

**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 09, 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 \$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 May 9, 2023, Cipher Mining Inc. (the “Company”) announced its results for the first quarter ended March 31, 2023. 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.****Earnings Release**

On May 9, 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.

**Miner Purchase**

On May 9, 2023, the Company also announced that it entered into an agreement with Canaan Creative Global Pte. Ltd. to purchase 11,000 new A1346 model miners to be delivered during the third quarter of 2023. The Company expects to fund its payment obligations for the purchase through its ongoing operations, including by selling bitcoin generated at its data centers. The Company plans to install the new miners at its Odessa Facility upon their arrival. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.3 to this Report.

The information in Items 2.02 and 7.01 of this Report (including Exhibits 99.1, 99.2 and 99.3 attached hereto) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly provided by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**(d) Exhibits.

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

<u>Exhibit Number</u>	<u>Description</u>
99.1	<a href="#">Press Release of the Company, dated May 9, 2023</a>
99.2	<a href="#">Presentation of the Company, dated May 9, 2023</a>
99.3	<a href="#">Joint Press Release of the Company and Canaan Inc., dated May 9, 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: May 9, 2023

By:

/s/ Tyler Page

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

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**Cipher Mining Provides First Quarter 2023 Business Update**

*Four Data Centers Operational and Hashing at All-Time High Hash Rate Capacity of Over 6.0 Exahash per Second ("EH/s")*

*Purchased 11,000 Canaan A1346 Model Mining Rigs Expected to be Delivered and Energized in Q3 Bringing Self-Mining Hash Rate Capacity to 7.2 EH/s*

*GAAP Diluted Net Loss of \$0.03 per Share (Non-GAAP Diluted Net Income of \$0.03 per Share)*

NEW YORK—May 9, 2023—Cipher Mining Inc. (**NASDAQ: CIPR**) ("Cipher" or the "Company"), a leading developer and operator of bitcoin mining data centers, today announced results for its first quarter 2023, with an update on its operations and deployment strategy.

"I am delighted to announce that we have completed the first phase of growth at our Odessa facility and have achieved a self-mining capacity of over 6.0 EH/s across our portfolio," said Tyler Page, CEO of Cipher. "We have also purchased an additional 11,000 miners from Canaan, which we expect to be delivered and energized in the third quarter. This will complete the buildout at our Odessa facility and bring our total self-mining capacity to over 7.2 EH/s across our portfolio."

**Finance and Operations Updates**

- Across four initial data centers, Cipher has deployed over 6.0 EH/s to date
- The Company purchased an additional 11,000 mining rigs expected to complete the Odessa data center buildout in Q3, further expanding Cipher's highly efficient machine fleet to over 70,000 rigs capable of producing 7.2 EH/s of hash rate
- The weighted average power price at the Company's sites currently under contract is approximately 2.7 c/kWh with 96% of the portfolio energized through fixed price power
- Cipher produced a first quarter 2023 GAAP diluted net loss of \$0.03 per share and non-GAAP diluted net income of \$0.03 per share

**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 2023 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 by telephone, dial (800) 715-9871 (toll-free within the U.S.) or +1 (646) 307-1963 (for investors outside of the U.S.) and use the Conference ID 8827688.

**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

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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," "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 14, 2023, and in Cipher's subsequent filings with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and Cipher assumes no obligation and, except as required by law, does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise.

### **Contacts:**

#### **Investor Contact:**

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Head of Investor Relations at Cipher Mining  
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#### **Media Contact:**

Ryan Dikovitsky / Kendal Till  
Dukas Linden Public Relations  
[CipherMining@DLPR.com](mailto:CipherMining@DLPR.com)

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
	(unaudited)	
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 3,922	\$ 11,927
Accounts receivable	281	98
Receivables, related party	1,291	1,102
Prepaid expenses and other current assets	4,279	7,254
Bitcoin	9,576	6,283
Derivative asset	17,129	21,071
<b>Total current assets</b>	<b>36,478</b>	<b>47,735</b>
Property and equipment, net	263,027	191,784
Deposits on equipment	1,143	73,018
Investment in equity investees	34,529	37,478
Derivative asset	54,901	45,631
Operating lease right-of-use asset	4,865	5,087
Security deposits	17,742	17,730
<b>Total assets</b>	<b>\$ 412,685</b>	<b>\$ 418,463</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 10,667	\$ 14,286
Accounts payable, related party	1,554	3,083
Accrued expenses and other current liabilities	17,341	19,353
Finance lease liability, current portion	2,638	2,567
Operating lease liability, current portion	1,058	1,030
Warrant liability	44	7
<b>Total current liabilities</b>	<b>33,302</b>	<b>40,326</b>
Asset retirement obligation	17,110	16,682
Finance lease liability	11,542	12,229
Operating lease liability	4,218	4,494
Deferred tax liability	1,893	1,840
<b>Total liabilities</b>	<b>68,065</b>	<b>75,571</b>
Commitments and contingencies ( <i>Note 12</i> )		
Stockholders' equity		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized, none issued and outstanding as of March 31, 2023 and December 31, 2022	-	-
Common stock, \$0.001 par value, 500,000,000 shares authorized, 253,050,088 and 251,095,305 shares issued as of March 31, 2023 and December 31, 2022, respectively, and 248,906,007 and 247,551,958 shares outstanding as of March 31, 2023 and December 31, 2022, respectively	253	251
Additional paid-in capital	462,181	453,854
Accumulated deficit	(117,810)	(111,209)
Treasury stock, at par, 4,144,081 and 3,543,347 shares at March 31, 2023 and December 31, 2022, respectively	(4)	(4)
<b>Total stockholders' equity</b>	<b>344,620</b>	<b>342,892</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 412,685</b>	<b>\$ 418,463</b>

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

	Three Months Ended March 31,	
	2023	2022
Revenue - bitcoin mining	\$ 21,895	\$ -
Costs and operating expenses (income)		
Cost of revenue	8,141	-
General and administrative	17,420	17,390
Depreciation	11,655	7
Change in fair value of derivative asset	(5,328)	-
Power sales	(98)	-
Equity in losses of equity investees	750	153
Realized gain on sale of bitcoin	(4,021)	-
Impairment of bitcoin	1,805	4
Other gains	(2,260)	-
Total costs and operating expenses	28,064	17,554
Operating loss	(6,169)	(17,554)
Other income (expense)		
Interest income	76	7
Interest expense	(401)	-
Change in fair value of warrant liability	(37)	48
Total other income (expense)	(362)	55
Loss before taxes	(6,531)	(17,499)
Current income tax expense	(17)	-
Deferred income tax expense	(53)	-
Total income tax expense	(70)	-
Net loss	\$ (6,601)	\$ (17,499)
Net loss per share - basic and diluted	\$ (0.03)	\$ (0.07)
Weighted average shares outstanding - basic and diluted	248,654,082	250,174,255

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

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities</b>		
Net loss	\$ (6,601)	\$ (17,499)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	11,655	7
Amortization of operating right-of-use asset	222	140
Share-based compensation	8,810	9,514
Equity in losses of equity investees	750	153
Impairment of bitcoin	1,805	4
Non-cash lease expense	401	-
Deferred income taxes	53	-
Bitcoin received as payment for services	(21,717)	-
Change in fair value of derivative asset	(5,328)	-
Change in fair value of warrant liability	37	(48)
Realized gain on sale of bitcoin	(4,021)	-
Changes in assets and liabilities:		
Proceeds from sale of bitcoin	20,958	-
Accounts receivable	(183)	-
Receivables, related party	(189)	-
Prepaid expenses and other current assets	2,975	2,288
Security deposits	(12)	(1,010)
Accounts payable	2,913	120
Accounts payable, related party	(1,529)	-
Accrued expenses and other current liabilities	65	2,904
Lease liabilities	(248)	106
Net cash provided by (used in) operating activities	<u>10,816</u>	<u>(3,321)</u>
<b>Cash flows from investing activities</b>		
Deposits on equipment	(1,106)	(96,914)
Purchases of property and equipment	(17,947)	(7,059)
Capital distributions from equity investees	3,807	-
Investment in equity investees	(3,094)	-
Net cash used in investing activities	<u>(18,340)</u>	<u>(103,973)</u>
<b>Cash flows from financing activities</b>		
Repurchase of common shares to pay employee withholding taxes	(481)	(3,052)
Net cash used in financing activities	<u>(481)</u>	<u>(3,052)</u>
Net decrease in cash and cash equivalents	(8,005)	(110,346)
Cash and cash equivalents, beginning of the period	11,927	209,841
Cash and cash equivalents, end of the period	<u>\$ 3,922</u>	<u>\$ 99,495</u>
<b>Supplemental disclosure of noncash investing and financing activities</b>		
Reclassification of deposits on equipment to property and equipment	\$ 71,533	\$ -
Property and equipment purchases in accounts payable, accounts payable, related party and accrued expenses	\$ 5,940	\$ 3,003
Equity method investment acquired for non-cash consideration	\$ 1,925	\$ 7,118
Finance lease costs in accrued expenses	\$ 1,017	\$ -
Deposits on equipment in accounts payable and accounts payable, related party	\$ 691	\$ 2,511
Bitcoin received from equity investees	\$ 317	\$ 195
Right-of-use asset obtained in exchange for operating lease liability	\$ -	\$ 5,859
Investment in equity investees in accrued expenses	\$ -	\$ 428
Reclassification of deferred investment costs to investment in equity investees	\$ -	\$ 174



## 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) the non-cash change in the fair value of our derivative asset (iii) share-based compensation expense and (iv) nonrecurring gains, to its most directly comparable GAAP measure for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2023	2022
<b>Reconciliation of non-GAAP income (loss) from operations:</b>		
Operating loss	\$ (6,169)	\$ (17,554)
Depreciation and amortization	11,877	7
Change in fair value of derivative asset	(5,328)	-
Share-based compensation expense	8,810	9,514
Other gains - nonrecurring	(2,254)	-
Non-GAAP income (loss) from operations	<u>\$ 6,936</u>	<u>\$ (8,033)</u>

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

	Three Months Ended March 31,	
	2023	2022
<b>Reconciliation of non-GAAP net income (loss):</b>		
Net loss	\$ (6,601)	\$ (17,499)
Non-cash adjustments to net loss:		
Depreciation and amortization	11,877	7
Change in fair value of derivative asset	(5,328)	-
Share-based compensation expense	8,810	9,514
Other gains - nonrecurring	(2,254)	-
Change in fair value of warrant liability	(37)	48
Deferred income tax expense	(53)	-
Total non-cash adjustments to net loss	13,015	9,569
Non-GAAP net income (loss)	<u>\$ 6,414</u>	<u>\$ (7,930)</u>

<b>Reconciliation of non-GAAP basic and diluted net income (loss) per share:</b>		
Basic and diluted net loss per share	\$ (0.03)	\$ (0.07)
Depreciation and amortization (per share)	0.05	-
Change in fair value of derivative asset (per share)	(0.02)	-
Share-based compensation expense (per share)	0.04	0.04
Other gains - nonrecurring (per share)	(0.01)	-
Change in fair value of warrant liability (per share)	-	-
Deferred income tax expense (per share)	-	-
Non-GAAP basic and diluted net income (loss) per share	<u>\$ 0.03</u>	<u>\$ (0.03)</u>

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Cipher  
Mining

# Presentation for Business Update

MAY 9, 2023



## 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, 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 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) 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.

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# Prudent Growth through the Cycle

## BUILT TO SUCCEED

**~2.7c**

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

**~96%**

of Portfolio  
Energized Through  
**Fixed Price Power**

## DEPLOYMENT UPDATES

- Deployed fleet of over 59,000 miners
- Purchased an additional 11,000 miners to complete the Odessa buildout in Q3
- Evaluating potential expansion plans at Bear and Chief data centers as well as other new opportunities

<sup>(1)</sup> Represents the expected weighted average power price at Cipher's current sites



# Key Indicators as of April 30, 2023

## HASHRATE

**6.0 EH/s**  **7.2 EH/s**  **8.2 EH/s**  
Current Q3 2023E 2023 Potential<sup>(1)</sup>

## MACHINES

**59,000+**  **70,000+**  
Operating Expected Q3 2023



**16.44 BTC**

Daily Production High



**427 BTC**

BTC Held



**406 BTC**

Monthly Production April

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

# 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>

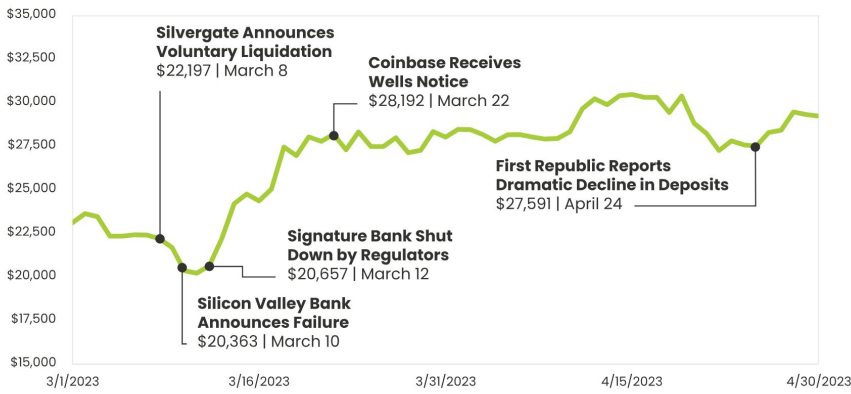
Transaction fees are additional bitcoin paid to miners for confirming transactions

<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



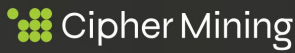
# Market Update

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



## IMPLICATIONS

- 1 Bitcoin Rally – Flight to Safe Haven
- 2 Rapidly Evolving Regulatory Landscape
- 3 Buyer's Market for Rigs



CURRENT EMPHASIS



Expansion Planning



Secure Machines While Still Cheap

(1) Represents average USD market price across major Bitcoin exchanges from March 1, 2023, to April 30, 2023, per data.nasdaq.com





### Data Centers Update

**Alborz – Complete**

~\$6,747 all-in electricity cost per BTC<sup>(1)</sup>

**Bear & Chief – Complete**

~\$5,927 all-in electricity cost per BTC<sup>(2)</sup>

**Odessa – Completion Expected Q3 2023**

~\$7,309 all-in electricity cost per BTC<sup>(3)</sup>  
 Capable of mining up to ~13.6 BTC daily<sup>(4)</sup>



### Rapid Scaling

Hash Rate Growth



(1) Reflects electricity cost during March 2023, including taxes, customer charges, and 2021 storm surcharge; March 2023 represents the latest electricity bill received  
 (2) Reflects combined electricity cost during March 2023, including taxes, settlement charges, and TSDP charges; March 2023 represents the latest electricity bills received  
 (3) Reflects electricity cost during March 2023, including TDU charges and net of revenue generated from opportunistic power sales; March 2023 represents the latest electricity bills received  
 (4) Estimated for April 2023, assumes full up-time, network hash rate of 343 EH/s and 927 bitcoins mined per day



# Operational Highlights

## Alborz

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

**~320**  
BTC Mined YTD<sup>(2)</sup>

  
**~\$6,747**  
All-in Electricity Cost per BTC<sup>(3)</sup>

**~3.51**  
Daily BTC Mining Capacity<sup>(4)</sup>



(1) Joint venture with WindHQ LLC, of which Clipher owns ~0.64 EH/s  
(2) YTD through April 2023; Joint venture with WindHQ LLC, of which Clipher owns ~157 BTC  
(3) Reflects electricity cost during March 2023, including taxes, customer charges, and 2021 storm surcharge; March 2023 represents the most recent electricity bill received  
(4) Estimated for April 2023, assumes full up-time, network hash rate of 343 EH/s and 927 bitcoins mined per day

# Operational Highlights

## Bear & Chief

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

**~199**  
BTC Mined YTD<sup>(2)</sup>

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

  
**~\$5,927**  
All-in Electricity Cost per BTC<sup>(4)</sup>

**~1.76**  
Daily BTC Mining Capacity<sup>(5)</sup>

(1) Joint venture with WindHQ LLC, of which Cipher owns ~0.32 EH/s  
(2) YTD through April 2023; Joint venture with WindHQ LLC, of which Cipher owns ~98 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 March 2023, including taxes, settlement charges, and TSDP charges; March 2023 represents the latest electricity bills received  
(5) Estimated for April 2023, assumes full up-time, network hash rate of 343 EH/s and 927 bitcoins mined per day



# Operational Highlights

## Odessa

**~5.0 EH/s**  
**170 MW**

Operating Capacity<sup>(1)</sup>

**~1,306**

BTC Mined YTD<sup>(1)</sup>



**~\$7,309**

All-in Electricity Cost per BTC<sup>(2)</sup>

**~13.6**

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



### Odessa Growth Timeline

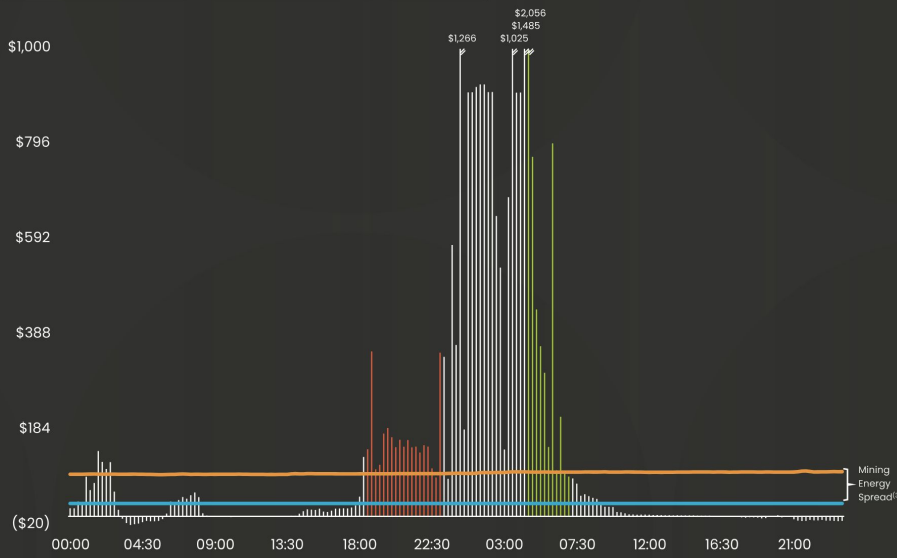
#### Hashrate Deployed (EH/s)



(1) As of April 30, 2023  
(2) Reflects electricity cost during March 2023, including TDU charges and net of revenue generated from opportunistic power sales; March 2023 represents the latest electricity bills received  
(3) Estimated for April 2023, assumes full up-time, network hash rate of 343 EH/s and 927 bitcoins mined per day  
(4) Reflects Canaan A1346 mining rigs for available capacity

# Optimization Case Study

POWER PRICES PER MWH IN ODESSA <sup>(1)</sup>



(1) Represents average 15-minute interval historical ERCOT OECOS CC2 prices from 03/28/23 through 03/29/23  
 (2) Represents average 15-minute interval historical Bitcoin network economics from 03/28/23 through 03/29/23, assuming machine efficiency of 31.9 J/TH/s  
 (3) Represents bitcoin mining revenue less direct energy expenses; notably, excludes other operating expenses associated with bitcoin mining  
 (4) Incremental profits in excess of Mining Energy Spread

## Curtailment at Odessa Optimizing for Increased Profitability

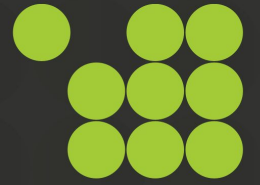


Bitcoin Mining Revenue <sup>(2)</sup>	Orange line
PPA Fixed Price	Blue line
Open Market Power Prices	White line
• When Curtailed	Red line
• When Self-Curtailed	Green line

Foregone Mining Energy Spread<sup>(3)</sup> ~\$41,193

Opportunistic Energy Monetization<sup>(4)</sup> ~\$145,635





# Financial Update

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# Consolidated Balance Sheets



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

	March 31, 2023	December 31, 2022
	(unaudited)	
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 3,922	\$ 11,927
Accounts receivable	281	98
Receivables, related party	1,291	1,102
Prepaid expenses and other current assets	4,279	7,254
Bitcoin	9,576	6,283
Derivative asset	17,129	21,071
Total current assets	36,478	47,735
Property and equipment, net	263,027	191,784
Deposits on equipment	1,143	73,018
Investment in equity investees	34,529	37,478
Derivative asset	54,901	45,631
Operating lease right-of-use asset	4,865	5,087
Security deposits	17,742	17,730
<b>Total assets</b>	<b>\$ 412,685</b>	<b>\$ 418,463</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 10,667	\$ 14,286
Accounts payable, related party	1,554	3,083
Accrued expenses and other current liabilities	17,341	19,353
Finance lease liability, current portion	2,638	2,567
Operating lease liability, current portion	1,058	1,030
Warrant liability	44	7
Total current liabilities	33,302	40,326
Asset retirement obligation	17,110	16,682
Finance lease liability	11,542	12,229
Operating lease liability	4,218	4,494
Deferred tax liability	1,893	1,840
Total liabilities	68,065	75,571
Commitments and contingencies (Note 12)		
Stockholders' equity		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized, none issued and outstanding as of March 31, 2023 and December 31, 2022	-	-
Common stock, \$0.001 par value, 500,000,000 shares authorized, 253,050,088 and 251,095,305 shares issued as of March 31, 2023 and December 31, 2022, respectively, and 248,906,007 and 247,551,958 shares outstanding as of March 31, 2023 and December 31, 2022, respectively	253	251
Additional paid-in capital	462,181	453,854
Accumulated deficit	(117,810)	(111,209)
Treasury stock, at par, 4,144,081 and 3,543,347 shares at March 31, 2023 and December 31, 2022, respectively	(4)	(4)
Total stockholders' equity	344,620	342,892
<b>Total liabilities and stockholders' equity</b>	<b>\$ 412,685</b>	<b>\$ 418,463</b>



# Consolidated Statement of Operations



	Three Months Ended March 31,	
	2023	2022
Revenue - bitcoin mining	\$ 21,895	\$ -
Costs and operating expenses (income)		
Cost of revenue	8,141	-
General and administrative	17,420	17,390
Depreciation	11,655	7
Change in fair value of derivative asset	(5,328)	-
Power sales	(98)	-
Equity in losses of equity investees	750	153
Realized gain on sale of bitcoin	(4,021)	-
Impairment of bitcoin	1,805	4
Other gains	(2,260)	-
Total costs and operating expenses	28,064	17,554
Operating loss	(6,169)	(17,554)
Other income (expense)		
Interest income	76	7
Interest expense	(401)	-
Change in fair value of warrant liability	(37)	48
Total other income (expense)	(362)	55
Loss before taxes	(6,531)	(17,499)
Current income tax expense	(17)	-
Deferred income tax expense	(53)	-
Total income tax expense	(70)	-
Net loss	\$ (6,601)	\$ (17,499)
Net loss per share - basic and diluted	\$ (0.03)	\$ (0.07)
Weighted average shares outstanding - basic and diluted	248,654,082	250,174,255

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. share-based compensation expense
- iv. nonrecurring gains, to its most directly comparable GAAP measure for the periods indicated:

	Three Months Ended March 31,	
	2023	2022
<b>Reconciliation of non-GAAP income (loss) from operations:</b>		
Operating loss	\$ (6,169)	\$ (17,554)
Depreciation and amortization	11,877	7
Change in fair value of derivative asset	(5,328)	-
Share-based compensation expense	8,810	9,514
Other gains - nonrecurring	(2,254)	-
Non-GAAP income (loss) from operations	\$ 6,936	\$ (8,033)

Note: In thousands, except for per share amounts

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

	Three Months Ended March 31,	
	2023	2022
<b>Reconciliation of non-GAAP net income (loss):</b>		
Net loss	\$ (6,601)	\$ (17,499)
Non-cash adjustments to net loss:		
Depreciation and amortization	11,877	7
Change in fair value of derivative asset	(5,328)	-
Share-based compensation expense	8,810	9,514
Other gains - nonrecurring	(2,254)	-
Change in fair value of warrant liability	(37)	48
Deferred income tax expense	(53)	-
Total non-cash adjustments to net loss	13,015	9,569
Non-GAAP net income (loss)	\$ 6,414	\$ (7,930)
<b>Reconciliation of non-GAAP basic and diluted net income (loss) per share:</b>		
Basic and diluted net loss per share	\$ (0.03)	\$ (0.07)
Depreciation and amortization (per share)	0.05	-
Change in fair value of derivative asset (per share)	(0.02)	-
Share-based compensation expense (per share)	0.04	0.04
Other gains - nonrecurring (per share)	(0.01)	-
Change in fair value of warrant liability (per share)	-	-
Deferred income tax expense (per share)	-	-
Non-GAAP basic and diluted net income (loss) per share	\$ 0.03	\$ (0.03)







# Appendix

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# Statements of Changes in Stockholders' Equity (Deficit)

## Three Months Ended March 31, 2023

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Treasury Stock		Total Stockholders' Equity
	Shares	Amount			Shares	Amount	
<b>Balance as of January 1, 2023</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>
Delivery of common stock underlying restricted stock units, net of shares settled for tax withholding settlement	1,954,783	2	(483)	-	(600,734)	-	(481)
Share-based compensation	-	-	8,810	-	-	-	8,810
Net loss	-	-	-	(6,601)	-	-	(6,601)
<b>Balance as of March 31, 2023</b>	<b>253,050,088</b>	<b>\$ 253</b>	<b>\$ 462,181</b>	<b>\$ (117,810)</b>	<b>(4,144,081)</b>	<b>\$ (4)</b>	<b>\$ 344,620</b>

## Three Months Ended March 31, 2022

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Treasury Stock		Total Stockholders' Equity
	Shares	Amount			Shares	Amount	
<b>Balance as of January 1, 2022</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	1,554,064	2	(3,053)	-	(659,231)	(1)	(3,052)
Warrants exercised	20	-	-	-	-	-	-
Share-based compensation	-	-	9,514	-	-	-	9,514
Net loss	-	-	-	(17,499)	-	-	(17,499)
<b>Balance as of March 31, 2022</b>	<b>253,685,763</b>	<b>\$ 254</b>	<b>\$ 431,899</b>	<b>\$ (89,655)</b>	<b>(3,511,490)</b>	<b>\$ (4)</b>	<b>\$ 342,494</b>

Note: In thousands, except for share amounts



# Consolidated Statement of Cash Flows



Note: In thousands

	Three Months Ended March 31,	
	2023	2022
<b>Cash flows from operating activities</b>		
Net loss	\$ (6,601)	\$ (17,499)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	11,655	7
Amortization of operating right-of-use asset	222	140
Share-based compensation	8,810	9,514
Equity in losses of equity investees	750	153
Impairment of bitcoin	1,805	4
Non-cash lease expense	401	-
Deferred income taxes	53	-
Bitcoin received as payment for services	(21,717)	-
Change in fair value of derivative asset	(5,328)	-
Change in fair value of warrant liability	37	(48)
Realized gain on sale of bitcoin	(4,021)	-
Changes in assets and liabilities:		
Proceeds from sale of bitcoin	20,958	-
Accounts receivable	(183)	-
Receivables, related party	(189)	-
Prepaid expenses and other current assets	2,975	2,288
Security deposits	(12)	(1,010)
Accounts payable	2,913	120
Accounts payable, related party	(1,529)	-
Accrued expenses and other current liabilities	65	2,904
Lease liabilities	(248)	106
Net cash provided by (used in) operating activities	10,816	(3,321)
<b>Cash flows from investing activities</b>		
Deposits on equipment	(1,106)	(96,914)
Purchases of property and equipment	(17,947)	(7,059)
Capital distributions from equity investees	3,807	-
Investment in equity investees	(3,094)	-
Net cash used in investing activities	(18,340)	(103,973)
<b>Cash flows from financing activities</b>		
Repurchase of common shares to pay employee withholding taxes	(481)	(3,052)
Net cash used in financing activities	(481)	(3,052)
Net decrease in cash and cash equivalents	(8,005)	(110,346)
Cash and cash equivalents, beginning of the period	11,927	209,841
Cash and cash equivalents, end of the period	\$ 3,922	\$ 99,495
<b>Supplemental disclosure of noncash investing and financing activities</b>		
Reclassification of deposits on equipment to property and equipment	\$ 71,533	\$ -
Property and equipment purchases in accounts payable, accounts payable, related party and accrued expenses	\$ 5,940	\$ 3,003
Equity method investment acquired for non-cash consideration	\$ 1,925	\$ 7,118
Finance lease costs in accrued expenses	\$ 1,017	\$ -
Deposits on equipment in accounts payable and accounts payable, related party	\$ 691	\$ 2,511
Bitcoin received from equity investees	\$ 317	\$ 195
Right-of-use asset obtained in exchange for operating lease liability	\$ -	\$ 5,859
Investment in equity investees in accrued expenses	\$ -	\$ 428
Reclassification of deferred investment costs to investment in equity investees	\$ -	\$ 174



**Cipher Mining Purchases 11,000 New Mining Machines From Canaan Inc.**

*The 11,000 New A1346 Model Mining Machines are Scheduled to be Delivered and Energized in the Third Quarter of 2023*

*Purchase Will Complete the Buildout of Cipher's Facility in Odessa, Texas and Achieve a Hash Rate of 7.2 Exahash per Second ("EH/s") by the End of the Third Quarter of 2023*

NEW YORK and SINGAPORE—May 9, 2023—Cipher Mining Inc. (NASDAQ: CIPR) ("Cipher"), a leading developer and operator of bitcoin mining data centers, and Canaan Inc. (NASDAQ: CAN) ("Canaan"), a leading high-performance computing solutions provider, today jointly announced an agreement whereby Cipher has purchased from Canaan 11,000 new A1346 model mining machines to be delivered in the third quarter of 2023 for use at Cipher's Odessa, Texas facility. Following the delivery, Cipher will have a deployed fleet of more than 70,000 mining machines and 7.2 EH/s of self-mining capacity across its portfolio.

Tyler Page, CEO of Cipher, commented, "We are excited to formally begin our collaboration with Canaan, a pioneer in the ASIC high-performance computing chip industry. Over the past several months, our technology and operations teams have been working with Canaan to test its new generation mining machines onsite at Odessa. We are confident that Canaan's mining machines will be an excellent addition to our fleet, and we expect these mining machines to perform extremely well during the hot summer months in Texas."

"This purchase once again demonstrates Cipher's ability to manage the cyclicity of prices in the bitcoin mining space to drive higher returns on investment. Whether purchasing rigs when market prices are low, negotiating long-term fixed price power contracts or reinvesting our profits in the expansion of our facilities, Cipher's philosophy of prudent growth through the cycle has helped drive a best-in-class business that is well-positioned for leadership in the industry over the coming years," said Mr. Page.

Nangeng Zhang, Chairman and Chief Executive Officer of Canaan, stated, "We are thrilled and honored to support Cipher in advancing their world-class mining operations. We firmly believe that the exceptional performance of our cutting-edge mining machines will propel industry growth while delivering significant commercial value to our customers. We don't just use cutting-edge technology to support our North American customers, we carefully upgrade our hardware and software to ensure peak efficiency under any operating conditions, so our customers can rely on us to provide exceptional service."

"Today's agreement with Cipher stands as a testament to our expanding presence in the U.S. market," Zhang added. "By offering top-tier products and unparalleled services, we eagerly anticipate making a meaningful contribution to Cipher's continuous growth. Our dedicated team is driven to serve as a catalyst for innovation within the Bitcoin mining community, and we are determined to go above and beyond to empower this increasingly decentralized industry."

**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

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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/>.

#### **About Canaan**

Established in 2013, Canaan Inc. (NASDAQ: CAN), is a technology company focusing on ASIC high-performance computing chip design, chip research and development, computing equipment production, and software services. Canaan's vision is "super computing is what we do, social enrichment is why we do it." Canaan has extensive experience in chip design and streamlined production in the ASIC field. In 2013, under the leadership of Mr. Nangeng Zhang, founder and CEO, Canaan's founding team shipped to its customers the world's first batch of mining machines incorporating ASIC technology in Bitcoin's history under the brand name, Avalon. In 2018, Canaan released the world's first RISC-V architecture commercial edge AI chip. In 2019, Canaan completed its initial public offering (the "IPO") on the Nasdaq Global Market. To learn more about Canaan, please visit <https://www.canaan.io/>

#### **Forward Looking Statements of CIPHER**

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," "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 14, 2023, and in CIPHER's subsequent filings with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on

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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.

**Safe Harbor Statement of Canaan**

This announcement contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Among other things, the business outlook and quotations from management in this announcement, as well as Canaan Inc.'s strategic and operational plans, contain forward-looking statements. Canaan Inc. may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission ("SEC") on Forms 20-F and 6-K, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about Canaan Inc.'s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: the Company's goals and strategies; the Company's future business development, financial condition and results of operations; the expected growth of the Bitcoin industry and the price of Bitcoin; the Company's expectations regarding demand for and market acceptance of its products, especially its Bitcoin mining machines; the Company's expectations regarding maintaining and strengthening its relationships with production partners and customers; the Company's investment plans and strategies, fluctuations in the Company's quarterly operating results; competition in its industry; and relevant government policies and regulations relating to the Company and cryptocurrency. Further information regarding these and other risks is included in the Company's filings with the SEC, including its registration statement on Form F-1, as amended, and its annual reports on Form 20-F, as amended. All information provided in this press release and in the attachments is as of the date of this press release, and Canaan Inc. does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

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