of cryptocurrencies	535	-	539	-		
Equity in loss of equity investment	12,079	-	12,232	-		
Total costs and expenses	29,326	547	46,880	660		
Operating loss	(29,326)	(547)	(46,880)	(660)		
<b>Other income (expense)</b>						
Interest income	44	-	51	-		
Interest expense	-	(1)	-	(1)		
Change in fair value of warrant liability	63	-	111	-		
Total other income (expense)	107	(1)	162	(1)		
Net loss	\$ (29,219)	\$ (548)	\$ (46,718)	\$ (661)		
Basic and diluted net loss per share	\$ (0.12)	\$ -	\$ (0.19)	\$ -		
Basic and diluted weighted average number of shares outstanding	247,730,410	200,000,000	248,945,581	200,000,000		



**CIPHER MINING INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
(in thousands)  
(unaudited)

	Six Months Ended June 30, 2022	Five Months Ended June 30, 2021
<b>Cash flows from operating activities</b>		
Net loss	\$ (46,718)	\$ (661)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	15	-
Amortization of right-of-use assets	347	-
Change in fair value of warrant liability	(111)	-
Share-based compensation	19,578	-
Equity in loss of equity investment	12,232	-
Impairment of cryptocurrencies	539	-
Changes in assets and liabilities:		
Receivables, related party	(467)	-
Prepaid expenses and other current assets	4,134	(18)
Security deposits	(1,065)	(441)
Accounts payable	104	27
Accounts payable, related party	-	44
Accrued expenses	1,209	46
Lease liability	271	-
Net cash used in operating activities	(9,932)	(1,003)
<b>Cash flows from investing activities</b>		
Deposits on equipment	(156,811)	-
Purchases of property and equipment	(13,069)	-
Capital distribution from equity investee	10,065	-
Net cash used in investing activities	(159,815)	-
<b>Cash flows from financing activities</b>		
Repurchase of common shares to pay employee withholding taxes	(3,052)	-
Proceeds from borrowings on related party loan	-	4,300
Payments for deferred offering costs	-	(132)
Net cash (used in) provided by financing activities	(3,052)	4,168
Net (decrease) increase in cash and cash equivalents	(172,799)	3,165
Cash and cash equivalents, beginning of the period	209,841	-
Cash and cash equivalents, end of the period	\$ 37,042	\$ 3,165
<b>Supplemental disclosure of cash flow information</b>		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes, net	\$ -	\$ -
<b>Supplemental disclosure of noncash investing and financing activities</b>		
Equity method investment acquired for non-cash consideration	\$ 75,933	\$ -
Common stock cancelled	\$ 10,000	\$ -
Deposits on equipment in accounts payable, related party	\$ 10,612	\$ -
Right-of-use asset obtained in exchange for operating lease liability	\$ 5,859	\$ -
Investment in equity investee in accrued expenses	\$ 4,345	\$ -
Property and equipment purchases in accounts payable	\$ 4,033	\$ -
Property and equipment purchases in accounts payable, related party	\$ 1,426	\$ 3
Cryptocurrencies received from equity method investment	\$ 1,326	\$ -
Reclassification of deferred investment costs to equity method investment	\$ 174	\$ -
Property and equipment purchases in related party loan	\$ -	\$ 109
Deposits on equipment in accounts payable	\$ 360	\$ -
Deferred offering costs included in accrued expenses	\$ -	\$ 1,791
Deferred offering costs included in accounts payable	\$ -	\$ 20
Deferred investment costs included in accrued expenses	\$ -	\$ 187

## Non-GAAP Financial Measures

The following is a reconciliation of our non-GAAP loss from operations, which excludes the impact of (i) depreciation of fixed assets and (ii) stock compensation expense, to its most directly comparable GAAP measure for the periods indicated:

	Three Months Ended		Six Months Ended	Five Months Ended
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Reconciliation of non-GAAP loss from operations:</b>				
Operating loss	\$ (29,326)	\$ (547)	\$ (46,880)	\$ (660)
Depreciation	8	1	15	1
Stock compensation expense	10,064	-	19,578	-
Non-GAAP loss from operations	<u>\$ (19,254)</u>	<u>\$ (546)</u>	<u>\$ (27,287)</u>	<u>\$ (659)</u>

The following are reconciliations of our non-GAAP net loss and non-GAAP basic and diluted net loss per share, in each case excluding the impact of (i) depreciation of fixed assets (ii) change in fair value of warrant liability and (iii) stock compensation expense, to the most directly comparable GAAP measures for the periods indicated:

	Three Months Ended		Six Months Ended	Five Months Ended
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Reconciliation of non-GAAP net loss:</b>				
Net loss	\$ (29,219)	\$ (548)	\$ (46,718)	\$ (661)
Non-cash adjustments to net loss:				
Depreciation	8	1	15	1
Change in fair value of warrant liability	63	-	111	-
Stock compensation expense	10,064	-	19,578	-
Total non-cash adjustments to net loss	<u>10,135</u>	<u>1</u>	<u>19,704</u>	<u>1</u>
Non-GAAP net loss	<u>\$ (19,084)</u>	<u>\$ (547)</u>	<u>\$ (27,014)</u>	<u>\$ (660)</u>
<b>Reconciliation of non-GAAP basic and diluted net loss per share:</b>				
Basic and diluted net loss per share	\$ (0.12)	\$ -	\$ (0.19)	\$ -
Depreciation of fixed assets (per share)	-	-	-	-
Change in fair value of warrant liability (per share)	-	-	-	-
Stock compensation expense (per share)	0.04	-	0.08	-
Non-GAAP basic and diluted net loss per share	<u>\$ (0.08)</u>	<u>\$ -</u>	<u>\$ (0.11)</u>	<u>\$ -</u>



Cipher Mining

August 2022

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# Cipher Mining

### Highlights

- Continued timely deployment of new bitcoin mining data centers – Alborz completed
  - First 1.3 EH/s deployed, implying mining capacity of up to ~5.7 bitcoin per day<sup>(1)</sup>
- Industry-leading bitcoin mining economics from disciplined pursuit of low-cost structure, and no debt overhang
- Resilient business model for profitability during downturns in bitcoin mining environment

Source: Cipher Mining management

<sup>(1)</sup> Assumes full up-time, network hash rate of 205 EH/s and 900 bitcoins mined per day

# Unique Low-Cost Structure for Large Scale Mining



## Low-Cost

## Cipher Mining

## Scale



~\$34.96 average price per TH/s, with ~32.1 J/TH average efficiency<sup>(1)</sup>



Up to ~6.9 EH/s expected capacity deployment by early 2023



5-year+ PPAs with average power price of ~2.73 c/kWh<sup>(2)</sup>



Multiple relationships with top-tier power companies



~\$450k anticipated infrastructure capex / MW for current sites<sup>(3)</sup>



1<sup>st</sup> of 4 data centers completed with total expected capacity of ~265 MW in early 2023

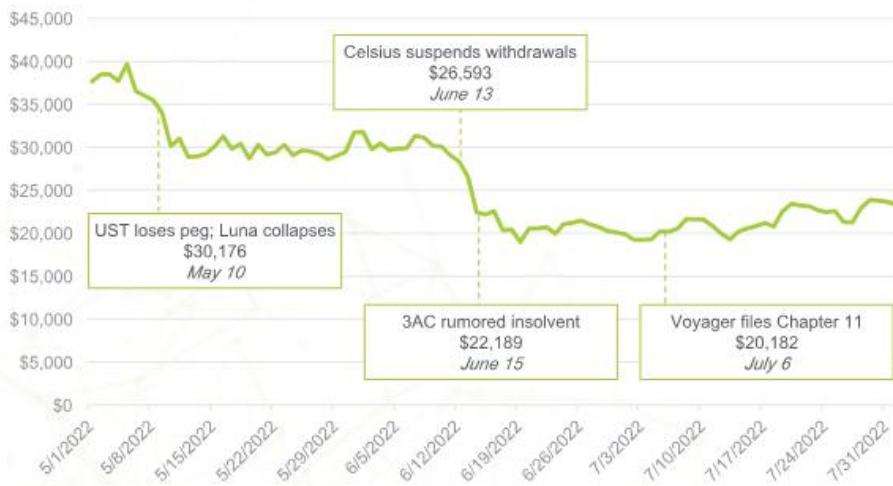
Source: Cipher Mining management

<sup>(1)</sup> Includes Bitmain and MicroBT contracts, net of contribution to joint venture partner

<sup>(2)</sup> Represents the expected weighted average power price across sites currently under contract. This calculation excludes potential deals under non-binding term sheets

<sup>(3)</sup> Preliminary estimate of non-miner infrastructure capex based on the current market environment (subject to change)

## Bitcoin Price (\$USD)<sup>(1)</sup>



## Implications

- 1 **Machine Prices Substantially Reduced**
  - Secondary transactions at scale reported in ~\$20s and \$30s per TH/s range
- 2 **Financing Market Update**
  - Lenders halted loan originations
  - Existing loans with fast amortization punishing bitcoin miners
- 3 **BTC Sales**
  - Miners liquidating BTC treasuries to meet debt obligations

## Advantages



- 1 Best-in-class power and machine contracts
- 2 Flexibility to sell power hedges exposure to falling bitcoin price or growing network hash rate

Source: Cipher Mining management

<sup>(1)</sup> Represents average USD market price across major Bitcoin exchanges from May 1, 2022, to August 1, 2022, per Blockchain.com

 CIPHER Mining has among the strongest unit economics in bitcoin mining

## Prices per MWh in Texas<sup>(1)</sup>



## Revenue per MWh<sup>(2)</sup>

		Network Hash Rate	
		200 EH/s	225 EH/s
BTC Price	\$20k	\$99	\$88
	\$25k	\$123	\$110

Source: CIPHER Mining management  
<sup>(1)</sup> Historical ERCOT RTM West Hub Prices (average daily price)  
<sup>(2)</sup> Assumes S19j Class from BitOoda report dated June 17, 2022



## Prices per MWh in Texas<sup>(1)</sup>



## Revenue per MWh<sup>(2)</sup>

		Network Hash Rate	
		200 EH/s	225 EH/s
BTC Price	\$20k	\$99	\$88
	\$25k	\$123	\$110

### Cipher Mining

- ✓ Pay ~\$27 per MWh with the ability to sell power when more profitable than BTC mining
- ✓ New rigs acquired for ~\$34.96 per TH/s
- ✓ No corporate debt; ~\$11 million of low-LTV debt at Alborz JV with 21 months remaining on repayment terms
- ✓ **Cipher Mining has among the strongest unit economics in bitcoin mining**

### Other BTC Miners

- Pay high energy or hosting costs
- Older fleet of less efficient rigs
- Paid top-of-market \$/TH/s for rigs
- Onerous debt repayment terms
  - Short amortization period before 2024 halving
- **Monthly obligations may exceed bitcoin production**

Source: Cipher Mining management

<sup>(1)</sup> Historical ERCOT RTM West Hub Prices (average daily price)

<sup>(2)</sup> Assumes S19j Class from BitOoda report dated June 17, 2022

 CIPHER Mining has best-in-class data centers, construction processes and team members

## Data Center Completion

- Alborz completed with ~1.3 EH/s installed (~0.64 EH/s self-mining)
- Bear and Chief nearing completion with all mining rigs en route to sites (~0.65 EH/s total with ~0.32 EH/s of self-mining)

- Odessa scheduled to deploy throughout 2H 2022
- Next generation data center design underway, evaluating immersion and liquid cooling designs

## Construction

## Team

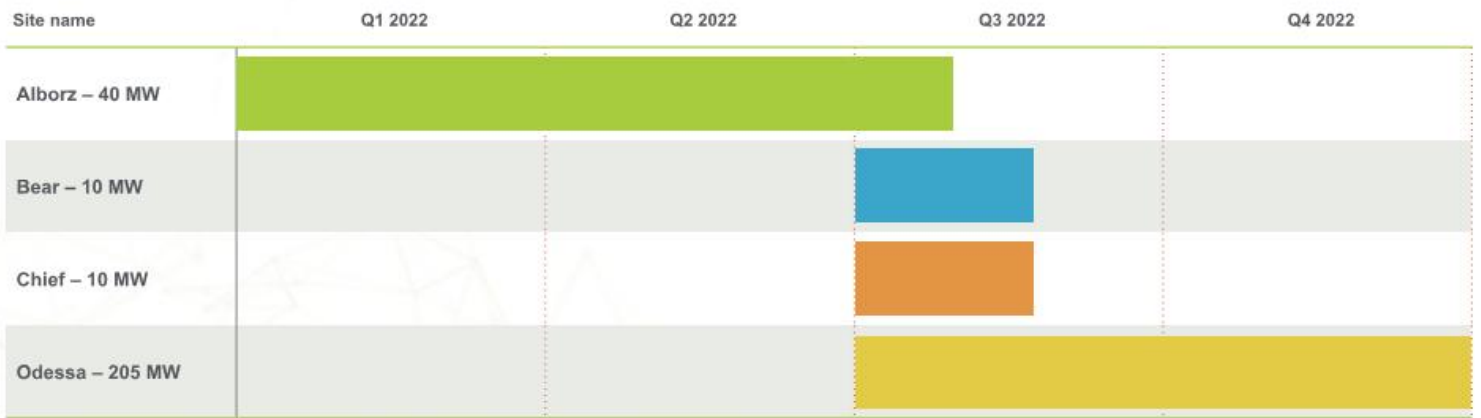
- 20 senior team members, with new executives from Alphabet, Amazon, Meta, Morgan Stanley, Point72 Asset Management and Scotiabank overseeing a total workforce at sites of ~180 people
- Data science team building predictive wind models to enhance operations and potentially offer services to third parties

# Implementation Plan & Strategy



Cipher Mining

## 2022 Updated Site Forecast



## 2023 Deployment Focus

- 1 **Andrews**  
(200 MW)<sup>(1)</sup>
- 2 **WindHQ Sites**  
(Up to 200+ MW)<sup>(2)</sup>

Source: Cipher Mining management  
 (1) Pending final documentation with Luminant  
 (2) Pending final interconnection agreements and Oncor's planning





**Bear**

**Chief**





## Cipher Mining

### Key Statistics

**~\$34.96** Anticipated Weighted Average Cost for Mining Rigs (\$/TH/s)<sup>(1)</sup>

**~32.1** Anticipated Weighted Average Mining Rig Efficiency (J/TH)<sup>(1)</sup>

**~2.73c** Anticipated Weighted Average Power Price (c/kWh)<sup>(2)</sup>

**~\$450k** Anticipated Infrastructure Capex Costs per MW (\$)<sup>(3)</sup>

## Cipher Mining

### Liquidity Profile

- ~\$30 million of cash and ~\$9 million of receivables from JV partner as of August 1<sup>st</sup>, 2022
- Adequate capital to complete infrastructure buildout at all initial data centers
- No corporate debt
- Bitmain contract – fully paid
- MicroBT contract:
  - ~\$101mm of estimated ~\$200mm total paid
  - Optimizing payment and delivery schedule to match data center deployment
  - ~\$9mm of ~\$101mm already paid is the deposit to secure future deliveries

Source: Cipher Mining management

<sup>(1)</sup> Includes Bitmain and MicroBT contracts, net of contribution to joint venture partner

<sup>(2)</sup> Represents the expected weighted average power price across sites currently under contract. This calculation excludes potential deals under non-binding term sheets

<sup>(3)</sup> Preliminary estimate of non-miner infrastructure capex based on the current market environment (subject to change)



# Consolidated Balance Sheets

	June 30, 2022 (unaudited)	December 31, 2021
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 37,042	\$ 209,841
Receivables, related party	467	-
Prepaid expenses and other current assets	9,554	13,819
Cryptocurrencies	787	-
Total current assets	47,850	223,660
Deposits on equipment	196,707	114,857
Property and equipment, net	23,637	5,124
Security deposits	11,417	10,352
Investment in equity investee	56,828	-
Right-of-use asset	5,512	-
Deferred investment costs	-	174
Total assets	<u>\$ 341,951</u>	<u>\$ 354,167</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 4,739	\$ 242
Accounts payable, related party	12,038	-
Operating lease liability, current portion	975	-
Accrued expenses	5,811	257
Total current liabilities	23,563	499
Operating lease liability, net of current portion	5,023	-
Warrant liability	26	137
Total liabilities	28,612	636
Commitments and contingencies (Note 11)		
Stockholders' equity		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized, none issued and outstanding as of June 30, 2022 and December 31, 2021	-	-
Common stock, \$0.001 par value, 500,000,000 shares authorized, 251,001,072 and 252,131,679 shares issued as of June 30, 2022 and December 31, 2021, respectively, and 247,489,582 and 249,279,420 shares outstanding as of June 30, 2022 and December 31, 2021, respectively	251	252
Additional paid-in capital	431,966	425,438
Treasury stock, at par, 3,511,490 and 2,852,259 shares at June 30, 2022 and December 31, 2021, respectively	(4)	(3)
Accumulated deficit	(118,874)	(72,156)
Total stockholders' equity	313,339	353,531
Total liabilities and stockholders' equity	<u>\$ 341,951</u>	<u>\$ 354,167</u>

Source: Cipher Mining management

# Consolidated Statement of Operations

	Three Months Ended		Six Months Ended June 30, 2022	Five Months Ended June 30, 2021
	June 30, 2022	June 30, 2021		
<b>Costs and expenses</b>				
General and administrative	\$ 16,704	\$ 546	\$ 34,094	\$ 659
Depreciation	8	1	15	1
Impairment of cryptocurrencies	535	-	539	-
Equity in loss of equity investment	12,079	-	12,232	-
Total costs and expenses	29,326	547	46,880	660
Operating loss	(29,326)	(547)	(46,880)	(660)
<b>Other income (expense)</b>				
Interest income	44	-	51	-
Interest expense	-	(1)	-	(1)
Change in fair value of warrant liability	63	-	111	-
Total other income (expense)	107	(1)	162	(1)
Net loss	\$ (29,219)	\$ (548)	\$ (46,718)	\$ (661)
Basic and diluted net loss per share	\$ (0.12)	\$ -	\$ (0.19)	\$ -
Basic and diluted weighted average number of shares outstanding	247,730,410	200,000,000	248,945,581	200,000,000

# Non-GAAP Measures

The following is a reconciliation of our non-GAAP loss from operations, which excludes the impact of (i) depreciation of fixed assets and (ii) stock compensation expense, to its most directly comparable GAAP measure for the periods indicated:

	Three Months Ended		Six Months Ended	Five Months Ended
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Reconciliation of non-GAAP loss from operations:</b>				
Operating loss	\$ (29,326)	\$ (547)	\$ (46,880)	\$ (660)
Depreciation	8	1	15	1
Stock compensation expense	10,064	-	19,578	-
Non-GAAP loss from operations	\$ (19,254)	\$ (546)	\$ (27,287)	\$ (659)

The following are reconciliations of our non-GAAP net loss and non-GAAP basic and diluted net loss per share, in each case excluding the impact of (i) depreciation of fixed assets (ii) change in fair value of warrant liability and (iii) stock compensation expense, to the most directly comparable GAAP measures for the periods indicated:

	Three Months Ended		Six Months Ended	Five Months Ended
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Reconciliation of non-GAAP net loss:</b>				
Net loss	\$ (29,219)	\$ (548)	\$ (46,718)	\$ (661)
Non-cash adjustments to net loss:				
Depreciation	8	1	15	1
Change in fair value of warrant liability	63	-	111	-
Stock compensation expense	10,064	-	19,578	-
Total non-cash adjustments to net loss	10,135	1	19,704	1
Non-GAAP net loss	\$ (19,084)	\$ (547)	\$ (27,014)	\$ (660)
<b>Reconciliation of non-GAAP basic and diluted net loss per share:</b>				
Basic and diluted net loss per share	\$ (0.12)	\$ -	\$ (0.19)	\$ -
Depreciation of fixed assets (per share)	-	-	-	-
Change in fair value of warrant liability (per share)	-	-	-	-
Stock compensation expense (per share)	0.04	-	0.08	-
Non-GAAP basic and diluted net loss per share	\$ (0.08)	\$ -	\$ (0.11)	\$ -

# Appendix

 Cipher Mining

# Statements of Changes in Stockholders' Equity (Deficit)



## Three Months Ended June 30, 2022

	Common Stock		Additional Paid in Capital	Treasury Stock		Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount		Shares	Amount		
<b>Balance as of March 31, 2022</b>	253,685,763	\$ 254	\$ 431,899	(3,511,490)	\$ (4)	\$ (89,655)	\$ 342,494
Common stock cancelled	(2,890,173)	(3)	(9,997)	-	-	-	(10,000)
Delivery of common stock underlying restricted stock units	205,482	-	-	-	-	-	-
Share-based compensation	-	-	10,064	-	-	-	10,064
Net loss	-	-	-	-	-	(29,219)	(29,219)
<b>Balance as of June 30, 2022</b>	<u>251,001,072</u>	<u>\$ 251</u>	<u>\$ 431,966</u>	<u>(3,511,490)</u>	<u>\$ (4)</u>	<u>\$ (118,874)</u>	<u>\$ 313,339</u>

## Three Months Ended June 30, 2021

	Common Stock		Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount			
<b>Balance as of March 31, 2021</b>	200,000,000	\$ 200	\$ (200)	\$ (116)	\$ (116)
Net loss	-	-	-	(548)	(548)
<b>Balance as of June 30, 2021</b>	<u>200,000,000</u>	<u>\$ 200</u>	<u>\$ (200)</u>	<u>\$ (664)</u>	<u>\$ (664)</u>

# Consolidated Statement of Cash Flows

	Six Months Ended June 30, 2022	Five Months Ended June 30, 2021
<b>Cash flows from operating activities</b>		
Net loss	\$ (46,718)	\$ (661)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	15	-
Amortization of right-of-use assets	347	-
Change in fair value of warrant liability	(111)	-
Share-based compensation	19,578	-
Equity in loss of equity investment	12,232	-
Impairment of cryptocurrencies	539	-
Changes in assets and liabilities:		
Receivables, related party	(467)	-
Prepaid expenses and other current assets	4,134	(18)
Security deposits	(1,065)	(441)
Accounts payable	104	27
Accounts payable, related party	-	44
Accrued expenses	1,209	46
Lease liability	271	-
Net cash used in operating activities	(9,932)	(1,003)
<b>Cash flows from investing activities</b>		
Deposits on equipment	(156,811)	-
Purchases of property and equipment	(13,069)	-
Capital distribution from equity investee	10,065	-
Net cash used in investing activities	(159,815)	-
<b>Cash flows from financing activities</b>		
Repurchase of common shares to pay employee withholding taxes	(3,052)	-
Proceeds from borrowings on related party loan	-	4,300
Payments for deferred offering costs	-	(132)
Net cash (used in) provided by financing activities	(3,052)	4,168
Net (decrease) increase in cash and cash equivalents	(172,799)	3,165
Cash and cash equivalents, beginning of the period	209,841	-
Cash and cash equivalents, end of the period	\$ 37,042	\$ 3,165
<b>Supplemental disclosure of cash flow information</b>		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes, net	\$ -	\$ -
<b>Supplemental disclosure of noncash investing and financing activities</b>		
Equity method investment acquired for non-cash consideration	\$ 75,933	\$ -
Common stock cancelled	\$ 10,000	\$ -
Deposits on equipment in accounts payable, related party	\$ 10,612	\$ -
Right-of-use asset obtained in exchange for operating lease liability	\$ 5,859	\$ -
Investment in equity investee in accrued expenses	\$ 4,345	\$ -
Property and equipment purchases in accounts payable	\$ 4,033	\$ -
Property and equipment purchases in accounts payable, related party	\$ 1,426	\$ 3
Cryptocurrencies received from equity method investment	\$ 1,326	\$ -
Reclassification of deferred investment costs to equity method investment	\$ 174	\$ -
Property and equipment purchases in related party loan	\$ -	\$ 109
Deposits on equipment in accounts payable	\$ 360	\$ -
Deferred offering costs included in accrued expenses	\$ -	\$ 1,791
Deferred offering costs included in accounts payable	\$ -	\$ 20
Deferred investment costs included in accrued expenses	\$ -	\$ 187

Source: Cipher Mining management



# Cipher Mining

August 2022

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