

**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): May 10, 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:

| 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 May 10, 2022, Cipher Mining, Inc. (the “Company”) announced its results for the three months ended March 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.

Item 7.01 Regulation FD Disclosure.

On May 10, 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 Current Report on Form 8-K. The Company expects to use the Presentation, in whole or in part, and possibly with modifications, in connection with the earnings call with investors, analysts and others.

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

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

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits related to Item 2.02 and Item 7.01 shall be deemed to be furnished, and not filed:

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|---|
| 99.1 | Press Release of the Company, dated May 10, 2022 |
| 99.2 | Presentation of the Company, dated May 10, 2022 |
| 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: May 10, 2022

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

Cipher Mining Provides First Quarter 2022 Business Update

*Began Bitcoin Mining in February 2022
Reaching Significant Milestones for Build Out Plan*

NEW YORK—May 10, 2022—Cipher Mining Inc. (NASDAQ: CIFR) ("Cipher" or the "Company"), a U.S.-based Bitcoin mining company, today announced results for its first quarter ending March 31, 2022, along with an update on its operations and deployment strategy.

"Our first quarter was marked by significant milestones, including the start of rig installation and mining of our first bitcoins," said Tyler Page, CEO of Cipher. "I am pleased to say we are meeting our goals, and we are scaling quickly as we continue to build Cipher into a leading U.S.-based Bitcoin mining enterprise."

Operations Updates

- Began Bitcoin mining in February at its first data center at Alborz.
- First 0.3 EH/s (2,949 mining rigs) installed at Alborz facility.
- 400 PH/s added to 2022 delivery forecast, bringing new Cipher hashrate forecast to 7.5 EH/s of equipment scheduled for delivery in 2022, with a highly efficient machine fleet averaging 32.1 J/TH.
- Four sites in development with an expected 275 MW of power availability by the end of 2022.
- Cipher's weighted average power price is 2.73 c/kWh and anticipated weighted average cost for mining rigs is expected to be \$45.01 per TH/s.
- Closed \$46.9 million debt financing for Alborz from BlockFi Lending LLC on May 2, 2022.

Business Update Call and Webcast

Cipher will host a conference call and webcast today at 8:00 a.m. Eastern Time to discuss the first 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 (844) 689-1757 or (929) 517-0940 and use the conference ID 2635904.

About Cipher

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

Forward Looking Statements

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

These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by Cipher and its management, are inherently uncertain. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward looking statements. New risks and uncertainties may emerge from time to time, and it is not possible to predict all risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this document, including but not limited to: volatility in the price of Cipher's securities due to a variety of factors, including changes in the competitive and regulated industry in which Cipher operates, variations in performance across competitors, changes in laws and regulations affecting Cipher's business, and the ability to implement business plans, forecasts, and other expectations and to identify and realize additional opportunities. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the "Risk Factors" section of our Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 4, 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 May 10, 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:

Investor Contact:

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Dukas Linden Public Relations
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CIPHER MINING INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands except for share and per share amounts)
(unaudited)

| | March 31, 2022 | December 31, 2021 |
|---|-----------------------|--------------------------|
| | (unaudited) | |
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 99,495 | \$ 209,841 |
| Prepaid expenses | 11,400 | 13,819 |
| Cryptocurrencies | 191 | - |
| Total current assets | <u>111,086</u> | <u>223,660</u> |
| Deposits on equipment | 207,164 | 114,857 |
| Property and equipment, net | 15,178 | 5,124 |
| Security deposits | 11,362 | 10,352 |
| Investment in equity investee | 7,373 | - |
| Right-of-use asset | 5,718 | - |
| Deferred investment costs | - | 174 |
| Total assets | <u>\$ 357,881</u> | <u>\$ 354,167</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable | \$ 1,991 | \$ 242 |
| Accounts payable, related party | 3,863 | - |
| Operating lease liability, current portion | 557 | - |
| Accrued expenses | 3,611 | 257 |
| Total current liabilities | <u>10,022</u> | <u>499</u> |
| Operating lease liability, net of current portion | 5,276 | - |
| Warrant liability | 89 | 137 |
| Total liabilities | <u>15,387</u> | <u>636</u> |
| Commitments and contingencies (Note 11) | | |
| Stockholders' equity | | |
| Preferred stock, \$0.001 par value; 10,000,000 shares authorized, none issued and outstanding as of March 31, 2022 and December 31, 2021 | - | - |
| Common stock, \$0.001 par value, 500,000,000 shares authorized, 253,685,763 and 252,131,679 shares issued as of March 31, 2022 and December 31, 2021, respectively, and 250,174,273 and 249,279,420 shares outstanding as of March 31, 2022 and December 31, 2021, respectively | 254 | 252 |
| Additional paid-in capital | 431,899 | 425,438 |
| Treasury stock, at par, 3,511,490 and 2,852,259 shares at March 31, 2022 and December 31, 2021, respectively | (4) | (3) |
| Accumulated deficit | (89,655) | (72,156) |
| Total stockholders' equity | <u>342,494</u> | <u>353,531</u> |
| Total liabilities and stockholders' equity | <u>\$ 357,881</u> | <u>\$ 354,167</u> |

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

| | Three Months Ended March 31, 2022 | Two Months Ended March 31, 2021 |
|---|--|--|
| Costs and expenses | | |
| General and administrative | \$ 17,390 | \$ 113 |
| Depreciation | 7 | - |
| Impairment of cryptocurrencies | 4 | - |
| Total costs and expenses | <u>17,401</u> | <u>113</u> |
| Operating loss | <u>(17,401)</u> | <u>(113)</u> |
| Other income | | |
| Interest income | 7 | - |
| Change in fair value of warrant liability | 48 | - |
| Equity in loss of equity investment | (153) | - |
| Total other income | <u>(98)</u> | <u>-</u> |
| Net loss | <u>\$ (17,499)</u> | <u>\$ (113)</u> |
| Basic and diluted net loss per share | <u>\$ (0.07)</u> | <u>\$ -</u> |
| Basic and diluted weighted average number of shares outstanding | 250,174,255 | 200,000,000 |

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

| | Three Months Ended March 31, 2022 | Two Months Ended March 31, 2021 |
|--|--------------------------------------|------------------------------------|
| Cash flows from operating activities | | |
| Net loss | \$ (17,499) | \$ (113) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation | 7 | - |
| Amortization of right-of-use assets | 140 | - |
| Change in fair value of warrant liability | (48) | - |
| Share-based compensation | 9,514 | - |
| Equity in earnings (loss) of equity investment | 153 | - |
| Impairment of cryptocurrencies | 4 | - |
| Changes in assets and liabilities: | | |
| Prepaid expenses | 2,288 | - |
| Security deposits | (1,010) | - |
| Accounts payable | 120 | 67 |
| Accounts payable, related party | - | 2 |
| Accrued expenses | 2,904 | (1) |
| Lease liability | 106 | - |
| Net cash used in operating activities | (3,321) | (45) |
| Cash flows from investing activities | | |
| Deposits on equipment | (96,914) | - |
| Purchases of property and equipment | (7,059) | - |
| Net cash used in investing activities | (103,973) | - |
| Cash flows from financing activities | | |
| Proceeds from borrowings on related party loan | - | 100 |
| Repurchase of common shares to pay employee withholding taxes | (3,052) | - |
| Net cash (used in) provided by financing activities | (3,052) | 100 |
| Net (decrease) increase in cash and cash equivalents | (110,346) | 55 |
| Cash and cash equivalents, beginning of the period | 209,841 | - |
| Cash and cash equivalents, end of the period | \$ 99,495 | \$ 55 |
| Supplemental disclosure of cash flow information | | |
| Cash paid for interest | \$ - | \$ - |
| Cash paid for income taxes, net | \$ - | \$ - |
| Supplemental disclosure of noncash investing and financing activities | | |
| Equity method investment acquired for non-cash consideration | \$ 7,118 | \$ - |
| Right-of-use asset obtained in exchange for operating lease liability | \$ 5,859 | \$ - |
| Deposits on equipment in accounts payable, related party | \$ 2,506 | \$ - |
| Property and equipment purchases in accounts payable | \$ 1,624 | \$ 3 |
| Property and equipment purchases in accounts payable, related party | \$ 1,357 | \$ - |
| Investment in equity investee in accrued expenses | \$ 428 | \$ - |
| Cryptocurrencies received from equity method investment | \$ 195 | \$ - |
| Reclassification of deferred investment costs to equity method investment | \$ 174 | \$ - |
| Property and equipment purchases in accrued expenses | \$ 22 | \$ - |
| Deposits on equipment in accounts payable | \$ 5 | \$ - |
| Deferred offering costs included in accrued expenses | \$ - | \$ 1,525 |
| Deferred offering costs included in accounts payable | \$ - | \$ 98 |
| Deferred investment costs included in accrued expenses | \$ - | \$ 97 |

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 March 31, 2022 | Two Months Ended March 31, 2021 |
|---|--------------------------------------|------------------------------------|
| Reconciliation of non-GAAP loss from operations: | | |
| Operating loss | \$ (17,401) | \$ (113) |
| Depreciation | 7 | - |
| Impairment of cryptocurrencies | 4 | - |
| Stock compensation expense | 9,514 | - |
| Non-GAAP loss from operations | <u>\$ (7,876)</u> | <u>\$ (113)</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 March 31, 2022 | Two Months Ended March 31, 2021 |
|---|--------------------------------------|------------------------------------|
| Reconciliation of non-GAAP net loss: | | |
| Net loss | \$ (17,499) | \$ (113) |
| Non-cash adjustments to net loss | | |
| Depreciation | 7 | - |
| Change in fair value of warrant liability | 48 | - |
| Impairment of cryptocurrencies | 4 | - |
| Stock compensation expense | 9,514 | - |
| Total non-cash adjustments to net loss | <u>9,573</u> | <u>-</u> |
| Non-GAAP net loss | <u>\$ (7,926)</u> | <u>\$ (113)</u> |

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

| | | |
|---|------------------|-------------|
| Basic and diluted net loss per share | \$ (0.07) | \$ - |
| Depreciation of fixed assets (per share) | - | - |
| Change in fair value of warrant liability (per share) | - | - |
| Impairment of cryptocurrencies (per share) | - | - |
| Stock compensation expense (per share) | 0.04 | - |
| Non-GAAP basic and diluted net loss per share | <u>\$ (0.03)</u> | <u>\$ -</u> |

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Cipher Mining

May 2022

- This presentation has been prepared by Cipher Mining Inc. and is made for informational purposes only. The information set forth herein does not purport to be complete or to contain all of the information you may desire. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor.
- Statements contained herein are made as of the date of this presentation unless stated otherwise, and this presentation shall not under any circumstances create an implication that the information contained herein is correct as of any time after such date or that information will be updated or revised to reflect information that subsequently becomes available or changes occurring after the date hereof. You should read the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2022, the risk factors contained therein, and the other documents that the Company has filed with the SEC for more information about the Company. You can obtain these documents for free by visiting EDGAR on the SEC website at www.sec.gov or on our website at <https://investors.ciphermining.com/financial-information/sec-filings>.
- This presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such state or jurisdiction. This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of complying with these safe harbor provisions. Any statements made in this presentation that are not statements of historical fact, including statements about the Company's beliefs and expectations 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 statements often include words such as "anticipate," "expect," "suggests," "plan," "believe," "intend," "estimates," "targets," "projects," "should," "could," "would," "may," "will," "forecast," "outlook," "guidance" and other similar expressions. The Company bases these forward-looking statements on its current expectations, plans and assumptions that the Company has made in light of its experience in the industry, as well as its perceptions of historical trends, current conditions, expected future developments and other factors the Company believes are appropriate under the circumstances at such time. As you read and consider this presentation, you should understand that these statements are not guarantees of future performance or results. The forward-looking statements are subject to and involve risks, uncertainties and assumptions, and you should not place undue reliance on these forward-looking statements. Although the Company believes that these forward-looking statements are based on reasonable assumptions at the time they are made, you should be aware that many factors could affect the Company's actual results or results of operations and could cause actual results to differ materially from those expressed in the forward- looking statements. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. All future written and oral forward-looking statements made in connection with this presentation attributable to the Company or persons acting on the Company's behalf are expressly qualified in their entirety by this paragraph.
- The contents and appearance of this presentation is copyrighted and the trademarks and service marks are owned by Cipher Mining Inc. All rights reserved.

Cipher Mining: A Large-Scale U.S. Bitcoin Miner



Scale

Cipher Mining

Low Cost



7.5 EH/s expected capacity deployment by early 2023



Equipment



\$45.01 average price per TH/s, with **32.1 J/TH** average efficiency⁽¹⁾



Multiple relationships with **top-tier** power companies



Power



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



4 sites currently in development, with **275 MW** available for self-mining by **YE 2022**



Operations



\$450k anticipated infrastructure capex / MW for current sites⁽³⁾

Source: Cipher Mining management

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

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

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

Mining Rig Installation

- First 0.3 EH/s (2,949 mining rigs) installed at Alborz
- January – March Bitmain monthly allocations deployed

- Improved machine allocation from MicroBT for 2022 deliveries
- 400 PH/s added to 2022 delivery forecast, *bringing new Cipher hashrate forecast to 7.5 EH/s⁽¹⁾*

Increased
Hashrate
Forecast

Equipment Financing

- Closed \$46.9 million debt financing for Alborz JV from BlockFi on May 2, 2022

Source: Cipher Mining management

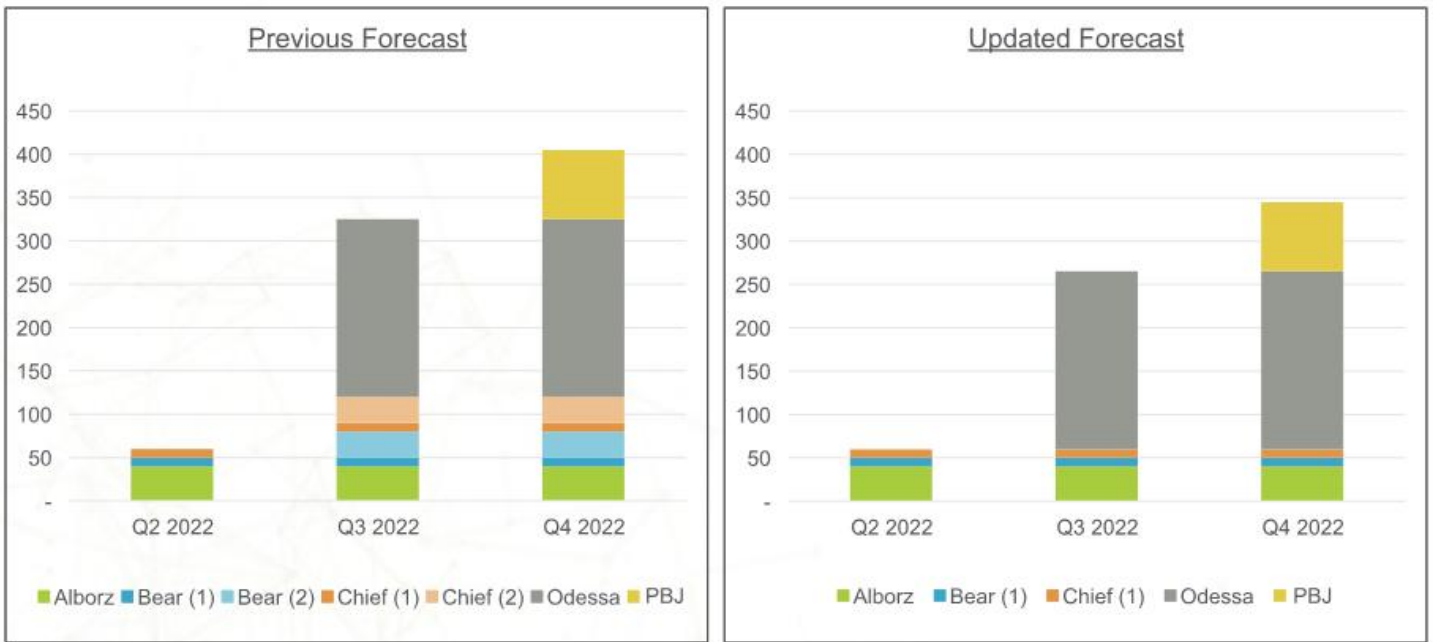
⁽¹⁾ 7.5 EH/s is the anticipated hashrate capable of being generated by the machines under purchase contracts scheduled to be shipped through December 2022

Implementation Plan & Strategy



Cipher Mining

Total MW Capacity Under Development



Total site MW
/ CIPHER MW

60 / 29

325 / 264

405 / 305

60 / 29

265 / 234

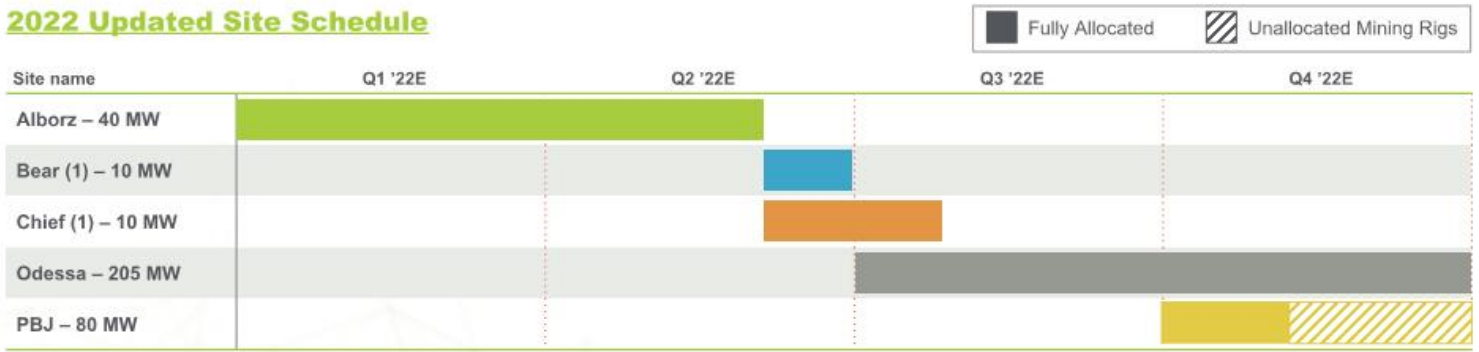
345 / 275

Source: Cipher Mining management

Site Development on Track for Machine Delivery



2022 Updated Site Schedule



Machine Shipping Schedule by Quarter



Source: Cipher Mining management

Implementation – Full Infrastructure Deployed at Alborz



- Anticipated completion date: May 31, 2022





Bear:



Chief:







\$45.01

Anticipated Weighted Average Cost for Mining Rigs (\$ / TH/s)⁽¹⁾

32.1

Anticipated Weighted Average Mining Rig Efficiency (J / TH)⁽¹⁾

~2.73c

Anticipated Weighted Average Power Price (c / kWh)⁽²⁾

~\$450k

Anticipated Infrastructure Capex Costs per MW (\$)⁽³⁾

Source: Cipher Mining management

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

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

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

Consolidated Balance Sheets

| | March 31, 2022 | December 31, 2021 |
|---|-------------------|-------------------|
| | (unaudited) | |
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 99,495 | \$ 209,841 |
| Prepaid expenses | 11,400 | 13,819 |
| Cryptocurrencies | 191 | - |
| Total current assets | 111,086 | 223,660 |
| Deposits on equipment | 207,164 | 114,857 |
| Property and equipment, net | 15,178 | 5,124 |
| Security deposits | 11,362 | 10,352 |
| Investment in equity investee | 7,373 | - |
| Right-of-use asset | 5,718 | - |
| Deferred investment costs | - | 174 |
| Total assets | \$ 357,881 | \$ 354,167 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable | \$ 1,991 | \$ 242 |
| Accounts payable, related party | 3,863 | - |
| Operating lease liability, current portion | 557 | - |
| Accrued expenses | 3,611 | 257 |
| Total current liabilities | 10,022 | 499 |
| Operating lease liability, net of current portion | 5,276 | - |
| Warrant liability | 89 | 137 |
| Total liabilities | 15,387 | 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 March 31, 2022 and December 31, 2021 | - | - |
| Common stock, \$0.001 par value, 500,000,000 shares authorized, 253,685,763 and 252,131,679 shares issued as of March 31, 2022 and December 31, 2021, respectively, and 250,174,273 and 249,279,420 shares outstanding as of March 31, 2022 and December 31, 2021, respectively | 254 | 252 |
| Additional paid-in capital | 431,899 | 425,438 |
| Treasury stock, at par, 3,511,490 and 2,852,259 shares at March 31, 2022 and December 31, 2021, respectively | (4) | (3) |
| Accumulated deficit | (89,655) | (72,156) |
| Total stockholders' equity | 342,494 | 353,531 |
| Total liabilities and stockholders' equity | \$ 357,881 | \$ 354,167 |

Source: Cipher Mining management

Consolidated Statement of Operations

| | Three Months Ended March 31, 2022 | Two Months Ended March 31, 2021 |
|---|---|---------------------------------------|
| Costs and expenses | | |
| General and administrative | \$ 17,390 | \$ 113 |
| Depreciation | 7 | - |
| Impairment of cryptocurrencies | 4 | - |
| Total costs and expenses | 17,401 | 113 |
| Operating loss | (17,401) | (113) |
| Other income | | |
| Interest income | 7 | - |
| Change in fair value of warrant liability | 48 | - |
| Equity in loss of equity investment | (153) | - |
| Total other income | (98) | - |
| Net loss | \$ (17,499) | \$ (113) |
| Basic and diluted net loss per share | \$ (0.07) | \$ - |
| Basic and diluted weighted average number of shares outstanding | 250,174,255 | 200,000,000 |

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 March 31, 2022 | Two Months Ended March 31, 2021 |
|---|---|------------------------------------|
| Reconciliation of non-GAAP loss from operations: | | |
| Operating loss | \$ (17,401) | \$ (113) |
| Depreciation | 7 | - |
| Impairment of cryptocurrencies | 4 | - |
| Stock compensation expense | 9,514 | - |
| Non-GAAP loss from operations | <u>\$ (7,876)</u> | <u>\$ (113)</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 March 31, 2022 | Two Months Ended March 31, 2021 |
|---|---|------------------------------------|
| Reconciliation of non-GAAP net loss: | | |
| Net loss | \$ (17,499) | \$ (113) |
| Non-cash adjustments to net loss | | |
| Depreciation | 7 | - |
| Change in fair value of warrant liability | 48 | - |
| Impairment of cryptocurrencies | 4 | - |
| Stock compensation expense | 9,514 | - |
| Total non-cash adjustments to net loss | 9,573 | - |
| Non-GAAP net loss | <u>\$ (7,926)</u> | <u>\$ (113)</u> |
| Reconciliation of non-GAAP basic and diluted net loss per share: | | |
| Basic and diluted net loss per share | \$ (0.07) | \$ - |
| Depreciation of fixed assets (per share) | - | - |
| Change in fair value of warrant liability (per share) | - | - |
| Impairment of cryptocurrencies (per share) | - | - |
| Stock compensation expense (per share) | 0.04 | - |
| Non-GAAP basic and diluted net loss per share | <u>\$ (0.03)</u> | <u>\$ -</u> |

Appendix

 Cipher Mining

Statements of Changes in Stockholders' Equity (Deficit)



| Three Months Ended March 31, 2022 | | | | | | | |
|--|--------------------|---------------|----------------------------|--------------------|---------------|---------------------|----------------------------|
| | Common Stock | | | Treasury Stock | | Accumulated Deficit | Total Stockholders' Equity |
| | Shares | Amount | Additional Paid-in Capital | Shares | Amount | | |
| Balance as of December 31, 2021 | 252,131,679 | \$ 252 | \$ 425,438 | (2,852,259) | \$ (3) | \$ (72,156) | \$ 353,531 |
| Delivery of common stock underlying restricted stock units, net of shares settled for tax withholding settlement | 1,554,064 | 2 | (3,053) | (659,231) | (1) | - | (3,052) |
| Warrants exercised | 20 | - | - | - | - | - | - |
| Share-based compensation | - | - | 9,514 | - | - | - | 9,514 |
| Net loss | - | - | - | - | - | (17,499) | (17,499) |
| Balance as of March 31, 2022 | 253,685,763 | \$ 254 | \$ 431,899 | (3,511,490) | \$ (4) | \$ (89,655) | \$ 342,494 |

| Two Months Ended March 31, 2021 | | | | | |
|-------------------------------------|--------------------|---------------|----------------------------|---------------------|-----------------------------|
| | Common Stock | | Additional Paid-in Capital | Accumulated Deficit | Total Stockholders' Deficit |
| | Shares | Amount | | | |
| Balance as of January 31, 2021 | 200,000,000 | \$ 200 | \$ (200) | \$ (3) | \$ (3) |
| Net loss | - | - | - | (113) | (113) |
| Balance as of March 31, 2021 | 200,000,000 | \$ 200 | \$ (200) | \$ (116) | \$ (116) |

Consolidated Statement of Cash Flows

| | Three Months Ended March 31, 2022 | Two Months Ended March 31, 2021 |
|--|--------------------------------------|------------------------------------|
| Cash flows from operating activities | | |
| Net loss | \$ (17,499) | \$ (113) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation | 7 | - |
| Amortization of right-of-use assets | 140 | - |
| Change in fair value of warrant liability | (48) | - |
| Share-based compensation | 9,514 | - |
| Equity in earnings (loss) of equity investment | 153 | - |
| Impairment of cryptocurrencies | 4 | - |
| Changes in assets and liabilities: | | |
| Prepaid expenses | 2,288 | - |
| Security deposits | (1,010) | - |
| Accounts payable | 120 | 67 |
| Accounts payable, related party | - | 2 |
| Accrued expenses | 2,904 | (1) |
| Lease liability | 106 | - |
| Net cash used in operating activities | <u>(3,321)</u> | <u>(45)</u> |
| Cash flows from investing activities | | |
| Deposits on equipment | (96,914) | - |
| Purchases of property and equipment | (7,059) | - |
| Net cash used in investing activities | <u>(103,973)</u> | <u>-</u> |
| Cash flows from financing activities | | |
| Proceeds from borrowings on related party loan | - | 100 |
| Repurchase of common shares to pay employee withholding taxes | (3,052) | - |
| Net cash (used in) provided by financing activities | <u>(3,052)</u> | <u>100</u> |
| Net (decrease) increase in cash and cash equivalents | (110,346) | 55 |
| Cash and cash equivalents, beginning of the period | 209,841 | - |
| Cash and cash equivalents, end of the period | <u>\$ 99,495</u> | <u>\$ 55</u> |
| Supplemental disclosure of cash flow information | | |
| Cash paid for interest | \$ - | \$ - |
| Cash paid for income taxes, net | \$ - | \$ - |
| Supplemental disclosure of noncash investing and financing activities | | |
| Equity method investment acquired for non-cash consideration | \$ 7,118 | \$ - |
| Right-of-use asset obtained in exchange for operating lease liability | \$ 5,859 | \$ - |
| Deposits on equipment in accounts payable, related party | \$ 2,506 | \$ - |
| Property and equipment purchases in accounts payable | \$ 1,624 | \$ 3 |
| Property and equipment purchases in accounts payable, related party | \$ 1,357 | \$ - |
| Investment in equity investee in accrued expenses | \$ 428 | \$ - |
| Cryptocurrencies received from equity method investment | \$ 195 | \$ - |
| Reclassification of deferred investment costs to equity method investment | \$ 174 | \$ - |
| Property and equipment purchases in accrued expenses | \$ 22 | \$ - |
| Deposits on equipment in accounts payable | \$ 5 | \$ - |
| Deferred offering costs included in accrued expenses | \$ - | \$ 1,525 |
| Deferred offering costs included in accounts payable | \$ - | \$ 98 |
| Deferred investment costs included in accrued expenses | \$ - | \$ 97 |

Source: Cipher Mining management



Cipher Mining

May 2022
