

**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 05, 2024**

**CIPHER MINING INC.**

(Exact name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-39625**  
(Commission File Number)

**85-1614529**  
(IRS Employer  
Identification No.)

**1 Vanderbilt Avenue**  
**Floor 54**  
**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 March 5, 2024, Cipher Mining Inc. (the “Company”) announced its results for the fourth quarter and year ended December 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.**

On March 5, 2024, the Company posted a presentation to its website at <https://investors.ciphermining.com> (the “Presentation”). A copy of the Presentation is furnished as Exhibit 99.2 to this Report. The Company expects to use the Presentation, in whole or in part, and possibly with modifications, in connection with the earnings call with investors, analysts and others.

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

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

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

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

<b>Exhibit Number</b>	<b>Description</b>
99.1	<a href="#">Press Release of the Company, dated March 5, 2024</a>
99.2	<a href="#">Presentation of the Company, dated March 5, 2024</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 5, 2024

By:

/s/ Tyler Page

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

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**Cipher Mining Provides Fourth Quarter and Full Year 2023 Business Update**

*Fourth Quarter GAAP Earnings of \$10.6m and Non-GAAP Earnings of \$27.8m*

*Full Year 2023 Revenues of \$126.8m*

*Increased Hash Rate to 7.4 EH/s in First Quarter 2024 and on track to reach 9.3 EH/s by end of Third Quarter 2024, with potential to grow to 25 EH/s by the end of 2025*

NEW YORK—March 5, 2024—Cipher Mining Inc. (**NASDAQ: CIFR**) ("Cipher" or the "Company") today announced results for its fourth quarter and full year ended December 31, 2023, with an update on its operations and deployment strategy.

"We are delighted to announce our fourth quarter 2023 results, which reflect our first full quarter in which all four of our data centers were operating at full capacity. We delivered a quarter with strong positive net income on both a GAAP and Non-GAAP basis. And while recent FASB accounting changes have been a tailwind for all the miners' earnings, Cipher was net positive for the quarter even without those accounting changes," said Tyler Page, CEO of Cipher. "These record results are driven by our best-in-class unit economics."

"We are particularly excited about our expansion plans for 2024 and 2025. We expect to be at 9.3 EH/s by the end of Q3 2024 via the fully funded expansions at our Bear and Chief data centers and over 16 EH/s in the first half of 2025 via the fully funded phase one build of our Black Pearl data center. We have the potential to grow to 25 EH/s by the end of 2025 with the eventual completion of Black Pearl. We have already seen the results we can achieve with our operational leverage. With the strength of our balance sheet, our expansion plans and proven track record on execution, we expect to be a clear winner through the halving and into the next cycle."

**Finance and Operations Highlights**

- Achieved record revenues and net profits on both a GAAP and Non-GAAP basis in the first quarter of operations since inception with fully deployed data centers
- 30 MW expansion at each of Bear and Chief JV data centers, delivering 1.25 EH/s of self-mining capacity, on track for Q2 2024 deployment
- Closed the acquisition of the 300 MW Black Pearl facility and commenced construction work at the site for expected partial energization in Q2 2025

**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 2023 and management's outlook for operations and growth plans. The live webcast and a webcast replay of the conference call can be accessed from the investor relations section of Cipher's

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website at <https://investors.ciphermining.com>. To access this conference call by telephone, register here to receive dial-in numbers and a unique PIN to join the call.

## **About Cipher**

Cipher is an emerging technology company focused on the development and operation of bitcoin mining data centers. Cipher is dedicated to expanding and strengthening the Bitcoin network's critical infrastructure. Together with its diversely talented team and strategic partnerships, Cipher aims to be a market leader in bitcoin mining growth and innovation. To learn more about Cipher, please visit <https://www.ciphermining.com/>.

## **Forward Looking Statements**

This press release contains certain forward-looking statements within the meaning of the federal securities laws of the United States. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of complying with these safe harbor provisions. Any statements made in this press release that are not statements of historical fact, including statements about our beliefs and expectations regarding our future results of operations and financial position, business strategy, timing and likelihood of success, potential expansion of and additional bitcoin mining data centers, expectations regarding the operations of mining centers, and management plans and objectives, are forward-looking statements and should be evaluated as such. Forward-looking statements include information concerning possible or assumed future results of operations, including descriptions of our business plan and strategies. These forward-looking statements generally are identified by the words “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “seeks,” “intends,” “targets,” “projects,” “contemplates,” “believes,” “estimates,” “strategy,” “future,” “forecasts,” “opportunity,” “predicts,” “potential,” “would,” “will likely result,” “continue,” and similar expressions (including the negative versions of such words or expressions).

These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by Cipher and our management, are inherently uncertain. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward looking statements. New risks and uncertainties may emerge from time to time, and it is not possible to predict all risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this press release, including but not limited to: volatility in the price of Cipher's securities due to a variety of factors, including changes in the competitive and regulated industry in which Cipher operates, variations in performance across competitors, changes in laws and regulations affecting Cipher's business, and the ability to implement business plans, forecasts, and other expectations and to identify and realize additional opportunities. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2023, and in Cipher's subsequent filings with the Securities and Exchange Commission. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements

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speaking 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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**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, 2023	December 31, 2022
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 86,105	\$ 11,927
Accounts receivable	622	98
Receivables, related party	245	1,102
Prepaid expenses and other current assets	3,670	7,254
Bitcoin	32,978	6,283
Derivative asset	31,878	21,071
<b>Total current assets</b>	<b>155,498</b>	<b>47,735</b>
Property and equipment, net	243,815	191,188
Deposits on equipment	30,812	73,018
Intangible assets, net	8,109	596
Investment in equity investees	35,258	37,478
Derivative asset	61,713	45,631
Operating lease right-of-use asset	7,077	5,087
Security deposits	23,855	17,730
<b>Total assets</b>	<b>\$ 566,137</b>	<b>\$ 418,463</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 4,980	\$ 14,286
Accounts payable, related party	1,554	3,083
Accrued expenses and other current liabilities	22,439	19,353
Finance lease liability, current portion	3,404	2,567
Operating lease liability, current portion	1,166	1,030
Warrant liability	250	7
<b>Total current liabilities</b>	<b>33,793</b>	<b>40,326</b>
Asset retirement obligation	18,394	16,682
Finance lease liability	11,128	12,229
Operating lease liability	6,280	4,494
Deferred tax liability	5,206	1,840
<b>Total liabilities</b>	<b>74,801</b>	<b>75,571</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, 2023 and December 31, 2022	-	-
Common stock, \$0.001 par value, 500,000,000 shares authorized, 296,276,536 and 251,095,305 shares issued as of December 31, 2023 and December 31, 2022, respectively, and 290,957,862 and 247,551,958 shares outstanding as of December 31, 2023, and December 31, 2022, respectively	296	251
Additional paid-in capital	627,822	453,854
Accumulated deficit	(136,777)	(111,209)
Treasury stock, at par, 5,318,674 and 3,543,347 shares at December 31, 2023 and December 31, 2022, respectively	(5)	(4)
<b>Total stockholders' equity</b>	<b>491,336</b>	<b>342,892</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 566,137</b>	<b>\$ 418,463</b>

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

	Years ended December 31,	
	2023	2022
Revenue - bitcoin mining	\$ 126,842	\$ 3,037
Costs and operating expenses (income)		
Cost of revenue	50,309	748
General and administrative	85,195	70,836
Depreciation and amortization	59,093	4,378
Change in fair value of derivative asset	(26,836)	(73,479)
Power sales	(9,941)	(458)
Equity in losses of equity investees	2,530	36,972
Gains on fair value of bitcoin	(11,038)	(6)
Impairment of bitcoin	-	1,467
Other gains	(2,355)	-
Total costs and operating expenses (income)	146,957	40,458
Operating loss	(20,115)	(37,421)
Other income (expense)		
Interest income	164	215
Interest expense	(1,999)	(137)
Change in fair value of warrant liability	(243)	130
Other expense	(17)	-
Total other (expense) income	(2,095)	208
Loss before taxes	(22,210)	(37,213)
Current income tax expense	(201)	-
Deferred income tax expense	(3,366)	(1,840)
Total income tax expense	(3,567)	(1,840)
Net loss	\$ (25,777)	\$ (39,053)
Net loss per share - basic and diluted	\$ (0.10)	\$ (0.16)
Weighted average shares outstanding - basic and diluted	252,439,461	248,227,458

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

	Years ended December 31,	
	2023	2022
<b>Cash flows from operating activities</b>		
Net loss	\$ (25,777)	\$ (39,053)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	58,972	4,378
Amortization of intangible assets	121	-
Amortization of operating right-of-use asset	822	772
Share-based compensation	38,470	41,504
Equity in losses of equity investees	2,530	36,972
Impairment of bitcoin	-	1,467
Non-cash lease expense	1,940	137
Deferred income taxes	3,366	1,840
Bitcoin received as payment for services	(126,319)	(2,939)
Change in fair value of derivative asset	(26,836)	(73,479)
Change in fair value of warrant liability	243	(130)
Gains on fair value of bitcoin	(11,038)	(6)
Changes in assets and liabilities:		
Accounts receivable	(524)	(98)
Receivables, related party	(1,203)	(1,102)
Prepaid expenses and other current assets	3,531	6,433
Security deposits	(6,125)	(7,378)
Accounts payable	(9,306)	892
Accounts payable, related party	(1,529)	1,530
Accrued expenses and other current liabilities	5,311	748
Lease liabilities	(890)	(203)
Proceeds from power sales	-	1,721
Proceeds from reduction of scheduled power	-	5,056
Proceeds from sale of Bitcoin	-	23
Net cash used in operating activities	(94,241)	(20,915)
<b>Cash flows from investing activities</b>		
Proceeds from sale of bitcoin	111,188	-
Deposits on equipment	(33,906)	(188,103)
Purchases of property and equipment	(20,480)	(39,219)
Purchases and development of software	(634)	(596)
Capital distributions from equity investees	3,808	54,009
Investment in equity investees	(3,545)	-
Prepayments on financing lease	(3,676)	-
Net cash provided by (used in) investing activities	52,755	(173,909)
<b>Cash flows from financing activities</b>		
Proceeds from the issuance of common stock	135,848	-
Offering costs paid for the issuance of common stock	(3,404)	-
Repurchase of common shares to pay employee withholding taxes	(3,902)	(3,090)
Principal payments on financing lease	(12,878)	-
Net cash provided by (used in) financing activities	115,664	(3,090)
Net increase (decrease) in cash and cash equivalents	74,178	(197,914)
Cash and cash equivalents, beginning of the period	11,927	209,841
Cash and cash equivalents, end of the period	\$ 86,105	\$ 11,927

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

	Years ended December 31,	
	2023	2022
<b>Supplemental disclosure of noncash investing and financing activities</b>		
Reclassification of deposits on equipment to property and equipment	\$ 74,186	\$ 105,904
Right-of-use asset obtained in exchange for finance lease liability	\$ 14,212	\$ 14,998
Issuance of common stock in exchange for intangible assets	\$ 7,000	\$ -
Right-of-use asset obtained in exchange for operating lease liability	\$ 2,812	\$ -
Reclassification of receivables, related party to investment in equity investees	\$ 2,060	\$ -
Equity method investment acquired for non-cash consideration	\$ 1,926	\$ 127,796
Sales tax accrual on machine purchases	\$ 1,209	\$ -
Bitcoin received from equity investees	\$ 317	\$ 4,828
Common stock cancelled	\$ -	\$ 10,000
Property and equipment purchases in accounts payable, accounts payable, related party and accrued expenses	\$ -	\$ 13,994
Right-of-use asset obtained in exchange for operating lease liability	\$ -	\$ 5,859
Investment in equity investees in accrued expenses	\$ -	\$ 5,316
Deposits on equipment in accounts payable, accounts payable, related party and accrued expenses	\$ -	\$ 13,403
Initial estimate of asset retirement obligation and related capitalized costs	\$ -	\$ 16,509
Reclassification of deferred investment costs to investment in equity investees	\$ -	\$ 174
Finance lease cost in accrued expenses	\$ -	\$ 339
Prepaid rent reclassified to operating lease liability	\$ -	\$ 132

## Non-GAAP Financial Measures

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

	Years ended December 31,	
	2023	2022
<b>Reconciliation of Adjusted Earnings:</b>		
Net loss	\$ (25,777)	\$ (39,053)
Change in fair value of derivative asset	(26,836)	(73,479)
Share-based compensation expense	38,470	41,504
Depreciation and amortization	59,093	4,378
Deferred income tax expense	3,366	1,840
Other gains - nonrecurring	(2,355)	-
Change in fair value of warrant liability	243	(130)
Adjusted earnings	46,204	(64,940)



Cipher  
Mining

# Presentation for Business Update

MARCH 5, 2024





## Forward-Looking Statements

This communication contains certain forward-looking statements within the meaning of the federal securities laws of the United States. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of complying with these safe harbor provisions. Any statements made in this communication that are not statements of historical fact, including statements about our beliefs and expectations regarding our future results of operations and financial position, business strategy, timing and likelihood of success, potential expansion of bitcoin mining data centers, and management plans and objectives, are forward-looking statements and should be evaluated as such. Forward-looking statements include information concerning possible or assumed future results of operations, including descriptions of our business plan and strategies. These forward-looking statements generally are identified by the words "may," "will," "should," "expects," "plans," "anticipates," "could," "seeks," "intends," "targets," "projects," "contemplates," "believes," "estimates," "forecasts," "predicts," "potential" or "continue" and similar expressions (including the negative versions of such words or expressions).

These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by Cipher and our management, are inherently uncertain. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward looking statements. New risks and uncertainties may emerge from time to time, and it is not possible to predict all risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this communication, including but not limited to: volatility in the price of Cipher's securities due to a variety of factors, including changes in the competitive and regulated industry in which Cipher operates, variations in performance across competitors, changes in laws and regulations affecting Cipher's business, and the ability to implement business plans, forecasts, and other expectations and to identify and realize additional opportunities. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2023, and in Cipher's subsequent filings with the Securities and Exchange Commission. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and Cipher assumes no obligation and, except as required by law, does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise.

## Non-GAAP Financial Measures

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

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# Financial Highlights

## REVENUES

**\$3.0m**  **\$43.4m**  
Q4 2022 Q4 2023

## BTC MINED<sup>(1)</sup>

**377 BTC**  **1,327 BTC**  
Q4 2022 Q4 2023

## GAAP NET EARNINGS

**(\$51.6m)**  **\$10.6m**  
Q4 2022 Q4 2023

## ADJUSTED EARNINGS

**(\$22.8m)**  **\$27.8m**  
Q4 2022 Q4 2023

## BTC HELD

**1,433 BTC**  
As of February 29, 2024

## CASH

**\$69.4m**  
As of February 29, 2024

## SELF-MINING HASHRATE

**7.4 EH/s**  
As of February 29, 2024

Note: Values represented are approximations  
(1) Bitcoin mined figure represents bitcoin mined at Odessa as well as the share of bitcoin mined at JV sites

# Positioned to Win Through the Halving

## BUILT TO SUCCEED

**~2.7c**

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

**~96%**

of Portfolio  
Energized  
Through **Fixed  
Price Power**



**~29.9 J/TH**

**Current Operating  
Fleet Efficiency**



**~22.0 J/TH**

**2025 Expected  
Fleet Efficiency<sup>(2)</sup>**

## GROWTH UPDATES

- 30 MW expansion at each of Bear and Chief JV data centers delivering ~1.25 EH/s of self-mining capacity on track for Q2 2024 deployment
- Hardware and software optimization expected to add an incremental ~0.62 EH/s, expected by Q3 2024
- 300 MW Black Pearl data center construction commenced with expected energization in Q2 2025

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

<sup>(2)</sup> Reflects CIPHER's expected fleet efficiency with the current operating fleet, energization of contracted rigs / hardware, implementation of software, and energization of the full Bitmain T21 purchase option



# Bitcoin Mining 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

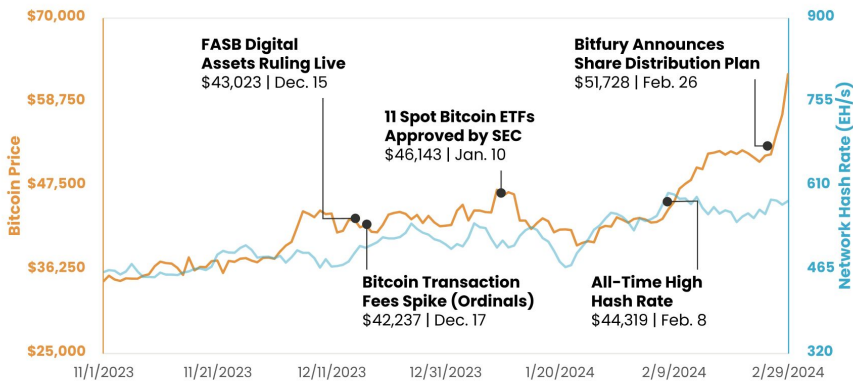
Current block reward amounts to 6.25 bitcoins per block<sup>(2)</sup>

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

BTC PRICE & NETWORK HASH RATE<sup>(1,2)</sup>



1 **Maturation of the Industry with BTC Spot ETF Approved**



2 **BTC Halving Approaching**



3 **Relentless Growth in Hash Rate**



CURRENT EMPHASIS



Execute Data Center Build-Outs



Optimize Production Pre-Halving



Prudently Manage / Maximize Growth Through Next Cycle

(1) Represents average USD market price across major bitcoin exchanges from November 1, 2023, to February 29, 2024, per blockchain.com  
 (2) Reflects Bitcoin network hash rate from November 1, 2023, to February 29, 2024, per blockchain.com



### Data Centers Update

**~\$8,626 All-in Electricity Cost per BTC in 2023**

#### Odessa

~\$8,579 all-in electricity cost per BTC<sup>(1)</sup>

~88% of 2023 BTC production

#### Alborz

~\$7,237 all-in electricity cost per BTC<sup>(2)</sup>

~7% of 2023 BTC production

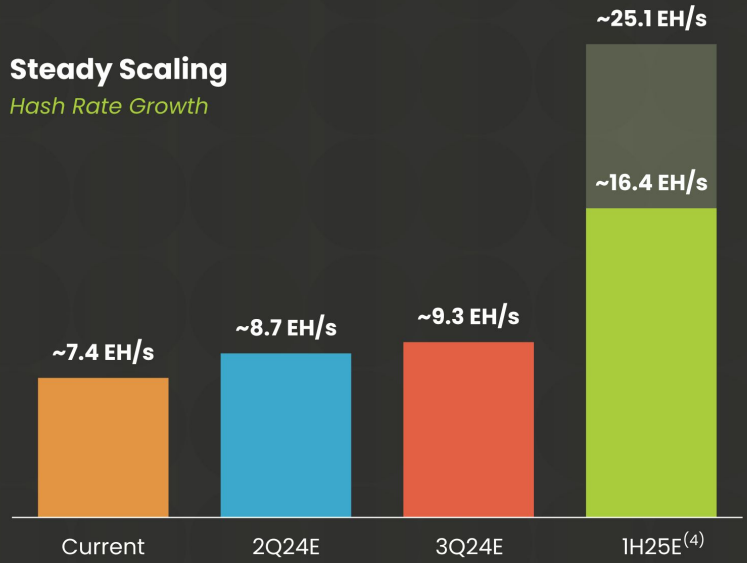
#### Bear & Chief

~\$11,531 all-in electricity cost per BTC<sup>(3)</sup>

~5% of 2023 BTC production

### Steady Scaling

Hash Rate Growth



<sup>(1)</sup> Reflects electricity cost from 2023, including TDU charges and net of revenue generated from opportunistic power sales  
<sup>(2)</sup> Reflects electricity cost from 2023, including taxes, customer charges, and 2023 storm surcharge  
<sup>(3)</sup> Reflects combined electricity cost from 2023, including taxes, settlement charges, and TSDP charges  
<sup>(4)</sup> Assumes 3Q24E hash rate plus the energization of contracted Bitmain T21 rigs and the full Bitmain T21 purchase option



# Operational Highlights

Odessa – 89% of BTC Production<sup>(1)</sup>

**~6.4 EH/s**  
**207 MW**

Operating Capacity

**~635**

BTC Mined YTD<sup>(2)</sup>

  
**~\$8,579**

All-in Electricity Cost per BTC<sup>(3)</sup>

**~10.8**

Daily BTC Mining Capacity<sup>(4)</sup>



<sup>(1)</sup> Reflects approximate percentage of Cipher's February 2024 BTC production YTD through February 2024.  
<sup>(2)</sup> Reflects electricity cost from 2023, including TDU charges and net of revenue generated from opportunistic power sales.  
<sup>(3)</sup> Assumes full up-time, February 2024 average network hashrate of 569 EH/s & 951 bitcoins mined per day.



# Operational Highlights

Alborz – 7% of BTC Production<sup>(1)</sup>

**~1.3 EH/s**  
**40 MW**

Operating Capacity<sup>(2)</sup>

**~88**

BTC Mined YTD<sup>(3)</sup>

  
**~\$7,237**

All-in Electricity Cost per BTC<sup>(4)</sup>

**~2.2**

Daily BTC Mining Capacity<sup>(5)</sup>



(1) Reflects approximate percentage of Cipher's February 2024 BTC production  
(2) Joint venture with WindHQ LLC, of which Cipher owns ~0.64 EH/s  
(3) YTD through February 2024, joint venture with WindHQ LLC, of which Cipher owns ~43 BTC  
(4) Reflects electricity cost from 2023, including taxes, customer charges, and 2021 storm surcharge  
(5) Assumes full up-time, February 2024 average network hashrate of 569 EH/s & 951 bitcoins mined per day



# Operational Highlights

Bear & Chief – 4% of BTC Production<sup>(1)</sup>

**~0.7 EH/s**  
**20 MW**

Operating Capacity<sup>(2)</sup>

**~54**

BTC Mined YTD<sup>(3)</sup>



**~\$11,531**

All-in Electricity Cost per BTC<sup>(4)</sup>

**~1.1**

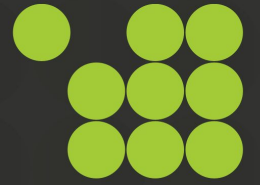
Daily BTC Mining Capacity<sup>(5)</sup>



(1) Reflects approximate percentage of Cipher's February 2024 BTC production  
(2) Joint venture with WindHQ LLC, of which Cipher owns ~0.32 EH/s  
(3) YTD through February 2024, joint venture with WindHQ LLC, of which Cipher owns ~26 BTC  
(4) Reflects combined electricity cost from 2023, including taxes, settlement charges, and TSDP charges  
(5) Assumes full up-time, February 2024 average network hashrate of 569 EH/s & 951 bitcoins mined per day

# 2024 Expansion





# Financial Update

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# Fourth Quarter and Full Year 2023 Update

## REVENUES

**\$43.4m**  **\$126.8m**  
Q4 2023 2023

## BTC MINED<sup>(1)</sup>

**1,195 BTC**  **4,334 BTC**  
Q4 2023 2023

## GAAP NET EARNINGS

**\$10.6m**  **(\$25.8m)**  
Q4 2023 2023

## GAAP NET EARNINGS PER SHARE

**\$0.04**  **(\$0.10)**  
Q4 2023 2023

## ADJUSTED EARNINGS

**\$27.8m**  **\$46.2m**  
Q4 2023 2023

## ADJUSTED EARNINGS PER SHARE

**\$0.11**  **\$0.18**  
Q4 2023 2023

Note: Values represented are approximations  
(1) Bitcoin mined figure represents bitcoin mined at Odessa and excludes the share of bitcoin mined at JV sites



# Consolidated Balance Sheets



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

	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 86,105	\$ 11,927
Accounts receivable	622	98
Receivables, related party	245	1,102
Prepaid expenses and other current assets	3,670	7,254
Bitcoin	32,978	6,283
Derivative asset	31,878	21,071
Total current assets	155,498	47,735
Property and equipment, net	243,815	191,188
Deposits on equipment	30,812	73,018
Intangible assets, net	8,109	596
Investment in equity investees	35,258	37,478
Derivative asset	61,713	45,631
Operating lease right-of-use asset	7,077	5,087
Security deposits	23,855	17,730
<b>Total assets</b>	<b>\$ 566,137</b>	<b>\$ 418,463</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 4,980	\$ 14,286
Accounts payable, related party	1,554	3,083
Accrued expenses and other current liabilities	22,439	19,353
Finance lease liability, current portion	3,404	2,567
Operating lease liability, current portion	1,166	1,030
Warrant liability	250	7
Total current liabilities	33,793	40,326
Asset retirement obligation	18,394	16,682
Finance lease liability	11,128	12,229
Operating lease liability	6,280	4,494
Deferred tax liability	5,206	1,840
Total liabilities	74,801	75,571
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, 2023 and December 31, 2022	-	-
Common stock, \$0.001 par value, 500,000,000 shares authorized, 296,276,536 and 251,095,305 shares issued as of December 31, 2023 and December 31, 2022, respectively, and 290,957,862 and 247,551,958 shares outstanding as of December 31, 2023, and December 31, 2022, respectively	296	251
Additional paid-in capital	627,822	453,854
Accumulated deficit	(136,777)	(111,209)
Treasury stock, at par, 5,318,674 and 3,543,347 shares at December 31, 2023 and December 31, 2022, respectively	(5)	(4)
Total stockholders' equity	491,336	342,892
<b>Total liabilities and stockholders' equity</b>	<b>\$ 566,137</b>	<b>\$ 418,463</b>





# Consolidated Statement of Operations



	Years ended December 31,	
	2023	2022
Revenue - bitcoin mining	\$ 126,842	\$ 3,037
Costs and operating expenses (income)		
Cost of revenue	50,309	748
General and administrative	85,195	70,836
Depreciation and amortization	59,093	4,378
Change in fair value of derivative asset	(26,836)	(73,479)
Power sales	(9,941)	(458)
Equity in losses of equity investees	2,530	36,972
Gains on fair value of bitcoin	(11,038)	(6)
Impairment of bitcoin	-	1,467
Other gains	(2,355)	-
Total costs and operating expenses (income)	146,957	40,458
Operating loss	(20,115)	(37,421)
Other income (expense)		
Interest income	164	215
Interest expense	(1,999)	(137)
Change in fair value of warrant liability	(243)	130
Other expense	(17)	-
Total other (expense) income	(2,095)	208
Loss before taxes	(22,210)	(37,213)
Current income tax expense	(201)	-
Deferred income tax expense	(3,366)	(1,840)
Total income tax expense	(3,567)	(1,840)
Net loss	\$ (25,777)	\$ (39,053)
Net loss per share - basic and diluted	\$ (0.10)	\$ (0.16)
Weighted average shares outstanding - basic and diluted	252,439,461	248,227,458

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



# Non-GAAP Measures

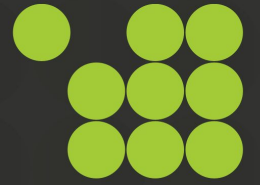
The following are reconciliations of our Adjusted Earnings, in each case excluding the impact of (i) the non-cash change in fair value of derivative asset, (ii) share-based compensation expense, (iii) depreciation and amortization, (iv) deferred income tax expense, (v) nonrecurring gains and losses and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

	Years ended December 31,	
	2023	2022
<b>Reconciliation of Adjusted Earnings:</b>		
Net loss	\$ (25,777)	\$ (39,053)
Change in fair value of derivative asset	(26,836)	(73,479)
Share-based compensation expense	38,470	41,504
Depreciation and amortization	59,093	4,378
Deferred income tax expense	3,366	1,840
Other gains - nonrecurring	(2,355)	-
Change in fair value of warrant liability	243	(130)
Adjusted earnings	46,204	(64,940)

Note: In thousands

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# Appendix

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# Statements of Changes in Stockholders' Equity (Deficit)

## Year Ended December 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>
Cumulative effect upon adoption of ASU 2023-08	-	-	-	209	-	-	209
Issuance of common shares, net of offering costs - At-the-market offering	37,433,923	37	132,406	-	-	-	132,443
Issuance of common shares - Black Pearl asset acquisition	2,397,424	2	6,998	-	-	-	7,000
Delivery of common stock underlying restricted stock units, net of shares settled for tax withholding settlement	4,942,906	5	(3,906)	-	(1,775,327)	(1)	(3,902)
Share-based compensation	406,978	1	38,470	-	-	-	38,471
Net loss	-	-	-	(25,777)	-	-	(25,777)
<b>Balance as of December 31, 2023</b>	<b>296,276,536</b>	<b>\$ 296</b>	<b>\$ 627,822</b>	<b>\$ (136,777)</b>	<b>(5,318,674)</b>	<b>\$ (5)</b>	<b>\$ 491,336</b>

## Year Ended December 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	1,853,779	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

	Years ended December 31,	
	2023	2022
<b>Cash flows from operating activities</b>		
Net loss	\$ (25,777)	\$ (39,053)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	58,972	4,378
Amortization of intangible assets	121	-
Amortization of operating right-of-use asset	822	772
Share-based compensation	38,470	41,504
Equity in losses of equity investees	2,530	36,972
Impairment of bitcoin	-	1,467
Non-cash lease expense	1,940	137
Deferred income taxes	3,366	1,840
Bitcoin received as payment for services	(126,319)	(2,939)
Change in fair value of derivative asset	(26,836)	(7,479)
Change in fair value of warrant liability	243	(130)
Gains on fair value of bitcoin	(11,038)	(6)
Changes in assets and liabilities:		
Accounts receivable	(524)	(98)
Receivables, related party	(1,203)	(1,102)
Prepaid expenses and other current assets	3,531	6,433
Security deposits	(6,125)	(7,378)
Accounts payable	(9,306)	892
Accounts payable, related party	(1,529)	1,530
Accrued expenses and other current liabilities	5,311	748
Lease liabilities	(890)	(263)
Proceeds from power sales	-	1,721
Proceeds from reduction of scheduled power	-	5,056
Proceeds from sale of Bitcoin	-	23
Net cash used in operating activities	(94,241)	(20,915)
<b>Cash flows from investing activities</b>		
Proceeds from sale of bitcoin	111,188	-
Deposits on equipment	(33,906)	(188,103)
Purchases of property and equipment	(20,480)	(39,219)
Purchases and development of software	(634)	(596)
Capital distributions from equity investees	3,808	55,009
Investment in equity investees	(3,545)	-
Prepayments on financing lease	(3,620)	-
Net cash provided by (used in) investing activities	52,752	(173,900)
<b>Cash flows from financing activities</b>		
Proceeds from the issuance of common stock	135,848	-
Offering costs paid for the issuance of common stock	(3,404)	-
Repurchase of common shares to pay employee withholding taxes	(3,902)	(3,090)
Principal payments on financing lease	(12,878)	-
Net cash provided by (used in) financing activities	115,664	(3,090)
Net increase (decrease) in cash and cash equivalents	74,175	(197,914)
Cash and cash equivalents, beginning of the period	11,927	209,841
Cash and cash equivalents, end of the period	\$ 86,102	\$ 11,927
<b>Supplemental disclosure of noncash investing and financing activities</b>		
Reclassification of deposits on equipment to property and equipment	\$ 74,186	\$ 105,904
Right-of-use asset obtained in exchange for finance lease liability	\$ 14,212	\$ 14,998
Issuance of common stock in exchange for intangible assets	\$ 7,000	\$ -
Right-of-use asset obtained in exchange for operating lease liability	\$ 2,812	\$ -
Reclassification of receivables, related party to investment in equity investees	\$ 2,060	\$ -
Equity method investment acquired for non-cash consideration	\$ 1,926	\$ 127,796
Sales tax accrual on machine purchases	\$ 1,209	\$ -
Bitcoin received from equity investees	\$ 317	\$ 4,828
Common stock cancelled	\$ -	\$ 10,000
Property and equipment purchases in accounts payable, accounts payable, related party and accrued expenses	\$ -	\$ 13,994
Right-of-use asset obtained in exchange for operating lease liability	\$ -	\$ 5,859
Investment in equity investees in accrued expenses	\$ -	\$ 5,316
Deposits on equipment in accounts payable, accounts payable, related party and accrued expenses	\$ -	\$ 11,403
Initial estimate of asset retirement obligation and related capitalized costs	\$ -	\$ 16,509
Reclassification of deferred investment costs to investment in equity investees	\$ -	\$ 174
Finance lease cost in accrued expenses	\$ -	\$ 339
Prepaid rent reclassified to operating lease liability	\$ -	\$ 132