

**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 13, 2024

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
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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 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 13, 2024, Cipher Mining Inc. (the “Company”) announced its results for the second quarter ended June 30, 2024. 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 13, 2024, 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:

Exhibit Number	Description
99.1	Press Release of the Company, dated August 13, 2024
99.2	Presentation of the Company, dated August 13, 2024
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 hereunto duly authorized.

Cipher Mining Inc.

Date: August 13, 2024

By:

/s/ Tyler Page

Tyler Page
Chief Executive Officer

Cipher Mining Provides Second Quarter 2024 Business Update

Current hashrate of ~8.7 EH/s on target for ~13.5 EH/s by end of 2024 and ~35.0 EH/s by end of 2025

Acquiring additional 1.7 GW of power capacity suitable for HPC infrastructure or bitcoin mining

Second Quarter 2024 GAAP Net Loss of \$15m, and Non-GAAP Adjusted Loss of \$3m

NEW YORK—August 13, 2024—Cipher Mining Inc. (**NASDAQ: CIPR**) (“Cipher” or the “Company”) today announced results for its second quarter ended June 30, 2024, with an update on its operations and business strategy.

“We currently operate ~8.7 EH/s of self-mining hashrate and are on track to hit ~13.5 EH/s by year-end 2024, and ~35.0 EH/s by year-end 2025,” said Tyler Page, CEO of Cipher.

“In addition to constructing the 300 MW facility at Black Pearl, we are on track to close the acquisition of our new Reveille data center site with up to 200 MW of capacity and are pleased to announce we have executed a term sheet for an option to acquire three new sites with a cumulative power capacity of 1.5 GW. These sites are well-suited for both bitcoin mining and HPC data centers. With our operations and construction teams, which are led by seasoned experts who have built and run HPC data centers for some of the top hyperscalers in the world, we are uniquely positioned to maximize opportunities in both bitcoin mining and HPC infrastructure.”

“We expect developing HPC infrastructure will be complementary to our bitcoin mining business and that we can strike the right balance between the two business lines to drive significant shareholder value for many years,” concluded Mr. Page.

Finance and Operations Highlights

- Upgrade of Odessa site bringing total self-mining hashrate to ~13.5 EH/s on track for Q4 2024
- Construction of 300 MW data center at Black Pearl underway with expected energization in Q2 2025
- Acquisition of Reveille data center site with up to 200 MW of capacity well-suited for HPC data centers expected to close soon
- Executed term sheet for option to acquire 1.5 GW of new sites in North America suitable for both HPC or bitcoin mining data centers
- Q2 2024 GAAP diluted net loss of \$0.05 per share, and non-GAAP diluted adjusted loss of \$0.01 per share

Business Update Call and Webcast

The live webcast and a webcast replay of the conference call can be accessed from the investor relations section of Cipher's website at <https://investors.ciphermining.com>. To access this conference call by telephone, register here to receive dial-in numbers and a unique PIN to join the call.

About Cipher

Cipher is an emerging technology company focused on the development and operation of bitcoin mining data centers. 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 United States. 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 that are not statements of historical fact, including statements about our beliefs and expectations regarding our future results of operations and financial position, business strategy, timing and likelihood of success, potential expansion of and additional bitcoin mining data centers, expectations regarding the operations of mining centers, and management plans and objectives, 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 "may," "will," "should," "expects," "plans," "anticipates," "could," "seeks," "intends," "targets," "projects," "contemplates," "believes," "estimates," "strategy," "future," "forecasts," "opportunity," "predicts," "potential," "would," "will likely result," "continue," 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 our 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 press release, 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 Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 5, 2024, and in Cipher's subsequent filings with the

Securities and Exchange Commission. 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:

Investor Contact:

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Head of Investor Relations at Cipher Mining
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Media Contact:

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

CIPHER MINING INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except for share and per share amounts)

	<u>June 30, 2024</u> (unaudited)	<u>December 31, 2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 122,557	\$ 86,105
Accounts receivable	286	622
Receivables, related party	176	245
Prepaid expenses and other current assets	3,599	3,670
Bitcoin	138,079	32,978
Derivative asset	44,702	31,878
Total current assets	309,399	155,498
Property and equipment, net	239,075	243,815
Deposits on equipment	58,063	30,812
Intangible assets, net	8,503	8,109
Investment in equity investees	49,949	35,258
Derivative asset	78,228	61,713
Operating lease right-of-use asset	9,926	7,077
Security deposits	22,246	23,855
Other noncurrent assets	203	-
Total assets	\$ 775,592	\$ 566,137
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 13,733	\$ 4,980
Accounts payable, related party	-	1,554
Accrued expenses and other current liabilities	17,855	22,439
Finance lease liability, current portion	3,595	3,404
Operating lease liability, current portion	1,262	1,166
Warrant liability	-	250
Total current liabilities	36,445	33,793
Asset retirement obligation	19,337	18,394
Finance lease liability	9,281	11,128
Operating lease liability	9,181	6,280
Deferred tax liability	10,577	5,206
Total liabilities	84,821	74,801
Commitments and contingencies (<i>Note 13</i>)		
Stockholders' equity		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized, none issued and outstanding as of June 30, 2024 and December 31, 2023	-	-
Common stock, \$0.001 par value, 500,000,000 shares authorized, 335,557,872 and 296,276,536 shares issued as of June 30, 2024 and December 31, 2023, respectively, and 328,616,426 and 290,957,862 shares outstanding as of June 30, 2024, and December 31, 2023, respectively	336	296
Additional paid-in capital	802,610	627,822
Accumulated deficit	(112,168)	(136,777)
Treasury stock, at par, 6,941,446 and 5,318,674 shares at June 30, 2024 and December 31, 2023, respectively	(7)	(5)
Total stockholders' equity	690,771	491,336
Total liabilities and stockholders' equity	\$ 775,592	\$ 566,137

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Revenue - bitcoin mining	\$ 36,808	\$ 31,224	\$ 84,945	\$ 53,119
Costs and operating expenses (income)				
Cost of revenue	14,281	15,868	29,101	24,009
Compensation and benefits	16,285	12,668	29,321	24,605
General and administrative	8,365	8,667	14,442	14,150
Depreciation and amortization	20,251	14,412	37,495	26,067
Change in fair value of derivative asset	(21,980)	(3,222)	(29,339)	(8,550)
Power sales	(1,109)	(5,651)	(2,282)	(5,749)
Equity in losses (gains) of equity investees	577	1,431	(161)	2,181
Losses (gains) on fair value of bitcoin	16,309	(860)	(24,247)	(5,124)
Other gains	-	-	-	(2,260)
Total costs and operating expenses (income)	52,979	43,313	54,330	69,329
Operating (loss) income	(16,171)	(12,089)	30,615	(16,210)
Other income (expense)				
Interest income	1,053	25	1,839	101
Interest expense	(372)	(485)	(772)	(886)
Change in fair value of warrant liability	-	(22)	250	(59)
Other income (expense)	727	(12)	(1,231)	(12)
Total other income (expense)	1,408	(494)	86	(856)
(Loss) income before taxes	(14,763)	(12,583)	30,701	(17,066)
Current income tax expense	(335)	(31)	(721)	(48)
Deferred income tax expense	(193)	(584)	(5,371)	(637)
Total income tax expense	(528)	(615)	(6,092)	(685)
Net (loss) income	\$ (15,291)	\$ (13,198)	\$ 24,609	\$ (17,751)
Net (loss) income per share - basic and diluted	\$ (0.05)	\$ (0.05)	\$ 0.08	\$ (0.07)
Weighted average shares outstanding - basic	314,353,742	249,127,664	305,497,621	248,892,181
Weighted average shares outstanding - diluted	314,353,742	249,127,664	316,652,300	248,892,181

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

	Six months ended June 30,	
	2024	2023
Cash flows from operating activities		
Net income (loss)	\$ 24,609	\$ (17,751)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	37,192	26,067
Amortization of intangible assets	303	-
Amortization of operating right-of-use asset	565	452
Share-based compensation	21,654	17,988
Equity in (gains) losses of equity investees	(161)	2,181
Non-cash lease expense	762	878
Other operating activities	(1,839)	-
Income taxes	5,371	637
Bitcoin received as payment for services	(85,281)	(52,836)
Change in fair value of derivative asset	(29,339)	(8,550)
Change in fair value of warrant liability	(250)	59
Gains on fair value of bitcoin	(24,247)	(5,124)
Changes in assets and liabilities:		
Accounts receivable	336	(282)
Receivables, related party	69	(512)
Prepaid expenses and other current assets	71	4,994
Security deposits	1,609	(12)
Other non-current assets	(203)	-
Accounts payable	(47)	(185)
Accounts payable, related party	-	(1,529)
Accrued expenses and other current liabilities	(2,745)	6,323
Lease liabilities	(417)	(594)
Net cash used in operating activities	(51,988)	(27,796)
Cash flows from investing activities		
Proceeds from sale of bitcoin	10,334	52,475
Deposits on equipment	(35,748)	(2,932)
Purchases of property and equipment	(15,766)	(28,541)
Purchases and development of software	(698)	-
Prepayments on financing leases	-	(3,676)
Capital distributions from equity investees	-	3,807
Investment in equity investees	(20,435)	(3,095)
Net cash (used in) provided by investing activities	(62,313)	18,038
Cash flows from financing activities		
Proceeds from the issuance of common stock	163,276	2,821
Offering costs paid for the issuance of common stock	(2,868)	(76)
Repurchase of common shares to pay employee withholding taxes	(7,237)	(1,114)
Principal payments on financing lease	(2,418)	(2,059)
Net cash provided by (used in) financing activities	150,753	(428)
Net increase (decrease) in cash and cash equivalents	36,452	(10,186)
Cash and cash equivalents, beginning of the period	86,105	11,927
Cash and cash equivalents, end of the period	\$ 122,557	\$ 1,741

	Six months ended June 30,	
	2024	2023
Supplemental disclosure of noncash investing and financing activities		
Reclassification of deposits on equipment to property and equipment	\$ 13,799	\$ 72,130
Bitcoin received from equity investees	\$ 5,907	\$ 317
Settlement of related party payable related to master services and supply agreement	\$ 1,554	\$ -
Right-of-use asset obtained in exchange for finance lease liability	\$ 3,414	\$ 14,212
Equity method investment acquired for non-cash consideration	\$ -	\$ 1,926
Sales tax accrual on machine purchases	\$ -	\$ 1,837
Finance lease cost in accrued expenses	\$ -	\$ 2,034

Non-GAAP Financial Measures

The following are reconciliations of our Adjusted Earnings, in each case excluding the impact of (i) the non-cash change in fair value of derivative asset, (ii) share-based compensation expense, (iii) depreciation and amortization, (iv) deferred income tax expense, (v) nonrecurring gains and losses and (vi) the non-cash change in fair value of warrant liability, to the most directly comparable GAAP measures for the periods indicated (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Reconciliation of Adjusted Earnings:				
Net (loss) income	\$ (15,291)	\$ (13,198)	\$ 24,609	\$ (17,751)
Change in fair value of derivative asset	(21,980)	(3,222)	(29,339)	(8,550)
Share-based compensation expense	13,336	9,178	21,654	17,988
Depreciation and amortization	20,251	14,412	37,495	26,067
Deferred income tax expense	193	584	5,371	637
Other gains - nonrecurring	-	-	-	(2,260)
Change in fair value of warrant liability	-	22	(250)	59
Adjusted (loss) earnings	<u>(3,491)</u>	<u>7,776</u>	<u>59,540</u>	<u>16,190</u>

Reconciliation of Adjusted (loss) earnings per share:

Adjusted (loss) earnings	\$ (3,491)	\$ 7,776	\$ 59,540	\$ 16,190
Weighted average shares outstanding - diluted	314,353,742	249,127,664	316,652,300	248,892,181
Adjusted (loss) earnings per share	\$ (0.01)	\$ 0.03	\$ 0.19	\$ 0.07



Cipher
Mining

Presentation for Business Update

AUGUST 13, 2024



Forward-Looking Statements

This communication contains certain forward-looking statements within the meaning of the federal securities laws of the United States. 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 communication that are not statements of historical fact, including statements about our beliefs and expectations regarding our future results of operations and financial position, business strategy, timing and likelihood of success, potential expansion of bitcoin mining data centers, and management plans and objectives, 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 "may," "will," "should," "expects," "plans," "anticipates," "could," "seeks," "intends," "targets," "projects," "contemplates," "believes," "estimates," "forecasts," "predicts," "potential" or "continue" 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 our 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 communication, 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 Annual Report on Form 10-K for the year ended December 31, 2023, and in Cipher's subsequent filings with the Securities and Exchange Commission. 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.

Non-GAAP Financial Measures

We use non-GAAP financial measures to assess and analyze our operational results and trends and to make financial and operational decisions. We believe these non-GAAP financial measures are useful to investors because they provide greater transparency regarding our operating performance. The non-GAAP financial measures included in this presentation should not be considered alternatives to measurements required by GAAP, and should not be considered measures of liquidity. These non-GAAP financial measures are unlikely to be comparable with non-GAAP information provided by other companies. Reconciliation of non-GAAP financial measures and GAAP financial measures are included in the tables accompanying this presentation. Reported results are presented in accordance with GAAP, whereas adjusted results are GAAP results adjusted to exclude the impact of (i) the non-cash change in fair value of derivative asset, (ii) share-based compensation expense, (iii) depreciation and amortization, (iv) deferred income tax expense, (v) nonrecurring gains and losses and (vi) the non-cash change in fair value of warrant liability.

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Key Indicators as of July 31, 2024

SELF-MINING HASHRATE

~8.7 EH/s

Current⁽¹⁾



~13.5 EH/s

YE 2024E



~35.0 EH/s

2025⁽²⁾



~2,270 BTC

BTC Held

FLEET EFFICIENCY

~27.8 J/TH

Current⁽¹⁾



~18.6 J/TH

YE 2024E



~15.3 J/TH

2025⁽²⁾

~2.7c

Weighted Average
Power Price
(c/kwh)⁽³⁾

Note: Values represented are approximations

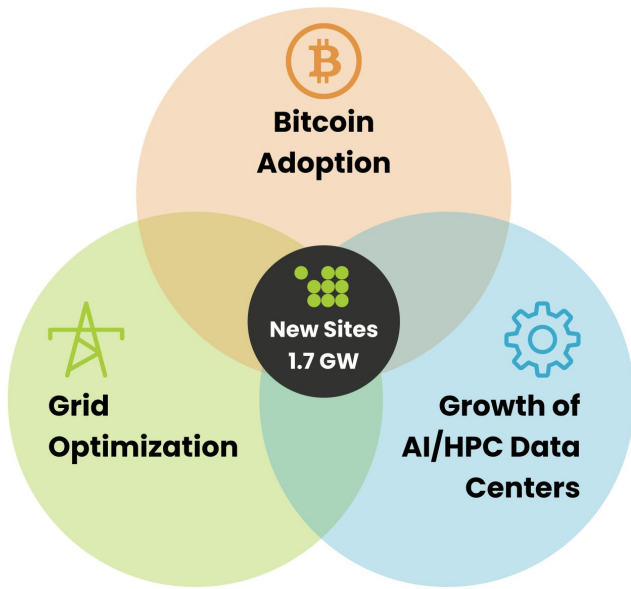
(1) Expected to reach a total of ~9.0 EH/s with a fleet efficiency of ~27.0 J/TH/s by the end of Q3 2024

(2) Reflects CIPHER's expected hashrate and fleet efficiency with the current operating fleet, energization of contracted rigs / hardware, implementation of software, and energization of 300 MW Black Pearl site assuming a PUE of ~1.06 and an efficiency of 13.2 J/TH/s per rig

(3) Represents the expected weighted average power price at CIPHER's current sites



Growth: New Sites in Earlier Development Phases



- Securing 4 new North American sites with up to 1.7 GW of capacity at early development stages expected to energize 2027-2028
- All sites have adequate access to consistent power, land, and fiber necessary to accommodate HPC
- All sites in areas with demand response programs enabling power trading optimization strategies
- Significant initial interest from potential financiers and HPC tenants
- Upstream movement into earlier phase of site development unlocks significant value – large scale sites at ~\$12k/MW to ~\$35k/MW

Growth: Launch of HPC Infrastructure Business

 CIPHER MINING CAN BECOME A MARKET-LEADING HPC INFRASTRUCTURE PROVIDER

CIPHER KEY ADVANTAGES

Sites

- Large scale power interconnect (100's of MWs per site)
- 100% uptime availability
- HPC ready

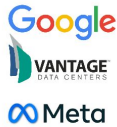



New Sites
1.7 GW



Team

- Experienced industry experts with experience at Google, Vantage, Meta, etc.
- Best-in-class operations: Cipher's Odessa data center becomes first BTC mining site to receive certification for Management & Operations from the Uptime Institute
- Deep bench of hyperscaler approved sub-contractors



Capital

- Significant early interest from a broad set of potential investors, partners, and financiers
- Broad menu of options for project finance structures
- Wall Street management team with extensive capital raising experience at Goldman Sachs, Morgan Stanley, Alliance Bernstein, etc.



Morgan Stanley



Growth: Black Pearl

Black Pearl



~21.5 EH/s

Estimated Hashrate⁽¹⁾

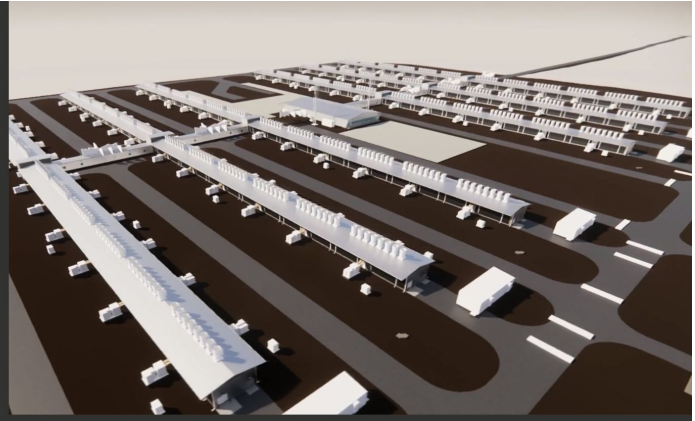


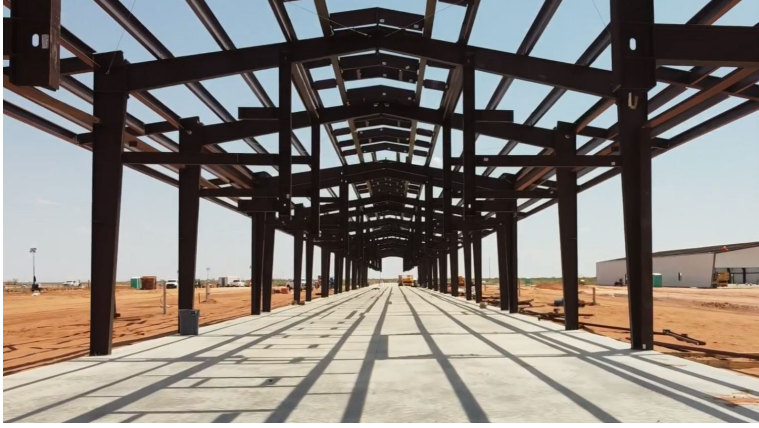
300 MW

Total Power Capacity

- Energization expected in 2Q 2025
- Data center construction underway
 - Steel erection, concrete foundations, and underground electrical progressing on schedule
- Design envisions 250 MW of air-cooled and 50 MW of liquid-cooled mining operations

1) Assumes a PUE of ~1.06 and an efficiency of ~13.2 J/Th/s per rig for 300 MW build out at Black Pearl site





Growth: Reveille

Reveille



70 MW

Initial Approved
Power Capacity

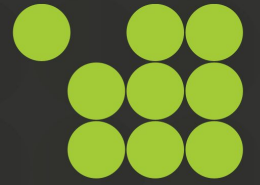


200 MW

Total Potential
Power Capacity

- On track to close new site in Cotulla, Texas
- Site features 70 MW available in Q1 2027, with potential to expand the capacity to 200 MW – subject to regulatory approvals
- Located in LZ_South, which diversifies exposure within ERCOT as other current sites are in LZ_West
- Planning for powered shell buildout of data center while marketing site to potential HPC tenants





Current Portfolio

Overview

YTD Operations Update

~\$15,004 All-in Electricity Cost per BTC YTD 2024⁽¹⁾

Odessa

~\$14,876 all-in electricity cost per BTC YTD 2024⁽²⁾

~86% of July 2024 BTC production

Cipher JV Data Centers

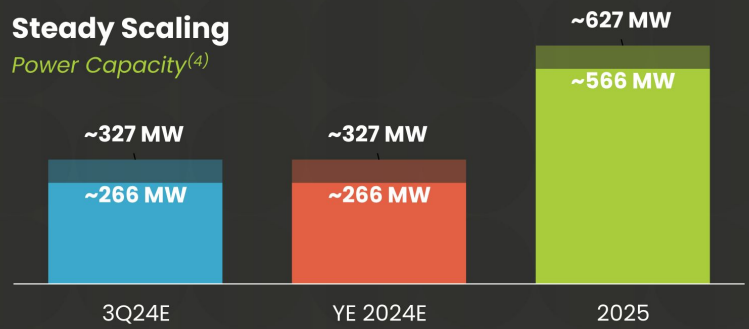
Alborz, Bear & Chief

~\$16,180 all-in electricity cost per BTC YTD 2024⁽³⁾

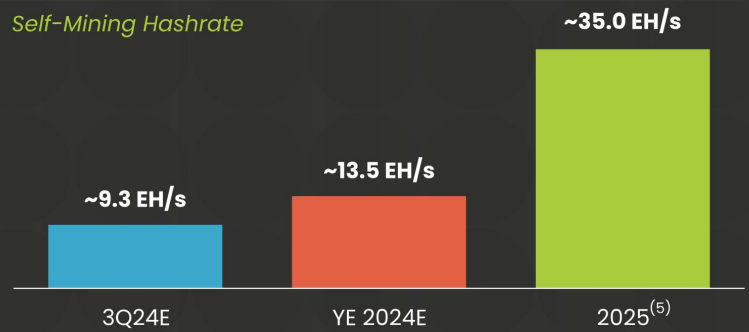
~14% of July 2024 BTC production

Steady Scaling

Power Capacity⁽⁴⁾



Self-Mining Hashrate



(1) Reflects all-in electricity cost YTD through June 27, reconciled to June 27 to align dates of latest power bills received.
(2) Reflects reconciled electricity cost YTD through June 27, including TDU charges and net of revenue generated from opportunistic power sales.
(3) Reflects reconciled combined electricity cost YTD through June 27, including taxes, customer charges, 2021 storm surcharge, settlement charges, and TSDP charges.
(4) Shaded area includes full capacity at JV sites.
(5) Reflects Cipher's expected hashrate with the current operating fleet, energization of contracted rigs / hardware, implementation of software, and energization of 300 MW Black Pearl site assuming a PUE of ~1.06 and an efficiency of ~13.2 J/TH/s per rig.

Operational Highlights



Odessa – 86% of BTC Production⁽¹⁾



~6.9 EH/s

Current Operating Hashrate



~11.3 EH/s

YE 2024 Operating Hashrate⁽²⁾



~\$23,563

All-in Electricity Cost per BTC **Post-Halving⁽³⁾**



~207 MW

Total Power Capacity



~1,622 BTC

BTC Mined YTD⁽⁴⁾



(1) Reflects approximate percentage of Cipher's July 2024 BTC production
(2) Assumes energization of contracted Bitmain S21 Pro and Canaan A1568 rig orders replacing least efficient machines
(3) Reflects reconciled electricity cost from April 20, 2024, to June 27, 2024, including TDU charges and net of revenue generated from opportunistic power sales
(4) YTD through July 2024

Operational Highlights

Alborz, Bear & Chief – 14% of BTC Production⁽¹⁾



~3.7 EH/s

Operating Hashrate⁽²⁾



120 MW

Total Power Capacity



~\$28,784

All-in Electricity Cost per BTC **Post-Halving**⁽³⁾

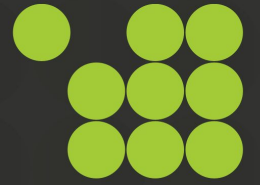


~384 BTC

BTC Mined YTD⁽⁴⁾



⁽¹⁾ Reflects approximate percentage of Cipher's July 2024 BTC production
⁽²⁾ Joint venture with WindHQ LLC, of which Cipher owns ~18 EH/s
⁽³⁾ Reflects reconciled combined electricity cost from April 20, 2024, to June 27, 2024 including taxes, settlement charges, TSDP charges, customer charges, and 2021 storm surcharge
⁽⁴⁾ YTD through July 2024; joint venture with WindHQ LLC, of which Cipher owns ~188 BTC



Financial Update

Q2 2024 Quarter Over Quarter Financial Highlights

REVENUES

\$48m  **\$37m**
Q1 2024 Q2 2024

GAAP NET EARNINGS

\$40m  **(\$15m)**
Q1 2024 Q2 2024

GAAP NET EARNINGS PER SHARE

\$0.13  **(\$0.05)**
Q1 2024 Q2 2024

ADJUSTED EARNINGS

\$63m  **(\$3m)**
Q1 2024 Q2 2024

ADJUSTED EARNINGS PER SHARE

\$0.21  **(\$0.01)**
Q1 2024 Q2 2024

Note: Values represented are approximations



Q2 2024 Year Over Year Financial Highlights

REVENUES

\$31m  **\$37m**
Q2 2023 Q2 2024

GAAP NET EARNINGS

(\$13m)  **(\$15m)**
Q2 2023 Q2 2024

GAAP NET EARNINGS PER SHARE

(\$0.05)  **(\$0.05)**
Q2 2023 Q2 2024

ADJUSTED EARNINGS

\$8m  **(\$3m)**
Q2 2023 Q2 2024

ADJUSTED EARNINGS PER SHARE

\$0.03  **(\$0.01)**
Q2 2023 Q2 2024

Note: Values represented are approximations



Results of Operations QoQ and YoY Comparison

	Three Months Ended			Three Months Ended		
	June 30, 2024	March 31, 2024	% Change	June 30, 2024	June 30, 2023	% Change
Revenue - bitcoin mining	\$ 36,808	\$ 48,137	(24%)	\$ 36,808	\$ 31,224	18%
Costs and operating expenses (income)						
Cost of revenue	14,281	14,820	(4%)	14,281	15,868	(10%)
Compensation and benefits	16,285	13,036	25%	16,285	12,668	29%
General and administrative	8,365	6,077	38%	8,365	8,667	(3%)
Depreciation and amortization	20,251	17,244	17%	20,251	14,412	41%
Change in fair value of derivative asset	(21,980)	(7,359)	(199%)	(21,980)	(3,222)	(582%)
Power sales	(1,109)	(1,173)	5%	(1,109)	(5,651)	80%
Equity in losses (gains) of equity investees	577	(738)	178%	577	1,431	(60%)
Losses (gains) on fair value of bitcoin	16,309	(40,556)	140%	16,309	(860)	1,996%
Total costs and operating expenses (income)	52,979	1,351	3,821%	52,979	43,313	22%
Operating (loss) income	(16,171)	46,786	(135%)	(16,171)	(12,089)	(34%)
Other income (expense)						
Interest income	1,053	786	34%	1,053	25	4,112%
Interest expense	(372)	(400)	7%	(372)	(485)	23%
Change in fair value of warrant liability	-	250	(100%)	-	(22)	100%
Other expense	727	(1,958)	137%	727	(12)	6,158%
Total other income (expense)	1,408	(1,322)	207%	1,408	(494)	385%
(Loss) income before taxes	(14,763)	45,464	(132%)	(14,763)	(12,583)	(17%)
Current income tax expense	(335)	(386)	13%	(335)	(31)	(981%)
Deferred income tax expense	(193)	(5,178)	96%	(193)	(584)	67%
Total income tax expense	(528)	(5,564)	91%	(528)	(615)	14%
Net (loss) income	\$ (15,291)	\$ 39,900	(138%)	\$ (15,291)	\$ (13,198)	(16%)

Note: In thousands, except for percentages

Non-GAAP Adjusted Earnings QoQ and YoY Comparison

	Three Months Ended			Three Months Ended		
	June 30, 2024	March 31, 2024	% Change	June 30, 2024	June 30, 2023	% Change
Reconciliation of Adjusted Earnings:						
Net income (loss)	\$ (15,291)	\$ 39,900	(138%)	\$ (15,291)	\$ (13,198)	16%
Change in fair value of derivative asset	(21,980)	(7,359)	199%	(21,980)	(3,222)	582%
Share-based compensation expense	13,336	8,317	60%	13,336	9,178	45%
Depreciation and amortization	20,251	17,244	17%	20,251	14,412	41%
Deferred income tax expense	193	5,178	(96%)	193	584	(67%)
Change in fair value of warrant liability	-	(250)	(100%)	-	22	(100%)
Adjusted earnings	<u>(3,491)</u>	<u>63,030</u>	(106%)	<u>(3,491)</u>	<u>7,776</u>	(145%)

	Three Months Ended			Three Months Ended		
	June 30, 2024	March 31, 2024	% Change	June 30, 2024	June 30, 2023	% Change
Reconciliation of Adjusted (loss) earnings per share:						
Adjusted earnings	\$ (3,491)	\$ 63,030	(106%)	\$ (3,491)	\$ 7,776	(145%)
Weighted average shares outstanding - diluted	314,353,742	304,397,979	N/A	314,353,742	249,127,664	N/A
Adjusted (loss) earnings per share	\$ (0.01)	\$ 0.21	(105%)	\$ (0.01)	\$ 0.03	(136%)

Note: In thousands, except for share, per share amounts, and percentages

Consolidated Balance Sheets



Note: In thousands, except for share and per share amounts

	June 30, 2024 (unaudited)	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 122,557	\$ 86,105
Accounts receivable	286	622
Receivables, related party	176	245
Prepaid expenses and other current assets	3,599	3,670
Bitcoin	138,079	32,978
Derivative asset	44,702	31,878
Total current assets	309,399	155,498
Property and equipment, net	239,075	243,815
Deposits on equipment	58,063	30,812
Intangible assets, net	8,503	8,109
Investment in equity investees	49,949	35,258
Derivative asset	78,228	61,713
Operating lease right-of-use asset	9,926	7,077
Security deposits	22,246	23,855
Other noncurrent assets	203	-
Total assets	\$ 775,592	\$ 566,137
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 13,733	\$ 4,980
Accounts payable, related party	-	1,554
Accrued expenses and other current liabilities	17,855	22,439
Finance lease liability, current portion	3,595	3,404
Operating lease liability, current portion	1,262	1,166
Warrant liability	-	250
Total current liabilities	36,445	33,793
Asset retirement obligation	19,337	18,394
Finance lease liability	9,281	11,128
Operating lease liability	9,181	6,280
Deferred tax liability	10,577	5,206
Total liabilities	84,821	74,801
Commitments and contingencies (Note 13)		
Stockholders' equity		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized, none issued and outstanding as of June 30, 2024 and December 31, 2023	-	-
Common stock, \$0.001 par value, 500,000,000 shares authorized, 335,557,872 and 296,276,536 shares issued as of June 30, 2024 and December 31, 2023, respectively, and 328,616,426 and 290,957,862 shares outstanding as of June 30, 2024, and December 31, 2023, respectively	336	296
Additional paid-in capital	802,610	627,822
Accumulated deficit	(112,168)	(136,777)
Treasury stock, at par, 6,941,446 and 5,318,674 shares at June 30, 2024 and December 31, 2023, respectively	(7)	(5)
Total stockholders' equity	690,771	491,336
Total liabilities and stockholders' equity	\$ 775,592	\$ 566,137





Appendix

Statements of Changes in Stockholders' Equity (Deficit)

Three Months Ended June 30, 2024

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Treasury Stock		Total Stockholders' Equity
	Shares	Amount			Shares	Amount	
Balance as of March 31, 2024	312,649,102	\$ 313	\$ 697,494	\$ (96,877)	(6,105,772)	\$ (6)	\$ 600,924
Issuance of common shares, net of offering costs - At-the-market offering	20,626,145	21	95,836	-	-	-	95,857
Delivery of common stock underlying restricted stock units, net of shares settled for tax withholding settlement	2,282,625	3	(4,057)	-	(835,674)	(1)	(4,055)
Share-based compensation	-	-	13,337	-	-	-	13,337
Net loss	-	-	-	(15,291)	-	-	(15,291)
Balance as of June 30, 2024	335,557,872	\$ 336	\$ 802,610	\$ (112,168)	(6,941,446)	\$ (7)	\$ 690,771

Three Months Ended June 30, 2023

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Treasury Stock		Total Stockholders' Equity
	Shares	Amount			Shares	Amount	
Balance as of March 31, 2023	253,050,088	\$ 253	\$ 462,181	\$ (115,553)	(4,144,081)	\$ (4)	\$ 346,877
Issuance of common shares, net of offering costs - At-the-market offering	978,207	1	2,744	-	-	-	2,745
Delivery of common stock underlying restricted stock units, net of shares settled for tax withholding settlement	674,817	-	(632)	-	(237,654)	-	(632)
Share-based compensation	92,514	-	9,178	-	-	-	9,178
Net loss	-	-	-	(13,198)	-	-	(13,198)
Balance as of June 30, 2023	254,795,626	\$ 254	\$ 473,471	\$ (128,751)	(4,381,735)	\$ (4)	\$ 344,970

Note: In thousands, except for share amounts

Consolidated Statement of Cash Flows



Note: In thousands

	Six months ended June 30,	
	2024	2023
Cash flows from operating activities		
Net income (loss)	\$ 24,609	\$ (17,751)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	37,192	26,067
Amortization of intangible assets	303	-
Amortization of operating right-of-use asset	565	452
Share-based compensation	21,654	17,988
Equity in (gains) losses of equity investees	(161)	2,181
Non-cash lease expense	762	878
Other operating activities	(1,839)	-
Income taxes	5,371	637
Bitcoin received as payment for services	(85,281)	(52,836)
Change in fair value of derivative asset	(29,339)	(8,550)
Change in fair value of warrant liability	(250)	59
Gains on fair value of bitcoin	(24,247)	(5,124)
Changes in assets and liabilities:		
Accounts receivable	336	(282)
Receivables, related party	69	(512)
Prepaid expenses and other current assets	71	4,994
Security deposits	1,609	(12)
Other non-current assets	(203)	-
Accounts payable	(47)	(185)
Accounts payable, related party	-	(1,529)
Accrued expenses and other current liabilities	(2,745)	6,323
Lease liabilities	(417)	(594)
Net cash used in operating activities	(51,988)	(27,796)
Cash flows from investing activities		
Proceeds from sale of bitcoin	10,334	52,475
Deposits on equipment	(35,748)	(2,932)
Purchases of property and equipment	(15,766)	(28,541)
Purchases and development of software	(698)	-
Prepayments on financing leases	-	(3,676)
Capital distributions from equity investees	-	3,807
Investment in equity investees	(20,435)	(3,095)
Net cash (used in) provided by investing activities	(62,313)	18,038
Cash flows from financing activities		
Proceeds from the issuance of common stock	163,276	2,821
Offering costs paid for the issuance of common stock	(2,868)	(76)
Repurchase of common shares to pay employee withholding taxes	(7,237)	(1,114)
Principal payments on financing lease	(2,418)	(2,059)
Net cash provided by (used in) financing activities	150,753	(428)
Net increase (decrease) in cash and cash equivalents	36,452	(10,186)
Cash and cash equivalents, beginning of the period	86,105	11,927
Cash and cash equivalents, end of the period	\$ 122,557	\$ 1,741
Supplemental disclosure of noncash investing and financing activities		
Reclassification of deposits on equipment to property and equipment	\$ 13,799	\$ 72,130
Bitcoin received from equity investees	\$ 5,907	\$ 317
Settlement of related party payable related to master services and supply agreement	\$ 1,554	\$ -
Right-of-use asset obtained in exchange for finance lease liability	\$ 3,414	\$ 14,212
Equity method investment acquired for non-cash consideration	\$ -	\$ 1,926
Sales tax accrual on machine purchases	\$ -	\$ 1,837
Finance lease cost in accrued expenses	\$ -	\$ 2,034

