

**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): March 14, 2023**

**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:**

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 March 14, 2023, Cipher Mining Inc. (the “Company”) announced its results for the fourth quarter and year ended December 31, 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 March 14, 2023, 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:

<b>Exhibit Number</b>	<b>Description</b>
99.1	<a href="#">Press Release of the Company, dated March 14, 2023</a>
99.2	<a href="#">Presentation of the Company, dated March 14, 2023</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 hereunto duly authorized.

Cipher Mining Inc.

Date: March 14, 2023

By:

/s/ Tyler Page

**Tyler Page**  
**Chief Executive Officer**

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## Cipher Mining Provides Fourth Quarter and Full Year 2022 Business Update

*Four Data Centers Operational and Hashing at All-Time High Hash Rate Capacity of ~5.2 EH/s*

*Completion of Initial Build Out at Odessa Data Center Expected by April 2023*

*GAAP Diluted Net Loss of \$0.16 per Share (Non-GAAP Diluted Net Loss of \$0.26 per Share)*

NEW YORK—March 14, 2023—Cipher Mining Inc. (**NASDAQ: CIFR**) (“Cipher” or the “Company”), a leading developer and operator of bitcoin mining data centers, today announced results for its fourth quarter and full year ended December 31, 2022, with an update on its operations and deployment strategy.

“We are pleased to announce financial results that demonstrate our resilient position as a low-cost producer of bitcoin, while we continue our steady march toward the completion of our initial data centers,” said Tyler Page, CEO of Cipher. “As always, our focus is on prudent growth through the cycle, which we can accomplish given the strength of our balance sheet and the significant ramp up at our Odessa facility. As we complete our initial build out at Odessa, we will increase our focus on the tremendous organic growth opportunities we have across our sites, as well as continue to refine our pipeline of potential new projects and new opportunities to drive shareholder value.”

Ed Farrell, CFO of Cipher Mining, said, “We commenced producing revenues in the fourth quarter of 2022 with the energization of our Odessa data center. With the ramp up of Odessa in 2023, we look forward to providing the market with greater detail on our operations, which we believe will illuminate our best-in-class unit economics.”

### Finance and Operations Updates

- Across four initial data centers, Cipher remains on track to deploy up to ~5.7 EH/s by the end of Q1 2023, with a highly efficient machine fleet, averaging ~31.4 J/TH, purchased at an average price of ~\$30.53/TH/s
- The weighted average power price at the Company’s current sites is ~2.7 c/kWh
- ~515 and ~377 bitcoin mined in fiscal year 2022 and the fourth quarter of 2022, respectively
- Cipher produced full year 2022 GAAP diluted net loss of \$0.16 per share and non-GAAP diluted net loss of \$0.26 per share

### Recent Developments

Cipher began reporting unaudited monthly production and operations updates in December 2022.

In January 2023, Cipher energized 13,300 new Bitmain and MicroBT miners, representing an increase in hash rate of ~1.4 EH/s and a ~48% increase relative to the previous month. With the increase in hash rate, Cipher produced ~343 bitcoin in January, representing a ~52% increase in production relative to the previous month. At month-end, Cipher reported over 3.3 EH/s of self-mining operations at the Odessa facility and ~4.3 EH/s of self-mining operations across all the sites.

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In February 2023, Cipher energized an additional 7,710 new Bitmain and MicroBT miners, representing an increase in hash rate of ~0.9 EH/s and a ~19% increase relative to the previous month. With the increase in hash rate, Cipher produced ~398 bitcoin in February, representing a ~16% increase in production relative to the previous month. At month-end, Cipher reported over 4.2 EH/s of self-mining operations at the Odessa facility and ~5.2 EH/s of self-mining operations across all the sites.

### **Business Update Call and Webcast**

Cipher will host a conference call and webcast today at 8:00 a.m. Eastern Time to discuss the fourth quarter and full year 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 and use the conference ID 2007079.

### **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 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

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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 for the year ended December 31, 2022, 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 press release 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 press release. Reported results are presented in accordance with GAAP, whereas adjusted results are GAAP results adjusted to exclude the impact of (i) depreciation of fixed assets, (ii) change in fair value of warrant liability, (iii) non-cash change in fair value of our derivative asset and (iv) stock compensation expense.

#### **Contacts:**

##### **Investor Contact:**

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##### **Media Contact:**

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

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

	December 31,	
	2022	2021
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 11,927	\$ 209,841
Accounts receivable	98	-
Receivables, related party	1,102	-
Prepaid expenses and other current assets	7,254	13,819
Bitcoin	6,283	-
Derivative asset	21,071	-
<b>Total current assets</b>	<b>47,735</b>	<b>223,660</b>
Property and equipment, net	191,784	5,124
Deposits on equipment	73,018	114,857
Investment in equity investees	37,478	-
Derivative asset	45,631	-
Operating lease right-of-use asset	5,087	-
Security deposits	17,730	10,352
Deferred investment costs	-	174
<b>Total assets</b>	<b>\$ 418,463</b>	<b>\$ 354,167</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 14,286	\$ 242
Accounts payable, related party	3,083	-
Accrued expenses and other current liabilities	19,353	257
Finance lease liability, current portion	2,567	-
Operating lease liability, current portion	1,030	-
Warrant liability	7	-
<b>Total current liabilities</b>	<b>40,326</b>	<b>499</b>
Asset retirement obligation	16,682	-
Finance lease liability	12,229	-
Operating lease liability	4,494	-
Deferred tax liability	1,840	-
Warrant liability	-	137
<b>Total liabilities</b>	<b>75,571</b>	<b>636</b>
Commitments and contingencies (Note 14)		
Stockholders' equity		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized, none issued and outstanding as of December 31, 2022 and 2021	-	-
Common stock, \$0.001 par value, 500,000,000 shares authorized, 251,095,305 and 252,131,679 shares issued as of December 31, 2022 and 2021, respectively, and 247,551,958 and 249,279,420 shares outstanding as of December 31, 2022 and 2021, respectively	251	252
Additional paid-in capital	453,854	425,438
Accumulated deficit	(111,209)	(72,156)
Treasury stock, at par, 3,543,347 and 2,852,259 shares at December 31, 2022 and 2021, respectively	(4)	(3)
<b>Total stockholders' equity</b>	<b>342,892</b>	<b>353,531</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 418,463</b>	<b>\$ 354,167</b>

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

	Year Ended December 31, 2022	Eleven Months Ended December 31, 2021
Revenue - bitcoin mining	\$ 3,037	\$ -
<b>Costs and operating expenses (income)</b>		
Cost of revenue	748	-
General and administrative	70,836	72,147
Depreciation	4,378	5
Change in fair value of derivative asset	(73,479)	-
Power sales	(458)	-
Equity in losses of equity investees	36,972	-
Realized gain on sale of bitcoin	(6)	-
Impairment of bitcoin	1,467	-
Total costs and operating expenses	40,458	72,152
Operating loss	(37,421)	(72,152)
<b>Other income (expense)</b>		
Interest income	215	4
Interest expense	(137)	(27)
Change in fair value of warrant liability	130	22
Total other income (expense)	208	(1)
Provision for income taxes	(1,840)	-
Net loss	\$ (39,053)	\$ (72,153)
Net loss per share - basic and diluted	\$ (0.16)	\$ (0.33)
Weighted average shares outstanding - basic and diluted	248,227,458	218,026,424



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

	Year Ended December 31, 2022	Eleven Months Ended December 31, 2021
<b>Cash flows from operating activities</b>		
Net loss	\$ (39,053)	\$ (72,153)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	4,378	5
Amortization of right-of-use assets	772	-
Share-based compensation	41,504	63,765
Equity in losses of equity investees	36,972	-
Impairment of bitcoin	1,467	-
Non-cash lease expense	137	-
Income tax expense	1,840	-
Bitcoin received as payment for services	(2,939)	-
Change in fair value of derivative asset	(73,479)	-
Change in fair value of warrant liability	(130)	(22)
Realized gain on sale of bitcoin	(6)	-
Changes in assets and liabilities:		
Proceeds from power sales	1,721	-
Proceeds from reduction of scheduled power	5,056	-
Proceeds from sale of Bitcoin	23	-
Accounts receivable	(98)	-
Receivables, related party	(1,102)	-
Prepaid expenses and other current assets	6,433	(13,385)
Security deposits	(7,378)	(10,352)
Accounts payable	892	222
Accounts payable, related party	1,530	-
Accrued expenses	748	254
Lease liabilities	(203)	-
Net cash used in operating activities	(20,915)	(31,666)
<b>Cash flows from investing activities</b>		
Deposits on equipment	(188,103)	(114,856)
Purchases of property and equipment	(39,815)	(5,110)
Capital distributions from equity investees	54,009	-
Payments for deferred investment costs	-	(174)
Net cash used in investing activities	(173,909)	(120,140)
<b>Cash flows from financing activities</b>		
Repurchase of common shares to pay employee withholding taxes	(3,090)	(23,246)
Business Combination, net of issuance costs paid	-	384,893
Proceeds from borrowings on related party loan	-	7,038
Repayments under related party loan	-	(7,038)
Net cash (used in) provided by financing activities	(3,090)	361,647
Net (decrease) increase in cash and cash equivalents	(197,914)	209,841
Cash and cash equivalents, beginning of the period	209,841	-
Cash and cash equivalents, end of the period	\$ 11,927	\$ 209,841

**CIPHER MINING INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS – CONTINUED**  
(in thousands)

	Year Ended December 31, 2022	Eleven Months Ended December 31, 2021
<b>Supplemental disclosure of cash flow information</b>		
Cash paid for interest	\$ -	\$ 27
Cash paid for income taxes, net	\$ -	\$ -
<b>Supplemental disclosure of noncash investing and financing activities</b>		
Equity method investment acquired for non-cash consideration	\$ 127,796	\$ -
Reclassification of deposits on equipment to property and equipment	\$ 105,904	\$ -
Initial estimate of asset retirement obligation and related capitalized costs	\$ 16,509	\$ -
Right-of-use asset obtained in exchange for finance lease liability	\$ 14,998	\$ -
Deposits on equipment in accounts payable, accounts payable, related party and accrued expenses	\$ 13,403	\$ -
Property and equipment purchases in accounts payable and accounts payable, related party	\$ 13,994	\$ 18
Common stock cancelled	\$ 10,000	\$ -
Right-of-use asset obtained in exchange for operating lease liability	\$ 5,859	\$ -
Investment in equity investees in accrued expenses	\$ 5,316	\$ -
Bitcoin received from equity investees	\$ 4,828	\$ -
Finance lease costs in accrued expenses	\$ 339	\$ -
Reclassification of deferred investment costs to investment in equity investees	\$ 174	\$ -
Prepaid rent reclassified to operating lease liability	\$ 132	\$ -
Net assets assumed from GWAC in the Business Combination	\$ -	\$ 433
Non-cash fair value of private warrants	\$ -	\$ 261

## Non-GAAP Financial Measures

The following is a reconciliation of our non-GAAP loss from operations, which excludes the impact of (i) depreciation and amortization, (ii) non-cash change in fair value of our derivative asset and (iii) stock compensation expense, to its most directly comparable GAAP measure for the periods indicated (in thousands):

	Year Ended December 31, 2022	Eleven Months Ended December 31, 2021
<b>Reconciliation of non-GAAP loss from operations:</b>		
Operating loss	\$ (37,421)	\$ (72,152)
Depreciation and amortization	5,150	5
Change in fair value of derivative asset	(71,758)	-
Stock compensation expense	41,504	63,765
Non-GAAP loss from operations	<u>\$ (62,525)</u>	<u>\$ (8,382)</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 and amortization (ii) non-cash change in fair value of our derivative asset, (iii) non-cash change in fair value of our warrant liability and (iv) stock compensation expense, to the most directly comparable GAAP measures for the periods indicated (in thousands, except for per share amounts):

	Year Ended December 31, 2022	Eleven Months Ended December 31, 2021
<b>Reconciliation of non-GAAP net loss:</b>		
Net loss	\$ (39,053)	\$ (72,153)
Non-cash adjustments to net loss:		
Depreciation and amortization	5,150	5
Change in fair value of derivative asset	(71,758)	-
Change in fair value of warrant liability	130	22
Stock compensation expense	41,504	63,765
Total non-cash adjustments to net loss	<u>(24,974)</u>	<u>63,792</u>
Non-GAAP net loss	<u>\$ (64,027)</u>	<u>\$ (8,361)</u>

### Reconciliation of non-GAAP basic and diluted net loss per share:

Basic and diluted net loss per share	\$ (0.16)	\$ (0.33)
Depreciation and amortization (per share)	0.02	-
Change in fair value of derivative asset (per share)	(0.29)	-
Change in fair value of warrant liability (per share)	-	-
Stock compensation expense (per share)	0.17	0.29
Non-GAAP basic and diluted net loss per share	<u>\$ (0.26)</u>	<u>\$ (0.04)</u>



Cipher  
Mining

# Presentation for Business Update

MARCH 14, 2023



# Disclaimers

## 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).

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The contents and appearance of this presentation is copyrighted and the trademarks and service marks are owned by Cipher Mining Inc. All rights reserved.



# Key Indicators as of February 28, 2023

## HASHRATE

**5.2 EH/s**  
Current



**8.2 EH/s**  
2023 Potential<sup>(1)</sup>

## MACHINES

**48,000+**  
Operating



**11,000+**  
To Be Energized



**15.59 BTC**

Daily Production High



**465 BTC**

BTC Held



**398 BTC**

Monthly Production February

Note: Values represented are approximations  
(1) Potential growth for the 2023 calendar year





### Data Centers Update

#### Alborz – Complete

~\$5,143 all-in electricity cost per BTC<sup>(1)</sup>

#### Bear & Chief – Complete

~\$6,293 all-in electricity cost per BTC<sup>(2)</sup>

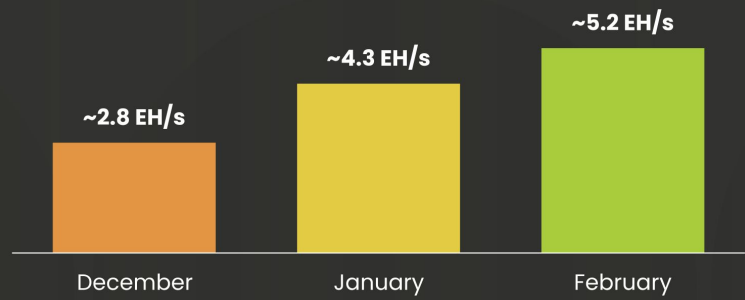
#### Odessa – Developing

Capable of mining up to ~12.9 BTC daily<sup>(3)</sup>



### Rapid Scaling

Hash Rate Growth



(1) Reflects electricity cost during January 2023, including taxes, customer charges, and 2021 storm surcharge; January 2023 represents the latest electricity bill received  
(2) Reflects combined electricity cost during January 2023, including taxes, settlement charges, and TSDP charges; January 2023 represents the latest electricity bills received  
(3) Estimated for February 2023, assumes full up-time, network hash rate of 297 EH/s and 910 bitcoins mined per day



# Cipher Mining's Business Model



## Bitcoin Mining Dynamics

Data center revenue includes a reward for the block mined, transaction fees, and potential power sales<sup>(1)</sup>

Average block time is 10 minutes  
Time for Bitcoin system to mine a new block

Block reward based on ratio of data center's computing power to that of entire Bitcoin network

Current block reward amounts to 6.25 bitcoins per block<sup>(2)</sup>

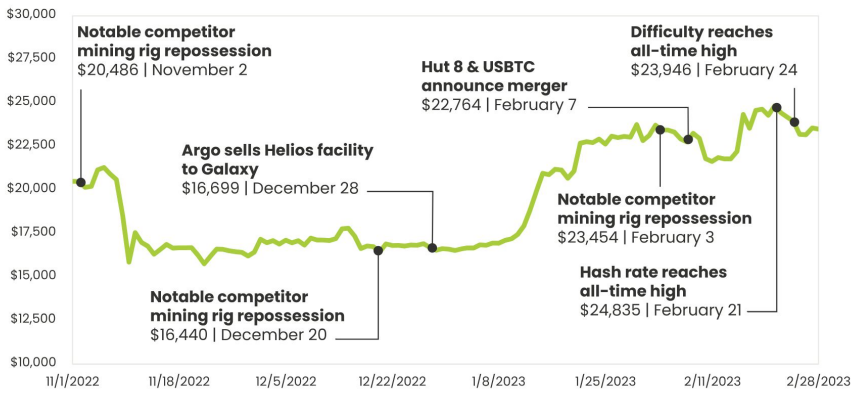
Transaction fees are additional bitcoin paid to miners for confirming transactions

<sup>(1)</sup> At certain sites, Cipher can opportunistically elect to use power at data center or sell to the market  
<sup>(2)</sup> The block reward is cut in half after every 210,000 blocks are mined (~every 4 years); the latest revision was in May 2020



# Market Update

## BITCOIN PRICE \$USD<sup>(1)</sup>



## IMPLICATIONS

- 1 **Shifting BTC Mining Landscape**  
Asset sales  
M&A
- 2 **Continued Network Hash Rate Growth**
- 3 **Facilities in Demand**  
More rigs are available than places to plug them in



CURRENT EMPHASIS



Finish Odessa



Optimize Production & Improve KPIs



Find Cyclical Opportunities

(1) Represents average USD market price across major Bitcoin exchanges from November 1, 2022, to February 28, 2023, per data.nasdaq.com



# Operational Highlights

## Alborz

**~1.3 EH/s**  
**40 MW**  
Operating Capacity<sup>(1)</sup>

**~186**  
BTC Mined YTD<sup>(2)</sup>

  
**~\$5,143**  
All-in Electricity Cost per BTC<sup>(3)</sup>

**~3.98**  
Daily BTC Mining Capacity<sup>(4)</sup>

(1) Joint venture with WindHQ LLC, of which Clipher owns ~0.64 EH/s  
(2) YTD through February 2023; Joint venture with WindHQ LLC, of which Clipher owns ~91 BTC  
(3) Reflects electricity cost during January 2023, including taxes, customer charges, and 2021 storm surcharge; January 2023 represents the latest electricity bill received  
(4) Estimated for February 2023, assumes full up-time, network hash rate of 297 EH/s and 910 bitcoins mined per day



# Operational Highlights

## Bear & Chief

**~0.65 EH/s**  
**20 MW**  
Operating Capacity<sup>(1)</sup>

**~111**  
BTC Mined YTD<sup>(2)</sup>

Expansion Capacity up to 270 MW<sup>(3)</sup>

  
**~\$6,293**  
All-in Electricity Cost per BTC<sup>(4)</sup>

**~1.99**  
Daily BTC Mining Capacity<sup>(5)</sup>

(1) Joint venture with WindHQ LLC, of which Cipher owns ~0.32 EH/s  
(2) YTD through February 2023, Joint venture with WindHQ LLC, of which Cipher owns ~54 BTC  
(3) Represents expansion capacity up to 165 MW at each site; expansion capacity above 75 MW at each site is subject to ERCOT approval  
(4) Reflects combined electricity cost during January 2023, including taxes, settlement charges, and TSDP charges; January 2023 represents the latest electricity bills received  
(5) Estimated for February 2023, assumes full up-time, network hash rate of 297 EH/s and 910 bitcoins mined per day



# Operational Highlights

## Odessa

**~4.2 EH/s**  
**143 MW**

Currently Hashing<sup>(1)</sup>

**~770**

BTC Mined to Date<sup>(1)</sup>



**~6.2 EH/s**

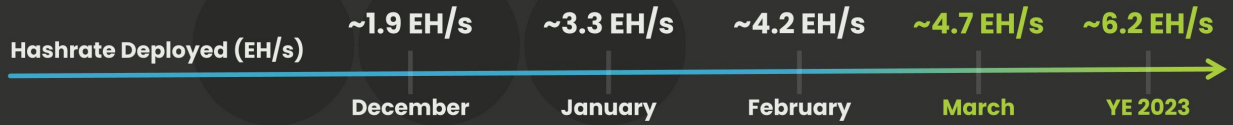
Hash Rate at Full Deployment<sup>(2)</sup>

**~12.9**

Daily BTC Mining Capacity<sup>(3)</sup>



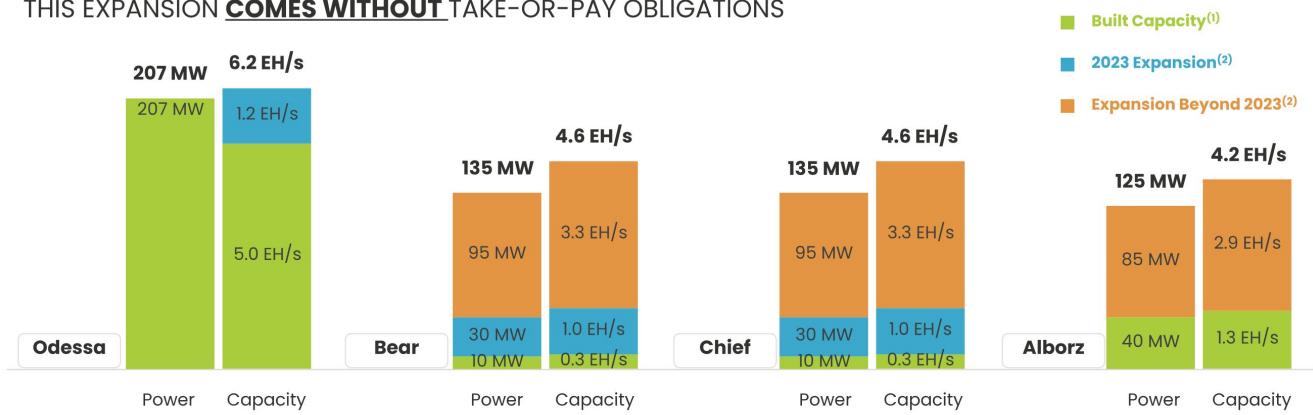
Odessa Growth Timeline



(1) As of February 28, 2023  
(2) Assumes MicroBT M50 mining rigs for non-contracted, available capacity  
(3) Estimated for February 2023, assumes full up-time, network hash rate of 297 EH/s and 910 bitcoins mined per day

# Large Growth Opportunity – Minimal Commitment

- CIPHER HAS THE POTENTIAL FOR CONTINUED HASH RATE GROWTH IN THE NEAR FUTURE
- THIS EXPANSION **COMES WITHOUT** TAKE-OR-PAY OBLIGATIONS



**Cipher can expand self-mining hash rate at existing sites by up to 2.2 EH/s in 2023, bringing total potential hash rate to ~8.2 EH/s in 2023**

Notes: Values represented are approximations  
 (1) Includes machines paid for and to be installed in 1H 2023  
 (2) Assumes MicroBT M50 mining rigs occupy the expansion capacity



# Managing through the Cycle

## BUILT TO SUCCEED

**~2.7c**

Anticipated  
Weighted Average  
**Power Price**  
(c/kWh)<sup>(1)</sup>

**~31.4**

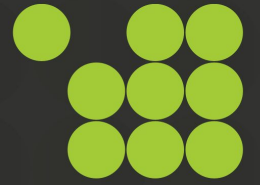
Weighted Average  
**Mining Rig Efficiency**  
(J/TH)

(1) Represents the expected weighted average power price at Cipher's current sites  
(2) Reflects bitcoin spot price of ~\$23,498 on February 28, 2023

## LIQUIDITY SNAPSHOT

- ~\$16.4 million of total cash and bitcoin as of February 28, 2023<sup>(2)</sup>
- Strong balance sheet without burdensome debt
- Purchased and fully paid for fleet of over 59,000 miners
- \$250 million at-the-market equity shelf in place and untapped





# Financial Update

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# Consolidated Balance Sheets



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

	December 31,	
	2022	2021
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 11,927	\$ 209,841
Accounts receivable	98	-
Receivables, related party	1,102	-
Prepaid expenses and other current assets	7,254	13,819
Bitcoin	6,283	-
Derivative asset	21,071	-
Total current assets	47,735	223,660
Property and equipment, net	191,784	5,124
Deposits on equipment	73,018	114,857
Investment in equity investees	37,478	-
Derivative asset	45,631	-
Operating lease right-of-use asset	5,087	-
Security deposits	17,730	10,352
Deferred investment costs	-	174
<b>Total assets</b>	<b>\$ 418,463</b>	<b>\$ 354,167</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 14,286	\$ 242
Accounts payable, related party	3,083	-
Accrued expenses and other current liabilities	19,353	257
Finance lease liability, current portion	2,567	-
Operating lease liability, current portion	1,030	-
Warrant liability	7	-
Total current liabilities	40,326	499
Asset retirement obligation	16,682	-
Finance lease liability	12,229	-
Operating lease liability	4,494	-
Deferred tax liability	1,840	-
Warrant liability	-	137
Total liabilities	75,571	636
Commitments and contingencies (Note 14)		
Stockholders' equity		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized, none issued and outstanding as of December 31, 2022 and 2021	-	-
Common stock, \$0.001 par value, 500,000,000 shares authorized, 251,095,305 and 252,131,679 shares issued as of December 31, 2022 and 2021, respectively, and 247,551,958 and 249,279,420 shares outstanding as of December 31, 2022 and 2021, respectively	251	252
Additional paid-in capital	453,854	425,438
Accumulated deficit	(111,209)	(72,156)
Treasury stock, at par, 3,543,347 and 2,852,259 shares at December 31, 2022 and 2021, respectively	(4)	(3)
Total stockholders' equity	342,892	353,531
<b>Total liabilities and stockholders' equity</b>	<b>\$ 418,463</b>	<b>\$ 354,167</b>





# Consolidated Statement of Operations



	Year Ended December 31, 2022	Eleven Months Ended December 31, 2021
Revenue - bitcoin mining	\$ 3,037	\$ -
<b>Costs and operating expenses (income)</b>		
Cost of revenue	748	-
General and administrative	70,836	72,147
Depreciation	4,378	5
Change in fair value of derivative asset	(73,479)	-
Power sales	(458)	-
Equity in losses of equity investees	36,972	-
Realized gain on sale of bitcoin	(6)	-
Impairment of bitcoin	1,467	-
Total costs and operating expenses	40,458	72,152
Operating loss	(37,421)	(72,152)
<b>Other income (expense)</b>		
Interest income	215	4
Interest expense	(137)	(27)
Change in fair value of warrant liability	130	22
Total other income (expense)	208	(1)
Provision for income taxes	(1,840)	-
Net loss	\$ (39,053)	\$ (72,153)
Net loss per share - basic and diluted	\$ (0.16)	\$ (0.33)
Weighted average shares outstanding - basic and diluted	248,227,458	218,026,424

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



# Non-GAAP Measures

The following is a reconciliation of our non-GAAP loss from operations, which excludes the impact of

- i. depreciation and amortization
- ii. non-cash change in fair value of our derivative asset
- iii. stock compensation expense, to its most directly comparable GAAP measure for the periods indicated

	Year Ended December 31, 2022	Eleven Months Ended December 31, 2021
<b>Reconciliation of non-GAAP loss from operations:</b>		
Operating loss	\$ (37,421)	\$ (72,152)
Depreciation and amortization	5,150	5
Change in fair value of derivative asset	(71,758)	-
Stock compensation expense	41,504	63,765
Non-GAAP loss from operations	\$ (62,525)	\$ (8,382)

Note: In thousands, except for per share amounts

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 and amortization, (ii) non-cash change in fair value of our derivative asset, (iii) non-cash change in fair value of warrant liability and (iv) stock compensation expense, to the most directly comparable GAAP measures for the periods indicated:

	Year Ended December 31, 2022	Eleven Months Ended December 31, 2021
<b>Reconciliation of non-GAAP net loss:</b>		
Net loss	\$ (39,053)	\$ (72,153)
Non-cash adjustments to net loss:		
Depreciation and amortization	5,150	5
Change in fair value of derivative asset	(71,758)	-
Change in fair value of warrant liability	130	22
Stock compensation expense	41,504	63,765
Total non-cash adjustments to net loss	(24,974)	63,792
Non-GAAP net loss	\$ (64,027)	\$ (8,361)
<b>Reconciliation of non-GAAP basic and diluted net loss per share:</b>		
Basic and diluted net loss per share	\$ (0.16)	\$ (0.33)
Depreciation and amortization (per share)	0.02	-
Change in fair value of derivative asset (per share)	(0.29)	-
Change in fair value of warrant liability (per share)	-	-
Stock compensation expense (per share)	0.17	0.29
Non-GAAP basic and diluted net loss per share	\$ (0.26)	\$ (0.04)





# Appendix

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# Statements of Changes in Stockholders' Equity (Deficit)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Treasury Stock		Total Stockholders' Equity (Deficit)
	Shares	Amount			Shares	Amount	
<b>Balance as of February 1, 2021</b>	<b>200,000,000</b>	<b>\$ 200</b>	<b>\$ (200)</b>	<b>\$ (3)</b>	<b>-</b>	<b>\$ -</b>	<b>\$ (3)</b>
Business Combination, net of redemptions and equity issuance costs of \$40.6 million	46,381,119	46	385,122	-	-	-	385,168
Delivery of common stock underlying restricted stock units, net of shares settled for tax withholding settlement	5,750,560	6	(23,249)	-	(2,852,259)	(3)	(23,246)
Share-based compensation	-	-	63,765	-	-	-	63,765
Net loss	-	-	-	(72,153)	-	-	(72,153)
<b>Balance as of December 31, 2021</b>	<b>252,131,679</b>	<b>252</b>	<b>425,438</b>	<b>(72,156)</b>	<b>(2,852,259)</b>	<b>(3)</b>	<b>353,531</b>
Delivery of common stock underlying restricted stock units, net of shares settled for tax withholding settlement	1,853,779	2	(3,091)	-	(691,088)	(1)	(3,090)
Warrants exercised	20	-	-	-	-	-	-
Common stock cancelled	(2,890,173)	(3)	(9,997)	-	-	-	(10,000)
Share-based compensation	-	-	41,504	-	-	-	41,504
Net loss	-	-	-	(39,053)	-	-	(39,053)
<b>Balance as of December 31, 2022</b>	<b>251,095,305</b>	<b>\$ 251</b>	<b>\$ 453,854</b>	<b>\$ (111,209)</b>	<b>(3,543,347)</b>	<b>\$ (4)</b>	<b>\$ 342,892</b>

Note: In thousands, except for share amounts



# Consolidated Statement of Cash Flows



Note: In thousands

	Year Ended December 31, 2022	Eleven Months Ended December 31, 2021
<b>Cash flows from operating activities</b>		
Net loss	\$ (39,053)	\$ (72,153)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	4,378	5
Amortization of right-of-use assets	772	-
Share-based compensation	41,504	63,765
Equity in losses of equity investees	36,972	-
Impairment of bitcoin	1,467	-
Non-cash lease expense	137	-
Income tax expense	1,840	-
Bitcoin received as payment for services	(2,939)	-
Change in fair value of derivative asset	(73,479)	-
Change in fair value of warrant liability	(130)	(22)
Realized gain on sale of bitcoin	(6)	-
Changes in assets and liabilities:		
Proceeds from power sales	1,721	-
Proceeds from reduction of scheduled power	5,056	-
Proceeds from sale of Bitcoin	23	-
Accounts receivable	(98)	-
Receivables, related party	(1,102)	-
Prepaid expenses and other current assets	6,433	(13,385)
Security deposits	(7,378)	(10,352)
Accounts payable	892	222
Accounts payable, related party	1,530	-
Accrued expenses	748	254
Lease liabilities	(203)	-
Net cash used in operating activities	<u>(20,915)</u>	<u>(31,666)</u>
<b>Cash flows from investing activities</b>		
Deposits on equipment	(188,103)	(114,856)
Purchases of property and equipment	(39,815)	(5,110)
Capital distributions from equity investees	54,009	-
Payments for deferred investment costs	-	(174)
Net cash used in investing activities	<u>(173,909)</u>	<u>(120,140)</u>
<b>Cash flows from financing activities</b>		
Repurchase of common shares to pay employee withholding taxes	(3,090)	(23,246)
Business Combination, net of issuance costs paid	-	384,893
Proceeds from borrowings on related party loan	-	7,038
Repayments under related party loan	-	(7,038)
Net cash (used in) provided by financing activities	<u>(3,090)</u>	<u>361,647</u>
Net (decrease) increase in cash and cash equivalents	(197,914)	209,841
Cash and cash equivalents, beginning of the period	209,841	-
Cash and cash equivalents, end of the period	<u>\$ 11,927</u>	<u>\$ 209,841</u>



# Consolidated Statement of Cash Flows Cont.



Note: In thousands

	Year Ended December 31, 2022	Eleven Months Ended December 31, 2021
<b>Supplemental disclosure of cash flow information</b>		
Cash paid for interest	\$ -	\$ 27
Cash paid for income taxes, net	\$ -	\$ -
<b>Supplemental disclosure of noncash investing and financing activities</b>		
Equity method investment acquired for non-cash consideration	\$ 127,796	\$ -
Reclassification of deposits on equipment to property and equipment	\$ 105,904	\$ -
Initial estimate of asset retirement obligation and related capitalized costs	\$ 16,509	\$ -
Right-of-use asset obtained in exchange for finance lease liability	\$ 14,998	\$ -
Deposits on equipment in accounts payable, accounts payable, related party and accrued expenses	\$ 13,403	\$ -
Property and equipment purchases in accounts payable and accounts payable, related party	\$ 13,994	\$ 18
Common stock cancelled	\$ 10,000	\$ -
Right-of-use asset obtained in exchange for operating lease liability	\$ 5,859	\$ -
Investment in equity investees in accrued expenses	\$ 5,316	\$ -
Bitcoin received from equity investees	\$ 4,828	\$ -
Finance lease costs in accrued expenses	\$ 339	\$ -
Reclassification of deferred investment costs to investment in equity investees	\$ 174	\$ -
Prepaid rent reclassified to operating lease liability	\$ 132	\$ -
Net assets assumed from GWAC in the Business Combination	\$ -	\$ 433
Non-cash fair value of private warrants	\$ -	\$ 261