UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ________to ________.

Commission File Number: 001-39625

Cipher Digital Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**85-1614529**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1 Vanderbilt Avenue, Floor 54, New York, New York	**10017**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (332) 262-2300

Former name, former address and former fiscal year, if changed since last report: N/A

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**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 4, 2026, the registrant had 409,049,197 shares of Common Stock, $0.001 par value per share, outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (the “Quarterly Report”) contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements contained in this Quarterly Report, other than statements of historical fact, including, without limitation, statements about our beliefs and expectations regarding our future results of operations and financial position, planned business model and strategy, our bitcoin mining and high-performance compute (“HPC”) data center development, timing and likelihood of success, capacity, functionality and timing of operation of data centers, expectations regarding the operation of data centers, potential strategic initiatives, such as joint ventures and partnerships, and management plans and objectives are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “seeks,” “intends,” “targets,” “projects,” “contemplates,” “believes,” “estimates,” “forecasts,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions, although not all forward-looking statements use these words or expressions. The forward-looking statements in this Quarterly Report are only predictions and are largely based on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the following:

Risks Related to Our Business, Industry and Operations

- If we are unable to complete the construction of our HPC data centers in a timely manner or within our anticipated cost estimates, it could have a material adverse effect on our business, results of operations, liquidity and our ability to make payments on our outstanding indebtedness.
- Our business is exposed to construction risks.
- Our tenants’ guarantees and other backstop arrangements under our HPC leases will only be effective after rent commencement under such leases and are subject to certain limitations, like event of default triggers or caps.
- Our HPC business strategy may not perform as planned.
- Our business depends on the demand for data centers.
- Constructing data centers for HPC hosting requires significant capital expenditures, and we may be unable to secure capital or financing for our construction efforts to develop data centers for HPC hosting.
- Enhanced tariff, import/export restrictions, or other trade barriers may have an adverse impact on global economic conditions.
- We may be harmed by increased costs to procure power, prolonged power outages, shortages or capacity constraints as well as insufficient access to power.
- Any failure of our physical or information technology or operational technology infrastructure or services could lead to significant costs and disruptions.
- We depend on tenants for our HPC data centers.
- Our business has grown rapidly and we have an evolving business model and strategy, which includes our diversification into constructing and operating data centers for HPC companies.
- The further development of AI technology, which represents a new and rapidly changing industry, is subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development of AI technology may adversely affect the demand for HPC-focused data center development and thus, adversely affect an investment in us.

- Any unfavorable global economic, business or political conditions, such as geopolitical tensions, military conflicts, acts of terrorism, natural disasters, pandemics, trade restrictions, tariffs, or similar events could have a material adverse effect on our business, financial condition and results of operations.
- Operating HPC data centers is energy-intensive, which may have a negative environmental impact. Changing environmental regulation and public energy policy may expose our business to new risks.
- We have concentrated our operations and, thus, are particularly exposed to the performance of our data centers located in Texas and changes in the regulatory environment, market conditions and natural disasters in Texas.
- We depend on third parties, including transmission and distribution utilities, grid operators, electric utility providers and manufacturers of certain critical and specialized equipment, and rely on components and raw materials that may be subject to price fluctuations or shortages.
- We are vulnerable to severe weather conditions and natural disasters, including severe heat, winter weather events, earthquakes, fires, floods, hurricanes, as well as power outages and other industrial incidents or mechanical failures, which could severely disrupt the normal operation of our business and adversely affect our results of operations.
- If we or our third-party providers fail to protect our information technology systems, digital assets or confidential information, or experience cybersecurity incidents, our business, operating results, financial condition and reputation could be materially harmed.
- Our business and operating results historically have been highly dependent on bitcoin and the Bitcoin ecosystem, which are volatile and subject to risks beyond our control.

Risks Related to HPC

- Any potential use of emerging technologies like artificial intelligence could lead to unintended consequences and result in reputational harm and litigation.
- Regulatory developments surrounding AI may negatively impact our HPC data center operations.
- We are subject to a highly-evolving regulatory landscape and any adverse changes to, or our failure to comply with, any laws and regulations could adversely affect our business, reputation, prospects or operations.

Risks Related to Regulatory Framework

- We may face electricity market risks relating to changes in laws, regulations and requirements of market operators, network operators and/or regulatory bodies, including with respect to interconnection of facilities of large electrical loads to the ERCOT grid, (for example, via a process that may batch multiple large load interconnection requests), grid stability, voltage ride-through, frequency ride-through and curtailment obligations.
- We are subject to environmental, health and safety laws and regulations, including applicable zoning, building-code and energy-efficiency standards and worker health and safety laws and regulations and any changes to them may materially adversely affect our brand, reputation, business, results of operations and financial position.

Risks Related to Our Indebtedness

- Our indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition and results of operations and impair our ability to satisfy our obligations under the notes.
- We may not be able to generate sufficient cash to service all of our indebtedness and to fund our working capital and capital expenditures, and may be forced to take other actions to satisfy our obligations under our indebtedness that may not be successful.

- Our debt agreements contain restrictions that will limit flexibility in operating our business.
- The important factors discussed in Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 filed with the Securities and Exchange Commission (the “SEC”) on February 24, 2026 (the “2025 Form 10-K”), as updated in our subsequent Quarterly Reports on Form 10-Q and any additional risks as described in our other reports filed with the SEC.

The forward-looking statements in this Quarterly Report are based upon information available to us as of the date of this Quarterly Report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should read this Quarterly Report and the documents that we reference in this Quarterly Report and have filed as exhibits to this Quarterly Report with the understanding that our actual future results, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. These forward-looking statements speak only as of the date of this Quarterly Report. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this Quarterly Report, whether as a result of any new information, future events or otherwise.

WHERE YOU CAN FIND MORE INFORMATION

Our corporate website address is https://www.cipherdigital.com ("Corporate Website"). The contents of, or information accessible through, our Corporate Website are not part of this Quarterly Report.

The Company maintains a dedicated investor website at investors.cipherdigital.com ("Investors' Website") which is similarly not part of this Quarterly Report. We make our filings with the SEC, including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports, available free of charge on our Investors' Website as soon as reasonably practicable after we file such reports with, or furnish such reports to, the SEC.

We may use our Investors' Website as a distribution channel of material information about the Company including through press releases, investor presentations, sustainability reports, and notices of upcoming events. We intend to utilize our Investors' Website as a channel of distribution to reach public investors and as a means of disclosing material non-public information for complying with disclosure obligations under Regulation FD.

Any reference to our Corporate Website or Investors' Website addresses does not constitute incorporation by reference of the information contained on or available through those websites, and you should not consider such information to be a part of this Quarterly Report or any other filings we make with the SEC.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

INDEX TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

	March 31, 2026	December 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	$ 715,203	$ 628,263
Restricted cash, current	3,011,874	1,761,292
Accounts receivable	8,487	687
Receivables, related party	-	271
Prepaid expenses and other current assets	29,873	7,977
Bitcoin	76,150	125,400
Miners held for sale	30,767	94,879
Derivative asset	21,640	34,090
Total current assets	3,893,994	2,652,859
Restricted cash, noncurrent	519,261	275,076
Property and equipment, net	1,307,253	633,417
Intangible assets, net	77,159	77,388
Investment in equity investees	-	29,400
Derivative asset	6,940	22,720
Operating lease right-of-use asset	7,703	11,321
Security deposits	27,755	27,732
Other noncurrent assets	553,520	561,995
Total assets	**$ 6,393,585**	**$ 4,291,908**
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST, AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 197,919	$ 40,064
Accrued expenses and other current liabilities	204,626	90,086
Finance lease liability, current portion	4,355	4,237
Operating lease liability, current portion	1,901	1,731
Warrant liability	481,550	525,160
Short-term borrowings	355,348	37,793
Total current liabilities	1,245,699	699,071
Long-term borrowings, net	4,376,761	2,711,648
Asset retirement obligations	22,937	33,696
Finance lease liability	1,960	3,094
Operating lease liability	6,362	8,545
Total liabilities	5,653,719	3,456,054
Commitments and contingencies (*Note 13*)		
Redeemable noncontrolling interest	25,679	30,319
Stockholders' equity		
Preferred stock, $0.001 par value; 10,000,000 shares authorized, none issued and outstanding as of March 31, 2026, and December 31, 2025	-	-
Common stock, $0.001 par value, 1,000,000,000 and 1,000,000,000 shares authorized as of March 31, 2026 and December 31, 2025, respectively, 412,612,619 and 412,074,529 shares issued as of March 31, 2026 and December 31, 2025, respectively, and 405,266,365 and 404,963,061 shares outstanding as of March 31, 2026, and December 31, 2025, respectively	413	412
Additional paid-in capital	1,831,753	1,808,786
Accumulated deficit	(1,117,972)	(1,003,656)
Treasury stock, at par, 7,346,254 and 7,111,468 shares at March 31, 2026 and December 31, 2025, respectively	(7)	(7)
Total stockholders' equity	714,187	805,535
Total liabilities, redeemable noncontrolling interest, and stockholders' equity	**$ 6,393,585**	**$ 4,291,908**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2026	**2025**
Revenue - bitcoin mining	$ 34,838	$ 48,959
Costs and operating (expenses) income		
Cost of revenue	(17,705)	(14,894)
Compensation and benefits	(35,003)	(14,303)
General and administrative	(11,741)	(8,951)
Depreciation and amortization	(19,014)	(43,467)
Change in fair value of power purchase agreement	(28,230)	7,330
Power sales	2,138	991
Equity in losses of equity investees	(1,601)	(5,292)
Unrealized gains (losses) on fair value of bitcoin	3,760	(20,178)
Realized (losses) gains on sale of bitcoin	(24,223)	12,196
Other operating losses	(17,788)	(479)
Total costs and operating expenses	(149,407)	(87,047)
Operating loss	(114,569)	(38,088)
Other income (expense)		
Interest income	31,590	190
Interest expense	(59,158)	(777)
Change in fair value of warrant liability	43,610	-
Other expenses	(15,382)	(156)
Total other income (expense)	660	(743)
Loss before taxes	(113,909)	(38,831)
Current income tax expense	(407)	(779)
Deferred income tax benefit	-	635
Total income tax expense	(407)	(144)
Net loss	(114,316)	(38,975)
Less: Net loss attributable to redeemable noncontrolling interest	-	-
Net loss available for common stockholders	$ (114,316)	$ (38,975)
Loss per share - basic and diluted	$ (0.28)	$ (0.11)
Weighted average shares outstanding - basic and diluted	405,112,315	360,514,620

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

CIPHER DIGITAL INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE NONCONTROLLING INTEREST AND STOCKHOLDERS' EQUITY (DEFICIT)
(in thousands, except for share amounts)
(unaudited)

Three Months Ended March 31, 2026

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Treasury Stock		Total Stockholders' Equity	Redeemable Noncontrolling Interest
	Shares	Amount			Shares	Amount		
Balance as of December 31, 2025	**412,074,529**	**$ 412**	**$ 1,808,786**	**$ (1,003,656)**	**(7,111,468)**	**$ (7)**	**$ 805,535**	**$ 30,319**
Distributions to non-controlling interest								(4,640)
Delivery of common stock underlying restricted stock units and performance stock units, net of shares settled for tax withholding settlement	538,090	1	(3,782)	-	(234,786)	-	(3,781)	-
Share-based compensation	-	-	26,749	-	-	-	26,749	-
Net loss	-	-	-	(114,316)	-	-	(114,316)	-
Balance as of March 31, 2026	**412,612,619**	**$ 413**	**$ 1,831,753**	**$ (1,117,972)**	**(7,346,254)**	**$ (7)**	**$ 714,187**	**$ 25,679**

Three Months Ended March 31, 2025

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Treasury Stock		Total Stockholders' Equity	Redeemable Noncontrolling Interest
	Shares	Amount			Shares	Amount		
Balance as of December 31, 2024	**361,432,449**	**$ 361**	**$ 863,015**	**$ (181,412)**	**(10,648,632)**	**$ (11)**	**$ 681,953**	**$ -**
Issuance of common shares, net of offering costs - At-the-market offering	9,149,447	9	34,169	-	-	-	34,178	-
Treasury stock reissued for PIPE Investment	-	-	49,990	-	10,438,413	10	50,000	
Delivery of common stock underlying restricted stock units, net of shares settled for tax withholding settlement	731,702	1	(1,144)	-	(245,680)	-	(1,143)	-
Share-based compensation	-	-	8,782	-	-	-	8,782	-
Net loss	-	-	-	(38,975)	-	-	(38,975)	-
Balance as of March 31, 2025	**371,313,598**	**$ 371**	**$ 954,812**	**$ (220,387)**	**(455,899)**	**$ (1)**	**$ 734,795**	**$ -**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2026	**2025**
Cash flows from operating activities		
Net loss	$ (114,316)	(38,975)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	19,014	43,467
Amortization of operating right-of-use asset	592	369
Share-based compensation	27,048	9,132
Equity in losses of equity investees	1,601	5,292
Write-down of assets held for sale	7,437	-
Loss on disposal of assets	10,434	633
Amortization of debt discount and issuance costs	59,158	-
Income taxes	407	144
Non-cash consideration received for services	(34,838)	(48,797)
Change in fair value of power purchase agreement	28,230	(7,330)
Change in fair value of warrant liability	(43,610)	-
Change in fair value of investments at fair value	16,529	-
Change in fair value of bitcoin collateral	-	2,755
Change in fair value of bitcoin loan	-	(1,046)
Change in unrealized (gains) losses on fair value of bitcoin	(3,760)	20,178
Realized losses (gains) on sale of bitcoin	24,223	(12,196)
Changes in operating assets and liabilities		
Decrease in operating assets	10,070	1,316
Increase / (decrease) in operating liabilities	83,312	(22,180)
Net cash provided by (used in) operating activities	91,531	(47,238)
Cash flows from investing activities		
Proceeds from sale of bitcoin	66,771	90,005
Proceeds from disposal of assets	22,031	-
Purchases of property and equipment	(553,990)	(99,675)
Purchases and development of software	-	(352)
Distributions paid to non-controlling interest	(4,640)	-
Investment in equity investees	(4,374)	(7,276)
Net cash used in investing activities	(474,202)	(17,298)
Cash flows from financing activities		
Proceeds from notes, net of issuance costs	1,969,780	-
Proceeds from the issuance of common stock, net of offering costs	-	34,179
Proceeds from treasury stock reissued for PIPE investment	-	50,000
Repurchase of common shares to pay employee withholding taxes	(3,781)	(1,144)
Principal payments on financing lease	(1,621)	(911)
Net cash provided by financing activities	1,964,378	82,124
Net increase in cash, cash equivalents, and restricted cash	1,581,707	17,588
Cash, cash equivalents, and restricted cash, beginning of the period	$ 2,664,631	19,977
Cash and cash equivalents, and restricted cash, end of the period	$ 4,246,338	$ 37,565

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

CIPHER DIGITAL INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - CONTINUED
(unaudited)
(in thousands)

	Three Months Ended March 31,			
	2026		2025	
Supplemental information				
Cash paid for interest	$	-	$	-
Supplemental disclosure of non-cash investing and financing activities				
Property and equipment purchases in accounts payable and accrued expenses	$	124,945	$	26,374
Investments acquired at fair value for sale of equity in investees interests	$	29,400	$	-
Miners reclassified from held for sale to in service	$	25,816	$	-
Investments acquired at fair value for sale of miners	$	10,355	$	-
Interest capitalized on construction in progress	$	6,753	$	-
Bitcoin received from equity investees	$	2,772	$	7,394
Sales tax accrual on machines placed in service	$	2,221	$	-
Land asset adjustment on de-recognition of lease liability and right-of-use asset	$	1,618	$	-
Bitcoin transferred for rehypothecated collateral	$	-	$	3,005
Bitcoin loan payments	$	-	$	14,830
Bitcoin received as a loan	$	-	$	16,551
Treasury stock reissued for PIPE investment	$	-	$	10

The following table provides a reconciliation of Cash and cash equivalents together with Restricted cash as reported within the Condensed Consolidated Balance Sheets to the sum of the same such amounts shown in the Condensed Consolidated Statements of Cash Flows.

	March 31,			
	2026		2025	
Cash and cash equivalents	$	715,203	$	23,173
Restricted cash, current		3,011,874		-
Restricted cash, noncurrent		519,261		14,392
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	$	4,246,338	$	37,565

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NOTE 1. ORGANIZATION

Nature of operations

Cipher Digital Inc. (“Cipher,” “CDI,” or the “Company”) is focused on the development and operation of industrial-scale data centers for bitcoin mining and high-performance compute (“HPC”) hosting. The Company operates one wholly-owned bitcoin mining data center, a 207 MW site located in Odessa, Texas that draws fixed priced power from a power purchase agreement with its electricity provider (the “Odessa Facility”). The Company also has a 300 MW data center in Wink, Texas that draws power from the power grid (the “Black Pearl Facility”) that was previously used for bitcoin mining. The Company is in the process of retrofitting the Black Pearl Facility for an HPC tenant, with phased delivery expected to commence in 2026. The Company is in the process of building the Barber Lake Facility for Fluidstack USA II Inc. (“Fluidstack”), with an expected commencement date of September 2026. The Company is also in the process of building one of our existing sites for a hyperscaler tenant. The Company’s portfolio as of March 31, 2026 also consists of six additional sites expected to be built out for HPC.

Risks and uncertainties

Liquidity and capital resources

The Company has historically experienced net losses and negative cash flows from operations; however, proceeds from sales of bitcoin are categorized as cash flows from investing activities to the extent bitcoin is sold after seven days from receipt. As of March 31, 2026, the Company had approximate balances of Cash and cash equivalents of $715.2 million, working capital of $2,648.3 million, Total stockholders’ equity of $714.2 million and an Accumulated deficit of $1,118.0 million. The Company uses a combination of short-term and long-term financing arrangements, proceeds from sales of bitcoin earned by or received from its bitcoin mining data centers, and strategic sales of shares through “at-the-market” offerings to support its operating expenses and capital expenditures.

The Company monitors its balance sheet on an ongoing basis to determine the proper mix of bitcoin retention and bitcoin sales to support its cash requirements, ongoing operations, and capital expenditures. Bitcoin is classified as a current asset on the Company’s balance sheets due to its intent and ability to sell bitcoin to support operations when needed. Approximately $91.5 million of cash was provided by operating activities during the three months ended March 31, 2026.

During the three months ended March 31, 2026, the Company sold bitcoin for proceeds of approximately $66.8 million, and paid approximately $554.0 million for property and equipment primarily related to the build-out of the Black Pearl and Barber Lake facilities.

The Company has a master loan agreement with Coinbase Credit, Inc., as Lender, and Coinbase, Inc., as Lending Service Provider (the “Coinbase Master Loan Agreement”). Pursuant to the master loan agreement, the Company has a secured line of credit up to $25.0 million (the “Coinbase Overnight Credit Facility”). The borrowings are collateralized by bitcoin transferred to the Lending Service Provider’s platform.

The Company also has a $100.0 million secured credit facility with Two Prime Lending Limited (“Two Prime Credit Facility”). Borrowings on this facility will be backed by the Company’s bitcoin held in a triparty account.

On May 22, 2025, the Company issued $172.5 million of principal amount of convertible notes due in 2030 with an interest rate of 1.75% (the “2030 Convertible Notes”). The 2030 Convertible Notes are senior, unsecured obligations with interest due semiannually on May 15 and November 15 each year beginning on November 15, 2025.

On September 30, 2025, the Company issued $1,300.0 million of principal amount of convertible notes due in 2031 with an interest rate of 0.00% (the “2031 Convertible Notes”). The 2031 Convertible Notes are senior, unsecured obligations.

On March 23, 2026, the Company entered into a $200.0 million revolving credit facility (the “Revolving Credit Facility”) with Morgan Stanley Senior Funding, Inc. as administrative agent and collateral agent, and a syndicate of lenders. The Revolving Credit Facility also provides for additional accordion option of up to $50 million. The Revolving Credit Facility matures on March 23, 2030 (the fourth anniversary of the closing date); provided, however, that if any of the 2030 Convertible Notes (or certain refinancing indebtedness in respect thereof) are outstanding on the date that is 91 days prior to the maturity date thereof, the maturity date of the Revolving Credit Facility will spring to such earlier date (the “Springing Maturity Date”).

Refer to *Note 14. Debt* for more details on all debt arrangements.

Management believes that the Company's existing financial resources, and ability to obtain project level financing, combined with projected cash and bitcoin inflows from its data centers, its ability to sell bitcoin received or earned, and its intent and ability to sell common stock through at-the-market offerings will be sufficient to enable the Company to meet its operating and capital requirements for at least 12 months from the date these condensed consolidated financial statements are issued.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation and principles of consolidation

The Company prepares its unaudited condensed consolidated financial statements in accordance with accounting principles generally accepted in the U.S. ("GAAP") as determined by the Financial Accounting Standard Board ("FASB") and pursuant to the accounting and disclosure rules and regulations of the Securities and Exchange Commission ("SEC").

The unaudited condensed consolidated financial statements include the accounts of the Company and its controlled subsidiaries. All intercompany transactions and balances have been eliminated.

The Company had no items of other comprehensive income or loss for any of the periods presented. Accordingly, comprehensive loss equals net loss for all periods presented, and a separate statement of comprehensive loss has not been presented.

Certain prior year amounts have been reclassified for consistency with the current period presentation.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. The most significant estimates inherent in the preparation of the Company's financial statements include, but are not limited to, those related to equity instruments issued in share-based compensation arrangements, valuation of its Level 3 assets and liabilities, useful lives of property and equipment, asset retirement obligations and the valuation allowance associated with the Company's deferred tax assets, among others. Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from those estimates.

Unaudited condensed consolidated financial statements

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with GAAP for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of the Company's management, these unaudited condensed consolidated financial statements reflect all adjustments, which consist of only normal recurring adjustments necessary for the fair presentation of the balances and results for the periods presented. These unaudited condensed consolidated financial statement results are not necessarily indicative of results to be expected for the full fiscal year or any future period.

A detailed description of the Company's significant accounting policies is included in the Company's 2025 Form 10-K as filed with the SEC on February 24, 2026. The Company's unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes in the Company's 2025 Form 10-K. There have been no material changes in the information disclosed in the notes to the Company's audited consolidated financial statements included in the Company's 2025 Form 10-K.

Revenue recognition

The Company recognizes revenue under Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers* ("ASC 606"). The core principle of the revenue standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company recognizes revenue on the same day that the control of the contracted service of providing hashrate transfers to the mining pool operator, which is the same day as contract inception. The noncash consideration received in the form of bitcoin is measured at 0:00:00 Coordinated Universal Time (“UTC”) using the Company’s principal market for bitcoin.

The contract is terminable at any time by either party with no substantive termination penalty. The Company’s enforceable right to compensation begins when, and lasts for as long as, the Company provides computing power to the mining pool operator; the Company’s performance obligation extends over the contract term given the Company’s continuous provision of hashrate. This period of time corresponds with the period of service for which the mining pool operator determines compensation due to the Company. Given the terms of the contract, and the Company’s customary business practice, the contract effectively provides the Company with a contract that continuously renews throughout the day.

Segment information

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company currently has one operating segment, Bitcoin Mining, which through operations produces bitcoin to generate revenue. The Chief Operating Decision Maker (“CODM”) for the Company consists of the chief executive officer (“CEO”), and chief financial officer (“CFO”). The CODM reviews the performance of its segment primarily based on operating income when deciding on allocating resources between reinvesting in Bitcoin Mining or exploring alternative deployment of resources. Refer to *Note 19. Segment Reporting* for more details on the Company’s significant segment expenses.

Restricted cash

Restricted cash primarily relates to proceeds from the 2030 Senior Secured Notes, issued by Cipher Compute LLC, and the 2031 Senior Secured Notes, issued by Black Pearl Compute LLC, which the Company is restricted from using for general corporate purposes outside of financing the construction of the Barber Lake and Black Pearl Facilities, respectively. As these funds are being used in the short term to build out the facility before the lease of the facility is expected to commence in September 2026, this restricted cash is classified in current assets on the Company’s condensed consolidated balance sheets.

Restricted cash classified as noncurrent on the Company’s condensed consolidated balance sheets represents cash required to be held in a debt service account related to the 2030 Senior Secured Notes, as well as amounts pledged as collateral to Luminant ET Services Company LLC (“Luminant”), and Vistra Operations Company, LLC (“Vistra”), a Luminant affiliate, primarily related to the Luminant Power Agreement (defined below in *Note 4. Derivative Assets)*. Previously these amounts were held by each respective counterparty, and classified in the Company's financials as Security deposits. In September 2024, the Company moved the collateral to a money market account in the Company's name with a bank letter of credit. The collateral restrictions related to the Luminant Power Agreement will lapse upon termination of the agreement.

Accounts receivable

The Company’s accounts receivable balance as of March 31, 2026 consists primarily of amounts due related to change orders requested from tenants for its HPC data centers. Amounts recorded in accounts receivable consist of the amount invoiced, but not yet received from the tenant.

The Company’s accounts receivable balance as of December 31, 2025 consists of amounts due from its only customer, a mining pool operator. Amounts recorded in accounts receivable consist of the block rewards and transaction fees earned on the last day (last contract period) of the year, but not yet received from the mining pool operator.

No allowance was recorded as of March 31, 2026 or December 31, 2025.

Long-term borrowings, net

Long-term borrowings, net represents the Company’s convertible senior notes and senior secured notes. The Company records the aggregate principal amount of each of its long-term debt instruments as a liability on the balance sheet, offset by the instrument's issuance costs. The issuance costs are amortized to interest expense using the effective interest rate method over the expected term of each instrument.

Earnings (Loss) per share

Basic earnings (loss) per share is computed by dividing net income (loss) allocated to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per common share adjusts net income (loss) and net income (loss) per common share for the effect of all potentially dilutive shares of Common Stock. Potentially dilutive common shares consist of the Company's outstanding warrants to purchase Common Stock, Common Stock to settle convertible notes, as well as unvested restricted stock units ("RSUs").

The dilutive effect of RSUs is calculated using the treasury stock method. For warrants that are liability-classified, during periods when the impact is dilutive, the Company assumes share settlement of the instruments as of the beginning of the reporting period and adjusts the numerator to remove the change in fair value of the warrant liability and adjusts the denominator to include the dilutive shares calculated using the treasury stock method.

The Company's potentially dilutive common shares have been excluded from the computation of diluted net loss per common share when the effect would be to reduce the net loss per common share, or increase the net income per common share.

The following is a reconciliation of the numerator and denominator of the diluted earnings (loss) per share computations for the periods indicated below:

	Three Months Ended March 31,	
	2026	**2025**
Basic and diluted loss per share:		
Net loss	$ (114,316)	$ (38,975)
Weighted average shares outstanding - basic	405,112,315	360,514,620
Add:		
RSUs	-	-
Weighted average shares outstanding - diluted	405,112,315	360,514,620
Net loss per share - basic and diluted	$ (0.28)	$ (0.11)

The following table presents the common share equivalents that are excluded from the computation of diluted earnings (loss) per common share at March 31, 2026 and 2025, because including them would have been antidilutive.

	March 31,	
	2026	**2025**
Note conversion	161,930,746	—
Google warrants	24,178,576	—
Unvested RSUs	23,740,399	29,298,979
Public warrants	—	8,613,980
	209,849,721	37,912,959

Recently adopted accounting pronouncements

In November 2024, the FASB issued Accounting Standard Update ("ASU") 2024-04, *Debt - Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments* ("ASU 2024-04"). ASU 2024-04 seeks to improve the relevance and consistency in application of Subtopic 470-20 around when the terms of convertible debt instruments are changed to incentivize conversion. The Company adopted ASU 2024-04 on January 1, 2026. Adoption did not have a material impact on the Company's financial statements and disclosures.

Recently issued accounting pronouncements

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"). ASU 2024-03 seeks to improve disclosures around expenses and provide more detail to investors about certain types of expenses in commonly presented captions. The updated guidance is effective for the Company for annual periods beginning January 1, 2027, and interim periods beginning January 1, 2028. The Company is currently evaluating the impact this amended guidance may have on the notes to its condensed consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, *Intangibles, - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software* ("ASU 2025-06"). ASU 2025-06 seeks to modernize the internal-use software guidance, primarily by removing the project-stage framework (preliminary/application development/post-implementation) in favor of a principle focused on when it is probable that the software will be completed and used as intended. The updated guidance is effective for the Company for annual periods beginning January 1, 2028. The Company is currently evaluating the impact this amended guidance may have on the notes to its condensed consolidated financial statements.

In December 2025, the FASB issued ASU 2025-12, *Codification Improvements* ("ASU 2025-12"). ASU 2025-12 contains 33 amendments intended to correct errors in, clarify, and make narrow-scope improvements to various Codification topics, including clarifications to the calculation of diluted earnings per share when a loss from continuing operations exists, the permissible methods for accounting for treasury stock retirements, and the accounting for transfers of receivables from contracts with customers. The updated guidance is effective for the Company for fiscal years beginning January 1, 2027, including interim periods within those years. The Company is currently evaluating the impact this guidance may have on its consolidated financial statements and disclosures.

The Company continually assesses any new accounting pronouncements to determine their applicability. When it is determined that a new accounting pronouncement affects the Company's financial reporting, the Company undertakes to determine the consequences of the change to its financial statements and assures that there are proper controls in place to ascertain that the Company's financial statements properly reflect the change. The Company reviewed all other recently issued accounting pronouncements and concluded that they were either not applicable or not expected to have a significant impact on its condensed consolidated financial statements.

NOTE 3. BITCOIN

The following table presents information about the Company's bitcoin (in thousands):

	For the Three Months Ended March 31,	
	2026	**2025**
Opening balance	$ 125,400	$ 92,651
Bitcoin received from equity investees	2,772	7,394
Bitcoin received from mining activities	35,212	36,496
Bitcoin received from loan	-	16,551
Bitcoin paid for interest on loan	-	(76)
Proceeds from sales of bitcoin	(66,771)	(90,005)
Realized (loss) gains on sales of bitcoin, net	(24,223)	12,196
Unrealized gains (losses) on fair value of bitcoin	3,760	(20,178)
Bitcoin transferred from collateral, net	-	(3,005)
Ending balance	$ 76,150	$ 52,024

The Company held approximately 1,116 and 1,433 bitcoin at March 31, 2026, and December 31, 2025, respectively. The associated fair values and cost bases of bitcoin held were $76.2 million, and $101.1 million, respectively, at March 31, 2026, and $125.4 million, and $154.1 million, respectively at December 31, 2025. Fair value of bitcoin is estimated using the closing price at 23:59:59 UTC in the Company's principal market, which is a Level 1 input (i.e., an observable input such as a quoted price in an active market for an identical asset). The Company accounts for bitcoin on a first-in-first-out ("FIFO") basis.

Additionally, the Company may pledge bitcoin as collateral related to bitcoin trading strategies. As of March 31, 2026, the Company had 85 bitcoin with a fair value of $5.8 million pledged as part of trading strategies. As of December 31, 2025 the Company had no bitcoin pledged as part of trading strategies.

NOTE 4. DERIVATIVE ASSETS

On June 23, 2021, the Company entered into a power purchase agreement with Luminant, which was subsequently amended and restated on July 9, 2021, and further amended on February 28, 2022, August 26, 2022, and August 23, 2023 (as amended, the "Luminant Power Agreement"), for the supply of a fixed amount of electric power to the Odessa Facility at a fixed price for a term of five years, subject to certain early termination exemptions. The Luminant Power Agreement provides for subsequent automatic annual renewal unless either party provides written notice to the other party of its intent to terminate the agreement at least six months prior to the expiration of the then current term.

The Company's management determined that the Luminant Power Agreement meets the definition of a derivative under ASC 815, *Derivatives and Hedging* ("ASC 815"). Accordingly, the Luminant Power Agreement is recorded at its estimated fair value each reporting period with the change in the fair value recorded in change in fair value of power purchase agreement in the condensed consolidated statements of operations. See additional information regarding valuation of the Luminant Power Agreement derivative in *Note 18. Fair Value Measurements*.

The Company may opportunistically sell electricity in the ERCOT market in exchange for cash payments, rather than utilizing the power to mine for bitcoin at the Odessa Facility to manage the Company's operating costs. From power sales, the Company earned approximately $2.1 million, and $1.0 million for the three months ended March 31, 2026, and 2025, respectively, and recorded this amount within Costs and operating (expenses) income on the condensed consolidated statements of operations, with the corresponding cost of the power sold recorded in Cost of revenue.

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment, net consisted of the following (in thousands):

	March 31, 2026	December 31, 2025
Miners and mining equipment	$ 195,428	$ 289,680
Leasehold improvements	121,746	134,122
Land	131,180	79,054
Buildings	66,990	66,594
Infrastructure	94,579	108,827
Other	1,870	1,873
Construction-in-progress	834,353	276,470
Deposits on equipment	87,863	10,962
Total cost of property and equipment	1,534,009	967,582
Less: accumulated depreciation	(226,756)	(334,165)
Property and equipment, net	$ 1,307,253	$ 633,417

As of March 31, 2026, the Company had approximately $834.4 million of construction-in-progress related to construction at various sites.

Depreciation expense was approximately $18.1 million, and $43.3 million for the three months ended March 31, 2026, and 2025, respectively, and included approximately $0.6 million, and $0.5 million for the three months ended March 31, 2026, and 2025, respectively, of accretion expense related to the Company's asset retirement obligations.

The Company completed a quantitative assessment during the fourth quarter of 2025 in connection with a substantial decline in the price of bitcoin with increased network hashrate, and concluded an impairment existed on the miners and leasehold improvements at the Odessa Facility as of the assessment date. The Company recorded an impairment of $45.3

million on these long-lived assets at the Odessa Facility in Other operating losses in the year ended December 31, 2025. There was no impairment recognized for the three months ended March 31, 2026.

NOTE 6. MINERS HELD FOR SALE

As of March 31, 2026, the Company has presented separately from Property and equipment, net $30.8 million of mining rigs that the Company has determined meet the criteria to be classified as held for sale, and has presented these assets in Miners held for sale on the Company's condensed consolidated balance sheets.

The Company has been engaging in various negotiations to sell the mining rigs at the Black Pearl Facility following the signing of a sublease on the site to transition the site to host an HPC tenant. The mining rigs are expected to be sold within one year of March 31, 2026. The Company recognized a loss of $7.4 million on the fair value of the miners at March 31, 2026. The loss is recorded in Other operating losses on the Company's condensed consolidated statements of operations.

NOTE 7. INVESTMENTS IN JOINT VENTURES

The Company accounted for its 49% equity ownership in each of Alborz LLC, Bear LLC, and Chief Mountain LLC (the "WindHQ JV sites") using the equity method of accounting. The book value of these investments is included in Investment in equity investees on the Company's condensed consolidated balance sheets, with the Company's portion of income included in Equity in losses of equity investees on the Company's condensed consolidated statements of operations.

Activity in the Company's investments in equity investees during the three months ended March 31, 2026, and 2025, consisted of the following (in thousands):

	For the Three Months Ended March 31,	
	2026	**2025**
Opening balance	$ 29,400	$ 53,908
Capital contributions	4,374	7,276
Accretion of basis differences related to miner contributions	243	2,471
Bitcoin received from equity investees	(2,772)	(7,394)
Equity in net losses of equity investees	(1,845)	(7,762)
Proceeds from sale of equity investee interests	(29,400)	-
Ending Balance	$ -	$ 48,499

On February 19, 2026, the Company sold its 49% interests in the WindHQ JV sites to Canaan Inc ("Canaan") in exchange for $29.4 million of Canaan common stock. In the year ended December 31, 2025, the Company recorded an additional expense in Equity in losses of equity investees to adjust the carrying value of its investments to the negotiated purchase price.

In October 2025, the Company purchased 53% of the equity in Colchis LLC ("Colchis"), a joint venture of a potential 1 GW site in Texas, the "Colchis Site." The Company is the managing member and consolidates Colchis, and records redeemable noncontrolling interest for the minority interest in the site. The Company deems the noncontrolling interest to be redeemable due to certain clauses in the agreement, which could trigger the redemption of the noncontrolling shares upon events outside of the Company's control.

For the three months ended March 31, 2026, the Company made capital contributions to Colchis, which increased the Company's ownership to 76%.

NOTE 8. INTANGIBLE ASSETS

The Company's intangible assets consisted of the following (in thousands):

	March 31, 2026					
	Gross Carrying Amount		Accumulated Amortization		Net Carrying Amount	
Strategic contracts	$	76,135	$	(817)	$	75,318
Capitalized software		2,848		(1,007)		1,841
Total	$	78,983	$	(1,824)	$	77,159

	December 31, 2025					
	Gross Carrying Amount		Accumulated Amortization		Net Carrying Amount	
Strategic contract	$	76,135	$	(729)	$	75,406
Capitalized software		2,848		(866)		1,982
Total	$	78,983	$	(1,595)	$	77,388

The Company recorded amortization expense related to intangible assets of $0.2 million and $0.2 million for the three months ended March 31, 2026 and 2025, respectively. The Company expects to record amortization expense as follows over the next five subsequent years:

	(in thousands)
Remainder of Year Ending December 31, 2026	775
Year Ending December 31, 2027	917
Year Ending December 31, 2028	826
Year Ending December 31, 2029	615
Year Ending December 31, 2030	445

NOTE 9. SECURITY DEPOSITS

The Company's security deposits consisted of the following (in thousands):

	March 31, 2026		December 31, 2025	
Oncor Facility Extension security deposits		27,020		27,020
Other deposits		735		712
Total security deposits	$	27,755	$	27,732

As part of various transactions to acquire wholly-owned sites, the Company has deposits with Oncor Electric Delivery Company LLC ("Oncor") to construct infrastructure to provide the ability to energize each data center. These deposits are eligible to be returned to the Company if the data centers energize an agreed upon capacity within an agreed upon timeframe. As of March 31, 2026 the Company believes these deposits will be returned.

NOTE 10. SUPPLEMENTAL FINANCIAL INFORMATION

Prepaid expenses and other current assets were $29.9 million as of March 31, 2026, primarily consisting of 806,439,900 shares of Canaan Inc. common stock, acquired on February 19, 2026, as part of the sale of the Company's WindHQ JV sites, and certain mining rigs located at the Black Pearl Facility to Canaan. The Company's investment is subject to a sixmonth lock-up period commencing on the closing date, during which the Company is restricted from transferring, selling, or otherwise disposing of the shares. The lock-up expires on August 23, 2026.

Prepaid expenses and other current assets were $8.0 million at December 31, 2025, consisting primarily of prepaid insurance.

Other noncurrent assets were $553.5 million, and $562.0 million as of March 31, 2026, and December 31, 2025, respectively. The balance primarily consisted of an asset of $544.5 million at both periods representing the value of Google agreeing to make the lease payments from Fluidstack in the event of Fluidstack not fulfilling its obligations under the lease. The Company will amortize this asset over the life of the lease on a straight-line basis to recognize the benefit over the term of the benefit derived from the backstop.

The Company’s accrued expenses and other current liabilities consisted of the following (in thousands):

	March 31, 2026	December 31, 2025
Construction costs	$ 95,473	$ 36,081
Accrued interest	65,601	16,892
Contingent liabilities	14,650	14,650
Taxes (primarily sales tax)	9,065	9,310
Unearned revenue	7,447	—
Professional fees	4,743	3,994
Power costs	3,815	2,622
Employee compensation	3,000	5,847
Other	832	690
Total accrued expenses and other current liabilities	$ 204,626	$ 90,086

NOTE 11. RELATED PARTY TRANSACTIONS

Related party receivables

The Company had no related party receivables as of March 31, 2026, and recorded related party receivables of approximately $0.3 million as of December 31, 2025, representing amounts owed to the Company from its equity method investees.

NOTE 12. LEASES

Lessor Accounting

In September 2025, the Company, through its wholly-owned subsidiary Cipher Barber Lake LLC, entered into a lease with Fluidstack for the development, construction, and lease of an HPC data center facility (the “Barber Lake Facility Lease”). The Company expects to deliver the facility to Fluidstack by September 2026. Fluidstack’s obligations to pay rent under the lease begins on the commencement date of the lease and will continue for a 10-year term, as well as for the two five-year extension options, as applicable. As part of the Barber Lake Facility Lease, the Company is required to provide certain services for the data center including supplying power, environmental controls, physical security and connectivity products to Fluidstack, and failure to provide these services may result in additional costs under the lease.

In October 2025, the Company entered into a 15-year lease agreement with Amazon Data Services, Inc. (“Amazon”) to deliver approximately 300 gross MW of turnkey data center capacity at the Black Pearl Facility, with phased delivery expected to commence in 2026. The sublease provides Amazon with three five-year extension options, as well as a short-term extension option under specified conditions. The Company is required to provide ongoing services including power, operations and maintenance, and other operating services, and may be subject to rent credits or other remedies for failure to achieve specified milestones.

In March 2026, the Company, through a wholly-owned subsidiary, entered into a data center lease agreement with an unrelated third-party hyperscale tenant for the development, construction, and lease of an additional HPC data center facility at one of the Company’s existing sites in Texas. The initial term of the lease is 15 years, with multiple extension options at the tenant's election. The Company is responsible for construction of the facility, with phased delivery expected to begin following completion of construction milestones. Base rent is abated prior to the first phase commencement date and commences on a per-phase basis as each phase is delivered. The Company is required to provide ongoing services including power, operations and maintenance, and other operating services, and may be subject to rent credits or other remedies for failure to achieve specified delivery milestones.

These leases have not yet commenced and no revenue has been recognized as of March 31, 2026.

Lessee Accounting

Odessa Facility Lease

The Company entered into a series of agreements with affiliates of Luminant, including the Lease Agreement dated June 29, 2021, as amended and restated on July 9, 2021 and August 23, 2023 (as amended and restated, the “Luminant Lease Agreement”). The Luminant Lease Agreement leases a plot of land to the Company for the data center, ancillary infrastructure and electrical system (the “Interconnection Electrical Facilities” or “substation”) of the Odessa Facility. The Company entered into the Luminant Lease Agreement and the Luminant Purchase and Sale Agreement to build the infrastructure necessary to support its Odessa Facility operations. The Company determined that the Luminant Lease Agreement and the Luminant Purchase and Sale Agreement should be combined for accounting purposes under ASC 842, *Leases* (collectively, the “Combined Luminant Lease Agreement”) and that amounts exchanged under the combined contract should be allocated to the various components of the overall transaction based on relative fair values. The Combined Luminant Lease Agreement is classified as a finance lease.

The Combined Luminant Lease Agreement commenced on November 22, 2022 and has an initial term of five years, with renewal provisions that are aligned with the Luminant Power Agreement. Financing for use of the land and substation is provided by Luminant affiliates.

At the end of the lease term for the Interconnection Electrical Facilities, the substation will be sold back to Luminant’s affiliate, Vistra Operations Company, LLC at a price to be determined based upon bids obtained in the secondary market.

Reveille Facility Lease

The Company and its wholly-owned subsidiary, Cipher Reveille LLC (“Reveille”), assumed a lease for up to 52 acres of land in LaSalle, Texas, in October 2024 for the purpose of constructing a data center, and ancillary infrastructure to construct the Reveille Facility. The initial term of the lease is ten years, and includes two consecutive renewal options for ten years each.

Office and warehouse leases

The Company leases office space for its headquarters in New York, New York, and office space in Charleston, South Carolina, and Denver, Colorado.

In April 2025, the Company entered into a commercial lease for a warehouse in Odessa, Texas.

All of the Company's office leases are classified as operating leases.

Additional lease information

Components of the Company's lease expenses are as follows (in thousands):

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Finance leases:		
Amortization of ROU assets [1]	$ 503	$ 761
Interest on lease liability	192	298
Total finance lease expense	695	1,059
Operating leases:		
Operating lease expense	654	627
Total operating lease expense	654	627
Total lease expense	$ 1,349	$ 1,686

(1) Amortization of finance lease ROU asset is included within depreciation expense.

The Company did not incur any variable lease costs during any of the periods presented.

Other information related to the Company's leases is shown below (dollar amounts in thousands):

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Operating cash flows - operating lease	$ 571	$ 513
Right-of-use asset obtained in exchange for operating lease liabilities	$ —	$ 6,733

	March 31, 2026	December 31, 2025
Weighted-average remaining lease term – finance lease (in years)	1.4	1.7
Weighted-average remaining lease term – operating lease (in years)	7.2	7.3
Weighted-average discount rate – finance lease	11.0 %	11.0 %
Weighted-average discount rate – operating lease	8.0 %	8.0 %
Finance lease ROU assets[1]	$ 2,848	$ 5,073

(1) As of March 31, 2026, the Company recorded accumulated amortization of $7.8 million for the finance lease ROU asset. Finance lease ROU assets are recorded within property and equipment, net on the Company's condensed consolidated balance sheets.

As of March 31, 2026, future minimum lease payments during the next five years are as follows (in thousands):

	Finance Lease	Operating Lease	Total
Remainder of Year Ending December 31, 2026	3,625	1,733	5,358
Year Ending December 31, 2027	3,223	2,491	5,714
Year Ending December 31, 2028	—	2,273	2,273
Year Ending December 31, 2029	—	1,099	1,099
Year Ending December 31, 2030	—	198	198
Thereafter	—	3,789	3,789
Total lease payments	6,848	11,583	18,431
Less present value discount	(533)	(3,320)	(3,853)
Total	$ 6,315	$ 8,263	$ 14,578

NOTE 13. COMMITMENTS AND CONTINGENCIES

Commitments

In the normal course of business, the Company enters into contracts that contain a variety of indemnifications with its employees, licensors, suppliers and service providers. The Company's maximum exposure under these arrangements, if any, is unknown as of March 31, 2026. In the normal course of business, the Company enters into contracts with suppliers, primarily related to construction, and has commitments of approximately $1,567.9 million as of March 31, 2026. The majority of commitments relate to construction at the Barber Lake and Black Pearl sites.

Contingencies

The Company, and its subsidiaries, are subject at times to various claims, lawsuits and governmental proceedings relating to the Company's business and transactions arising in the ordinary course of business. The Company cannot predict the final outcome of such proceedings. Where appropriate, the Company vigorously defends such claims, lawsuits and proceedings. Some of these claims, lawsuits and proceedings seek damages, including consequential, exemplary or punitive damages, in amounts that could, if awarded, be significant. Certain of the claims, lawsuits and proceedings arising in the ordinary course of business are covered by the Company's insurance program. The Company maintains property and various types of liability insurance in an effort to protect the Company from such claims. In terms of any matters where there is no insurance coverage available to the Company, or where coverage is available and the Company maintains a retention or deductible associated with such insurance, the Company may establish an accrual for such loss, retention or deductible based on current available information. In accordance with accounting guidance, if it is probable that an asset has been impaired or a liability has been incurred as of the date of the financial statements, and the amount of loss is reasonably estimable, then an accrual for the cost to resolve or settle these claims is recorded by the Company in the accompanying condensed consolidated balance sheets. If it is reasonably possible that an asset may be impaired as of the date of the financial statements, then the Company discloses the range of possible loss. Expenses related to the defense of such claims are recorded by the Company as incurred and included in the accompanying condensed consolidated statements of operations. Management, with the assistance of outside counsel, may from time to time adjust such accruals according to new developments in the matter, court rulings, or changes in the strategy affecting the Company's defense of such matters. On the basis of current information, the Company does not believe there is a reasonable possibility that a material loss, if any, will result from any claims, lawsuits and proceedings, to which the Company is subject to either individually, or in the aggregate.

Litigation

The Company is not a party to any material legal proceedings and is not aware of any pending or threatened claims. From time to time, the Company may be subject to various legal proceedings and claims that arise in the ordinary course of its business activities.

NOTE 14. DEBT

Short-term borrowings

Coinbase Master Loan Agreement

The Company has the Coinbase Master Loan Agreement, under which the Company established the Coinbase Overnight Credit Facility of $25.0 million, subject to credit review. The Company will not incur commitment fees for unused portions of the Coinbase Overnight Credit Facility. The borrowing rate on amounts drawn against the Credit Facility is determined based on the Federal Funds Target Rate - Upper Bound, plus 2.5%, calculated daily based on a 365-day year and payable monthly for the duration of the loan, and market demand. Borrowings under the Coinbase Overnight Credit Facility are available on demand, open term, and collateralized by bitcoin transferred to the Lending Service Provider's platform. Since the Lender has the right to rehypothecate the bitcoin held as collateral, the Company derecognizes the bitcoin transferred. The Company has the right to receive the bitcoin back from the Lender upon repayment of the Coinbase Overnight Credit Facility, and as such recognized a receivable for bitcoin collateral measured at fair value of the bitcoin to be received upon repayment.

As of March 31, 2026, the Company had no amounts outstanding on the Coinbase Overnight Credit Facility. The Company had a $25.0 million balance outstanding on the Coinbase Overnight Credit Facility at a weighted average interest rate of 9.5% as of December 31, 2025.

Two Prime Lending Facility

The Company also has a $100.0 million secured credit facility with Two Prime Lending Limited ("Two Prime Credit Facility"). Borrowings on this facility will be backed by the Company's bitcoin held in a triparty account. The Company has not drawn on the Two Prime Credit Facility, and as such has nothing outstanding on this facility as of March 31, 2026.

Current Portion of Long-term debt

As of March 31, 2026, the Company included $355.3 million of principal payments of the 2030 Senior Secured Notes and 2031 Senior Secured Notes in short-term borrowings on the Company's condensed consolidated balance sheet as these payments are due within one year.

Long-term borrowings

The following summarizes the Company's long-term borrowings, net of debt issuance costs as of the period presented:

	March 31, 2026					
	Maturity Date	**Interest Rate**	**Outstanding Principal**	**Unamortized debt issuance costs and original issue discounts and premium, net**	**Current portion of Long-term Debt**	**Outstanding Borrowings, net**
Long-term borrowings:						
2030 Convertible Notes	May 2030	1.75%	$ 172,500	$ (4,597)	$ —	$ 167,903
2031 Convertible Notes	October 2031	0.00%	1,300,000	(414,068)	—	885,932
2030 Senior Secured Notes	November 2030	7.13%	1,733,000	(20,939)	(75,348)	1,636,713
2031 Senior Secured Notes	February 2031	6.13%	2,000,000	(33,787)	(280,000)	1,686,213
Total Long-term borrowings			$ 5,205,500	$ (473,391)	$ (355,348)	$ 4,376,761

	December 31, 2025					
	Maturity Date	**Interest Rate**	**Outstanding Principal**	**Unamortized debt issuance costs and original issue discounts and premium, net**	**Current portion of Long-term Debt**	**Outstanding Borrowings, net**
Long-term borrowings:						
2030 Convertible Notes	May 2030	1.75%	$ 172,500	$ (4,857)	$ —	$ 167,643
2031 Convertible Notes	October 2031	0.00%	1,300,000	(429,158)	—	870,842
2030 Senior Secured Notes	November 2030	7.13%	1,733,000	(22,044)	(37,793)	1,673,163
Total Long-term borrowings			$ 3,205,500	$ (456,059)	$ (37,793)	$ 2,711,648

2030 Convertible Notes

On May 22, 2025, the Company issued $172.5 million of principal amount of the 2030 Convertible Notes with an interest rate of 1.75%. The 2030 Convertible Notes are senior, unsecured obligations with interest due semiannually on May 15 and November 15 each year beginning on November 15, 2025. The 2030 Convertible Notes will mature on May 15, 2030, unless earlier repurchased, redeemed or converted.

Before February 15, 2030, noteholders will have the right to convert their 2030 Convertible Notes only upon the occurrence of certain events. On and after February 15, 2030, noteholders may convert their 2030 Convertible Notes at any time at their election until the close of business on the second scheduled trading day immediately before the maturity date. The Company will settle conversions by paying or delivering, as applicable, cash, shares of its common stock or a combination of cash and shares of its common stock, at the Company's election. As the Company has the option to settle in shares, these shares are considered potentially dilutive for the calculation of diluted earnings per share. The initial conversion rate is 224.9213 shares of the Company's common stock per $1,000 principal amount of 2030 Convertible Notes, which represents an initial conversion price of approximately $4.45 per share of the Company's common stock.

The 2030 Convertible Notes will be redeemable, in whole or in part (subject to certain limitations), at the Company's option at any time, and from time to time, on or after May 22, 2028 and on or before the 30th scheduled trading day immediately before the maturity date, but only if the last reported sale price per share of the Company's common stock exceeds 130% of the conversion price on (1) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date the Company sends the related redemption notice; and (2) the trading day immediately before the date the Company sends such redemption notice. However, the Company may not redeem less than all of the outstanding 2030 Convertible Notes unless at least $50.0 million aggregate principal amount of 2030 Convertible Notes are outstanding and not called for redemption as of the time the Company sends the related redemption notice.

2031 Convertible Notes

On September 30, 2025, the Company issued $1.3 billion of principal amount of the 2031 Convertible Notes with an interest rate of 0.00%. The 2031 Convertible Notes are senior, unsecured obligations and will be equal in right of payment with the Company's existing and future senior, unsecured indebtedness, including the 2030 Convertible Notes. The 2031 Convertible Notes will mature on October 1, 2031, unless earlier repurchased, redeemed or converted.

Before July 1, 2031, the 2031 Convertible Notes will be convertible only upon satisfaction of certain conditions and during a certain period. On or after July 1, 2031, the 2031 Convertible Notes will be convertible at any time until the close of business on the second scheduled trading day immediately preceding the maturity date (the "2031 Note Conversion Option"). The Company will settle conversions by paying or delivering, as applicable, cash, shares of its common stock, or a combination of cash and shares of its common stock, at the Company's election. The Company's ability to elect to settle conversions in whole or in part in shares of common stock will, subject to a limited exception, be subject to receipt of stockholder approval for an increase in the number of its authorized shares of common stock or the Company otherwise increasing the number of shares of its common stock available to settle conversions of the 2031 Convertible Notes, which was obtained on October 30, 2025. The initial conversion rate is 62.3733 shares of the Company's common stock per $1,000 principal amount of the 2031 Convertible Notes, which represents an initial conversion price of approximately $16.03 per share of the Company's common stock.

The 2031 Convertible Notes will be redeemable, in whole or in part (subject to certain limitations described below), for cash at the Company's option at any time, and from time to time, on or after October 5, 2028 and on or before the 30th scheduled trading day immediately before the maturity date, but only if (i) the last reported sale price per share of the Company's common stock exceeds 130% of the conversion price on (1) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date the Company sends the related redemption notice and (2) the trading day immediately before the date the Company sends such redemption notice, and (ii) certain "liquidity conditions" (as defined in the indenture) having been satisfied. However, the Company may not redeem less than all of the outstanding 2031 Convertible Notes unless at least $100.0 million aggregate principal amount of 2031 Convertible Notes are outstanding and not called for redemption as of the time the Company sends the related redemption notice.

The following table summarizes the components of interest expense recognized on the Company's convertible notes for three months ended March 31, 2026 (in thousands, except percentages):

	2030 Convertible Notes	2031 Convertible Notes
Effective interest rate	2.42 %	6.89 %
Contractual interest expense	$ 755	$ —
Amortization of debt issuance costs and original issue discount	260	15,090
Total interest expense	$ 1,015	$ 15,090

There were no convertible notes outstanding as of March 31, 2025.

2030 Senior Secured Notes

On November 13, 2025, Cipher Compute LLC ("Cipher Compute"), a wholly-owned indirect subsidiary of the Company, issued an aggregate principal amount of $1.4 billion of 7.125% Senior Secured Notes due 2030 (the "2030 Senior Secured Notes"). The 2030 Senior Secured Notes are senior secured obligations of Cipher Compute and bear interest at a rate of 7.125% per year payable semiannually in arrears on May 15 and November 15 of each year, beginning on May 15, 2026. The 2030 Senior Secured Notes will mature on November 15, 2030, unless earlier redeemed or repurchased in accordance with their terms. On November 24, 2025, Cipher Compute issued an additional series of $333.0 million aggregate principal amount of the 2030 Senior Secured Notes.

The principal amount of the 2030 Senior Secured Notes will amortize on a semi-annual basis on May 15 and November 15 of each year in amounts based on schedules in the indenture. No amortization will be payable prior to the completion of the Barber Lake Facility. Required amortization shall be subject to adjustment in case of partial redemption or repurchase.

On or after November 15, 2027, the Company may redeem the 2030 Senior Secured Notes at its option, in whole at any time or in part from time to time, at the redemption prices set forth in the indenture. Prior to November 15, 2027, the Company may redeem the 2030 Senior Secured Notes at its option, in whole at any time or in part from time to time, at a redemption price equal to 100% of the principal amount of the 2030 Senior Secured Notes redeemed, plus a "make-whole" premium and accrued and unpaid interest, if any. In addition, prior to November 15, 2027, the Company may redeem up to 40% of the aggregate principal amount of the 2030 Senior Secured Notes in an amount not to exceed the amount of the proceeds of certain equity offerings, at the redemption price set forth in the indenture, plus accrued and unpaid interest.

2031 Senior Secured Notes

On February 11, 2026, Black Pearl Compute LLC ("BP Compute"), a wholly-owned indirect subsidiary of the Company, issued an aggregate principal of $2.0 billion of 6.13% Senior Secured Notes due 2031 (the "2031 Senior Secured Notes"). The 2031 Senior Secured Notes are senior secured obligations of BP Compute and bear interest at a rate of 6.13% per year payable semiannually in arrears on February 15 and August 15 of each year, beginning on August 15, 2026. The 2031 Senior Secured Notes will mature on February 15, 2031, unless earlier redeemed or repurchased in accordance with their terms.

The principal amount of the 2031 Senior Secured Notes will amortize on a semi-annual basis on February 15 and August 15 of each year in amounts based on schedules in the Indenture. No amortization will be payable prior to the completion of the Black Pearl Facility. Required amortization shall be subject to adjustment in case of partial redemption or repurchase.

On or after February 15, 2028, BP Compute may redeem the 2031 Senior Secured Notes at its option, in whole at any time or in part from time to time, at the redemption prices set forth in the indenture. Prior to February 15, 2028, BP Compute may redeem the 2031 Senior Secured Notes at its option, in whole at any time or in part from time to time, at a redemption price equal to 100% of the principal amount of the 2031 Senior Secured Notes redeemed, plus a "make-whole" premium and accrued and unpaid interest, if any. In addition, prior to February 15, 2028, BP Compute may redeem up to 40% of the aggregate principal amount of the 2031 Senior Secured Notes in an amount not to exceed the amount of the net proceeds of certain equity offerings at the redemption price set forth in the indenture, plus accrued and unpaid interest, if any.

Revolving Credit Facility

On March 23, 2026, the Company entered into a $200.0 million revolving credit facility (the "Revolving Credit Facility") with Morgan Stanley Senior Funding, Inc. as administrative agent and collateral agent, and a syndicate of lenders. The Revolving Credit Facility also provides for additional accordion option of up to $50 million. The Revolving Credit Facility matures on March 23, 2030 (the fourth anniversary of the closing date); provided, however, that if any of the 2030 Convertible Notes (or certain refinancing indebtedness in respect thereof) are outstanding on the date that is 91 days prior to the maturity date thereof, the maturity date of the Revolving Credit Facility will spring to such earlier date (the "Springing Maturity Date"). As of March 31, 2026, there were no borrowings outstanding under the Revolving Credit Facility.

During the period prior to the first to occur of the commencement of operations at the Barber Lake Facility and the Black Pearl Facility (the "Pre-Completion Availability Period"), aggregate borrowings under the Revolving Credit Facility are limited to $50.0 million (the "Pre-Completion Availability Cap"). The Revolving Credit Facility includes a letter of credit sublimit of $50.0 million, which is part of, and not in addition to, the total revolving commitment.

Borrowings under the Revolving Credit Facility bear interest at a rate per annum equal to, at the Company's election, either Adjusted Term SOFR plus an applicable margin or the Alternate Base Rate ("ABR") plus an applicable margin. The applicable margin for Initial Revolving Loans is initially 1.750% per annum for Term SOFR borrowings and 0.750% per annum for ABR borrowings, in each case through the date the Company delivers its first compliance certificate following the fiscal quarter ending September 30, 2026. Thereafter, the applicable margin is subject to adjustment based on the Company's Consolidated Total Debt to Market Capitalization Ratio, ranging from 1.250% to 1.750% per annum for Term SOFR borrowings. The Company is also required to pay a commitment fee of 0.500% per annum on the daily average unfunded revolving commitments, payable quarterly.

The Company's obligations under the Revolving Credit Facility are secured on a first-priority basis (pari passu with the 2030 Senior Secured Notes with respect to certain collateral) by security interests in substantially all of the assets of the Borrower and each guarantor, including pledges of equity interests in the Borrower's material subsidiaries.

The Revolving Credit Facility contains a financial maintenance covenant requiring the Company to maintain minimum Liquidity (as defined in the credit agreement) as of the last day of each fiscal quarter of: (i) $100.0 million prior to the commencement of the first of the Barber Lake Facility or the Black Pearl Facility; (ii) $150.0 million following commencement of the first such facility but prior to commencement of the second; and (iii) $200.0 million following commencement of both facilities. The Company has the right to cure a liquidity shortfall by issuing equity and designating the net proceeds thereof as cure proceeds within 15 business days following the date on which the related compliance certificate is required to be delivered. Each borrowing under the Revolving Credit Facility is also conditioned upon, among other things, the Company's market capitalization meeting a specified minimum as of the trading day immediately preceding such borrowing. As of March 31, 2026, the Company was in compliance with all covenants under the Revolving Credit Facility.

Debt issuance costs associated with the Revolving Credit Facility are presented as a deferred asset within other noncurrent assets on the condensed consolidated balance sheets and are amortized to interest expense on a straight-line basis over the term of the Revolving Credit Facility.

As of March 31, 2026, aggregate future required minimum principal payments based on the terms of the long-term borrowings were as follows:

(in thousands)		
Remainder of 2026	$	177,793
2027		432,305
2028		436,874
2029		441,580
2030[1]		1,676,948
Thereafter[2]		2,040,000
Total principal of long-term borrowings	$	5,205,500

(1) Included in 2030 is $172.5 million of principal related to the 2030 Convertible Notes which may be settled in cash, shares of common stock, or a combination thereof.

(2) Included in Thereafter is $1,300.0 million of principal related to the 2031 Convertible Notes which may be settled in cash, shares of common stock, or a combination thereof.

NOTE 15. STOCKHOLDERS' EQUITY

As of March 31, 2026, 1,010,000,000 shares with a par value of $0.001 per share are authorized, of which 1,000,000,000 shares are designated as Common Stock and 10,000,000 shares are designated as preferred stock ("Preferred Stock").

Common Stock

Holders of each share of Common Stock are entitled to dividends when, as and if declared by the Board. As of the issuance of these condensed consolidated financial statements, the Company had not declared any dividends. The holder of each share of Common Stock is entitled to one vote. The voting, dividend, liquidation and other rights and powers of the

Common Stock are subject to and qualified by the rights, powers and preferences of any outstanding series of Preferred Stock, for which there currently are none outstanding.

During the three months ended March 31, 2026, the Company issued 534,228 shares of Common Stock to officers, employees and consultants in settlement of an equal number of fully vested RSUs awarded to these individuals, no shares of Common Stock upon the vesting and settlement of performance-based stock awards, and 3,862 shares of Common Stock to directors, pursuant to grants made under the Cipher Mining Inc. 2021 Incentive Award Plan (the "Incentive Award Plan"). The Company immediately repurchased 234,786 shares of Common Stock from officers and employees, with a fair value of approximately $3.8 million, to cover taxes related to the settlement of vested RSUs and PSUs, as permitted by the Incentive Award Plan. The Company placed the repurchased shares in treasury stock.

At-the-Market Sales Agreement

On September 21, 2022, the Company filed with the SEC a shelf registration statement on Form S-3, which was declared effective on October 6, 2022 (the "Registration Statement").

On August 3, 2023, the Company entered into a Controlled Equity Offering[SM] Sales Agreement (the "Sales Agreement") with Cantor Fitzgerald & Co., Canaccord Genuity LLC, Needham & Company, LLC and Compass Point Research & Trading, LLC (each, an "Original Agent" and, together, the "Original Agents"), pursuant to which the Company may offer and sell, from time to time through or to the Agents, shares of its Common Stock, for aggregate gross proceeds of up to $250.0 million. The offering and sale of up to $250.0 million of the shares has been registered under the Registration Statement, the base prospectus contained within the Registration Statement, and a prospectus supplement that was filed with the SEC on August 4, 2023 (the "Prospectus Supplement").

On March 6, 2024, the Company entered into an amendment (the "Amendment") to the Sales Agreement (as amended, the "Amended Sales Agreement") by and among the Original Agents, Stifel, Nicolaus & Company, Incorporated ("Stifel") and Virtu Americas LLC ("Virtu"). The Amendment modifies the Sales Agreement to include Stifel and Virtu as additional agents under the Amended Sales Agreement. On March 6, 2024, the Company also filed an amendment to the Prospectus Supplement (i) increasing the dollar amount of shares available to be sold pursuant to the Amended Sales Agreement, to $296,560,661, which consists of $96,560,661 remaining as originally authorized under the Prospectus Supplement and an additional $200,000,000, and (ii) including Stifel and Virtu as additional agents.

On September 3, 2024, the Company amended and restated the Amended Sales Agreement (as amended and restated, the "Amended and Restated Sales Agreement") with the Original Agents, Keefe, Bruyette & Woods, Inc. ("KBW"), Virtu and BTIG, LLC ("BTIG") (each, an "Agent" and, together, the "Agents"). The Amended and Restated Sales Agreement modified the Amended Sales Agreement to, among other things, include BTIG as an additional Agent under the Amended and Restated Sales Agreement and to replace Stifel with KBW as an Agent under the Amended and Restated Sales Agreement.

Pursuant to the Amended and Restated Sales Agreement, the Company may offer and sell, from time to time through or to the Agents, shares of the Company's Common Stock, for aggregate gross proceeds of up to $725.7 million (the "Shares"), which consists of up to $600.0 million of Shares, which can be issued and sold pursuant to the Company's shelf registration statement on Form S-3ASR, filed with the SEC on September 3, 2024, which became immediately effective upon filing, and a prospectus supplement dated September 3, 2024, filed by the Company with the SEC.

Pursuant to the Amended and Restated Sales Agreement, the Agent selected by the Company (such Agent, the "Designated Agent") may sell the Shares in sales deemed to be "at-the-market offerings" as defined in Rule 415(a)(4) promulgated under the Securities Act. The Company has no obligation to sell any of the Shares under the Amended and Restated Sales Agreement and may at any time suspend or terminate the offering of the Shares pursuant to the Amended and Restated Sales Agreement upon notice and subject to other conditions. The Agents will act as sales agents and will use commercially reasonable efforts to sell on the Company's behalf all of the Shares requested to be sold by it, on mutually agreed terms between the Agents and the Company. Under the terms of the Amended and Restated Sales Agreement, the Company agreed to pay the Designated Agent a commission up to 3.0% of the aggregate gross proceeds from any Shares sold through such Designated Agent pursuant to the Amended and Restated Sales Agreement. In addition, the Company agreed to reimburse certain expenses incurred by the Agents in connection with the Amended and Restated Sales Agreement. The Company did not sell any common stock during the three months ended March 31, 2026.

NOTE 16. WARRANTS

On September 24, 2025, as consideration for Google agreeing to backstop certain obligations of Fluidstack in connection with the Barber Lake Facility lease, the Company entered into the Google Warrant Agreement, pursuant to which the Company issued to Google warrants to purchase 24,178,576 shares (the "Warrant Shares") of the Company's Common Stock for an exercise price of $0.01 per share of Common Stock (the "Google Warrants"). The Google Warrants have an exercise period beginning on the commencement date of the Barber Lake Facility lease and expiring on September 24, 2030. Additionally, if, on the business day prior to the beginning of the exercise period under the Google Warrant Agreement, the value of the Warrant Shares does not equal or exceed $430.0 million, the Company shall be obligated to issue additional Warrant Shares and/or make a cash payment equal in the aggregate to such shortfall amount on the terms set forth in the Warrant Agreement. The Google Warrants are recorded at fair value in Warrant liability on the Company's condensed consolidated balance sheets and changes in the fair value are recorded in Change in fair value of warrant liability on the Company's condensed consolidated statements of operations. See additional information regarding valuation of the Google Warrants in *Note 18. Fair Value Measurements.*

The Company recorded an asset of $544.5 million in Other noncurrent assets on the condensed consolidated balance sheets at the initial fair value of the Google Warrants at issuance to represent the value of Google agreeing to make the lease payments from Fluidstack in the event of Fluidstack not fulfilling its obligations under the lease. The Company will amortize this asset over the life of the lease on a straight-line basis to recognize the benefit over the term of the benefit derived from the backstop.

NOTE 17. SHARE-BASED COMPENSATION

The Cipher Mining Inc. 2021 Incentive Award Plan (the "Incentive Award Plan") provides for the grant of stock options, including incentive stock options and nonqualified stock options, stock appreciation rights, RSUs and other stock or cash-based awards to employees, consultants and directors. Upon vesting of an award, the Company may either issue new shares or reissue treasury shares.

Initially, up to 19,869,312 shares of Common Stock were available for issuance under awards granted pursuant to the Incentive Award Plan. In addition, the number of shares of Common Stock available for issuance under the Incentive Award Plan is increased on January 1 of each calendar year beginning in 2022 and ending in 2031 by an amount equal to the lesser of (a) three percent (3%) of the total number of shares of Common Stock outstanding on the final day of the immediately preceding calendar year and (b) such smaller number of shares determined by the Board. On January 1, 2026, this resulted in an increase of 12,148,892 shares of Common Stock available for issuance under the Incentive Award Plan. As of March 31, 2026, 24,420,191 shares of Common Stock were available for issuance under the Incentive Award Plan.

The Company recognized total share-based compensation in Compensation and benefits on the condensed consolidated statements of operations for the following categories of awards as follows (in thousands):

	Three Months Ended March 31,	
	2026	2025
Service-based RSUs	$ 18,476	$ 8,241
Performance-based RSUs	8,572	891
Total share-based compensation expense	$ 27,048	$ 9,132

Service-based RSUs

A summary of the Company's unvested Service-Based RSU activity for the three months ended March 31, 2026 is shown below:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested at December 31, 2025	10,642,732	$ 3.95
Granted	3,307,261	$ 16.75
Vested	(534,228)	$ 2.50
Unvested at March 31, 2026	13,415,765	$ 7.16

As of March 31, 2026, there was approximately $62.7 million of unrecognized compensation expense related to unvested Service-Based RSUs, which is expected to be recognized over a weighted-average vesting period of approximately 0.9 years.

If not fully vested upon grant, service-based RSUs awarded generally vest over a period ranging from three to four years in installments as determined by the Board.

Vesting is subject to the award recipient's continuous service on the applicable vesting date; provided, that if the award recipient's employment is terminated by the Company without "cause", by award recipient for "good reason" (if applicable, as such term or similar term may be defined in any employment, consulting or similar service agreement between award recipient and the Company) or due to award recipient's death or permanent disability, all unvested service-based RSUs will vest in full (unless otherwise specified in the agreement between the award recipient and the Company). In addition, in the event of a change in control, any unvested service-based RSUs will vest subject to the award recipient's continuous service to the Company through such change in control. In addition, if the Company achieves a $10 billion market capitalization milestone (described further below) and the CEO remains in continuous service through such achievement, any then-unvested service-based RSUs awarded to the CEO will also vest.

Performance-Based RSUs

In 2021, the Company issued 4,257,710 performance-based RSUs (the "2021 Performance-Based RSUs") at a weighted average grant date fair value of $7.76. As of March 31, 2026, 1,419,236 of the 2021 Performance-Based RSUs were vested.

There was no unrecognized compensation expense related to unvested 2021 Performance-Based RSUs at March 31, 2026.

Two-thirds of the outstanding 2021 Performance-Based RSUs have vested upon the Company achieving a market capitalization equal to or exceeding $5 billion and $7.5 billion. One-third remains outstanding and will vest upon the Company achieving a market capitalization equal to or exceeding $10 billion, over a 30-day look-back period and subject to the CEO's continuous service through the end of the applicable 30-day period. In the event of a change in control and CEO's continuous service through such change in control, the per share price (plus the per share value of any other consideration) received by the Company's stockholders in such change in control will be used to determine whether any of the market capitalization milestones are achieved (without regard to the 30-day look-back period). Any 2021 Performance-Based RSUs that do not vest prior to the CEO's termination of service or, if earlier, in connection with a change in control will be forfeited for no consideration.

On February 26, 2025, the Company issued an additional 2,490,943 Performance-Based RSUs (the "2025 Performance-Based RSUs") to the Company's senior management team under the Incentive Award Plan at a weighted average grant date fair value of $5.01. There was approximately $3.3 million in unrecognized compensation expense related to the 2025 Performance-Based RSUs at March 31, 2026, which is expected to be recognized over a weighted-average vesting period of approximately 0.58 years, regardless of whether the market conditions required for vesting are achieved.

As of the end of the performance period, the Compensation Committee of the Board of Directors certified that the Company's common stock achieved the necessary Total Shareholder Return ("TSR") relative to the TSR of peer companies identified in the grant agreements and overall TSR for the performance period, and earned 225% of the 2025 Performance-Based RSUs originally granted, resulting in the issuance of 5,604,621 shares. One-third of the earned PSUs vested on December 31, 2025, and the remaining two-thirds of the earned PSUs will vest in equal quarterly installments over the following two years.

On February 25, 2026, the Company issued an additional 2,179,406 Performance-Based RSUs (the "2026 Executive Officer PSU Agreement") to the Company's senior management team under the Incentive Award Plan at a weighted average grant date fair value of $26.80. None of the 2026 Performance-Based RSUs were vested as of March 31, 2026. There was approximately $54.1 million in unrecognized compensation expense related to the 2026 Performance-Based RSUs at March 31, 2026, which is expected to be recognized over a weighted-average vesting period of approximately 1.50 years, regardless of whether the market conditions required for vesting are achieved.

On or about December 31, 2026, the Company will calculate the number of PSUs expected to vest (the "Earned PSUs"), based upon the Company's common stock achieving certain TSR relative to the TSR of peer companies identified in the grant agreements and the overall TSR of the Company for the 2026 calendar year. The number of Earned PSUs will range from 0% to 225% of the number of 2026 Performance-Based RSU's originally granted. Subject to the employee's continuous service through the vesting date, one-third of the Earned PSUs will vest on December 31, 2026 and the remaining two-thirds of the Earned PSUs will vest in equal quarterly installments over the following two years with the first such vesting date occurring on March 31, 2027.

The grant date fair value of the Performance-Based RSUs was measured using a Monte Carlo simulation model based on the following assumptions:

	Risk-free interest rate	Expected volatility
2026 Executive Officer PSU Agreement	3.60%	113.1%
2025 Performance-Based RSUs	4.14%	111.5%

On February 25, 2026, the Company also issued additional 132,660 Performance-Based RSUs (the "2026 Key Service Provider PSU Equity Grants") to other senior employees under the Incentive Award Plan. The awards vest upon the achievement of pre-established operational, infrastructure and execution-based milestones, as approved and certified by the Compensation Committee of the Board of Directors. Performance milestones include, but are not limited to, data center delivery, timely lease payments, interconnection progress with respect to company sites, execution of additional HPC leases, and securing additional megawatts as established by the Compensation Committee at the time of grant. No awards will vest unless at least one milestone is certified as achieved by the Compensation Committee.

Following the conclusion of the performance period, the Company will calculate the number of PSUs expected to vest based upon the level of milestone attainment. The number of Earned PSUs will range from 0% to 200% of the target award amount based on the extent to which specified performance milestones are achieved during the performance period. For 94,757 of the awards, the applicable performance period ends on December 31, 2027, and for 37,903 of the awards, the applicable performance period ends on March 31, 2027. Subject to the employee's continuous service through the vesting date, one-third of the Earned PSUs will vest at the end of the applicable performance period and the remaining two-thirds will vest in equal quarterly installments over the following two years with the first such vesting date occurring on March 31, 2027.

Compensation expense is recognized over the requisite service period based on the grant-date fair value of the award and the probability of achieving the applicable performance conditions, in accordance with ASC 718, *Compensation — Stock Compensation*. The Company reassesses the probability of milestone achievement at each reporting date. If a milestone is deemed not probable of achievement, any previously recognized compensation expense associated with that milestone is reversed in the period of the change in estimate, regardless of whether service has been rendered to date.

As of March 31, 2026, there was approximately $4.3 million of unrecognized compensation expense related to unvested PSUs, which is expected to be recognized over a weighted-average remaining service period of 1.5 years.

NOTE 18. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets and liabilities measured at fair value are classified and disclosed in one of the following categories based on the inputs used to derive the fair value:

Level 1 — Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 — Quoted prices in markets that are not active and financial instruments for which all significant inputs are observable, either directly or indirectly; or

Level 3 — Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable

The Company's financial assets and liabilities subject to fair value measurement on a recurring basis and the level of inputs used for such measurements were as follows as of the dates indicated (in thousands):

	Fair Value Measured as of March 31, 2026			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets included in:				
Cash and cash equivalents				
Money market securities	$ 712,988	$ -	$ -	$ 712,988
Restricted cash				
Money market securities	3,512,825	-	-	3,512,825
Bitcoin	76,150	-	-	76,150
Accounts receivable				
Bitcoin receivable	294	-	-	294
Prepaid expenses and other current assets				
Investments at fair value	23,225	-	-	23,225
Derivative asset	-	-	28,580	28,580
	$ 4,325,482	$ -	$ 28,580	$ 4,354,062
Liabilities included in:				
Warrant liability	-	-	481,550	481,550
	$ -	$ -	$ 481,550	$ 481,550

	Fair Value Measured as of December 31, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets included in:				
Cash and cash equivalents				
Money market securities	$ 535,085	$ -	$ -	$ 535,085
Restricted cash				
Money market securities	2,035,631	-	-	2,035,631
Bitcoin	125,400	-	-	125,400
Accounts receivable	687	-	-	687
Derivative assets	-	-	56,810	56,810
	$ 2,696,803	$ -	$ 56,810	$ 2,753,613
Liabilities included in:				
Warrant liability	$ -	$ -	$ 525,160	$ 525,160
	$ -	$ -	$ 525,160	$ 525,160

The Company’s financial assets and liabilities not subject to fair value measurement on a recurring basis and the level of inputs used for such measurements were as follows as of the dates indicated (in thousands):

	March 31, 2026				
	Total carrying value	Level 1	Level 2	Level 3	Total
Liabilities included in:					
Long-term borrowings					
2030 Convertible Notes	$ 167,903	$ -	$ 642,669	$ -	$ 642,669
2031 Convertible Notes	885,932	-	1,455,571	-	1,455,571
2030 Senior Secured Notes	1,636,713	-	1,802,320	-	1,802,320
2031 Senior Secured Notes	1,686,213	-	2,040,000	-	2,040,000
	$ 4,376,761	$ -	$ 5,940,560	$ -	$ 5,940,560

	December 31, 2025				
	Total carrying value	Level 1	Level 2	Level 3	Total
Liabilities included in:					
Long-term borrowings					
2030 Convertible Notes	$ 167,643	$ -	$ 597,768	$ -	$ 597,768
2031 Convertible Notes	$ 870,842	$ -	$ 1,547,533	$ -	$ 1,547,533
2030 Senior Secured Notes	$ 1,673,163	$ -	$ 1,796,514	$ -	$ 1,796,514
	$ 2,711,648	$ -	$ 3,941,815	$ -	$ 3,941,815

The carrying values reported in the Company's condensed consolidated balance sheets for cash (excluding cash equivalents which are recorded at fair value on a recurring basis), accounts payable and accrued expenses and other current liabilities are reasonable estimates of their fair values due to the short-term nature of these items.

There were no transfers of financial instruments between Level 1, Level 2 and Level 3 during the periods presented.

Power purchase agreement

The Company's power purchase agreement, related to the Luminant Power Agreement, is divided between current and noncurrent assets, and was initially recorded on its condensed consolidated balance sheets on the derivative asset's effective date of July 1, 2022, with an offsetting amount recorded to change in fair value of derivative asset in costs and operating expenses on the condensed consolidated statements of operations. Subsequent changes in fair value are also recorded to Change in fair value of derivative asset. The Luminant Power Agreement was not designated as a hedging instrument. The estimated fair value of the Company's derivative asset was derived from Level 2, and Level 3 inputs, due to a lack of quoted prices for similar type assets and as such, is classified in Level 3 of the fair value hierarchy. Specifically, the discounted cash flow estimation models contain quoted spot and forward prices for electricity, as well as estimated usage rates consistent with the terms of the Luminant Power Agreement, the initial term of which is five years, and a remaining term of approximately 1.3 years. The valuations performed by the third-party valuation firm engaged by the Company utilized pre-tax discount rates of 5.18% and 4.80% as of March 31, 2026 and December 31, 2025, respectively, and include observable market inputs, but also include unobservable inputs based on qualitative judgment related to company-specific risk factors. Unrealized gains and losses associated with the derivative asset within the Level 3 category include changes in fair value that were attributable to amendments to the Luminant Power Agreement, changes to the quoted forward electricity rates, as well as unobservable inputs (e.g., changes in estimated usage rates and discount rate assumptions).

The following table presents the changes in the estimated fair value of the power purchase agreement measured using significant unobservable inputs (Level 3) for the three months ended March 31, 2026 and 2025 (amounts in thousands):

	Three Months Ended March 31,	
	2026	2025
Opening balance	$ 56,810	$ 85,670
Change in fair value	(28,230)	7,330
Ending balance	$ 28,580	$ 93,000

Level 3 liabilities

Google Warrants

The Company's Google Warrants (as defined in *Note 16. Warrants*) were classified within Level 3 of the fair value hierarchy because the fair value is based on significant inputs that are unobservable in the market. The valuation of the Google Warrants used assumptions and estimates the Company believes would be made by a market participant in making the same valuation. The initial valuation of the Google Warrants was recorded to Warrant liability on the Company's condensed consolidated balance sheets, and subsequent changes in fair value are also recorded to Change in fair value of warrant liability in the Company's condensed consolidated statements of operations.

The Company engaged a third-party valuation firm to determine the fair value of the Google Warrants using a Black-Scholes option-pricing model and the quoted price of Common Stock. The following table presents significant assumptions utilized in the valuations of the Google Warrants as of the date indicated:

	March 31, 2026
Risk-free rate	3.72%
Dividend yield rate	0.00%
Volatility	107.50%
Contractual term (in years)	4.5

The following table presents changes in the estimated fair value of the Google Warrants (amounts in thousands):

Balance as of December 31, 2025	525,160
Fair value of warrants as of issuance date	—
Change in fair value	(43,610)
Balance as of March 31, 2026	$ 481,550

NOTE 19. SEGMENT REPORTING

The Company currently has one operating segment, Bitcoin Mining, which through operations produce bitcoin to generate revenue. The CODM for the Company consists of the CEO and CFO. The CODM reviews the performance of the Company's operating segment primarily based on operating income when deciding on allocating resources between reinvesting in Bitcoin Mining or exploring alternative deployment of resources. Asset information is not regularly provided to the CODM for resource allocation as a large portion of assets are property and equipment that cannot be repurposed for other revenue streams. In future periods, the Company expects to have an additional segment related to construction of data centers for HPC tenants when leases for those data centers commence operations.

The Company's revenues, significant expenses, operating income, and net income by segment for the three months ended March 31, 2026, and 2025 are summarized in the following table (in thousands):

Three Months Ended March 31, 2026

	Bitcoin Mining	Consolidated
Revenue - bitcoin mining	$ 34,838	$ 34,838
Costs and operating (expenses) income		
Cost of revenue	(17,705)	
Depreciation and amortization	(19,014)	
Change in fair value of power purchase agreement	(28,230)	
Unrealized gain on fair value of bitcoin	3,760	
Realized loss on sale of bitcoin	(24,223)	
Equity in losses of equity method investees	(1,601)	
Other segment items(1)	(15,650)	
Segment operating loss	(67,825)	(67,825)
Adjustments(2)		(46,744)
Operating loss		(114,569)
Interest income		31,590
Interest expense		(59,158)
Other non-operating items(3)		28,228
Loss before taxes		$ (113,909)

Three Months Ended March 31, 2025

	Bitcoin Mining	Consolidated
Revenue - bitcoin mining	$ 48,959	$ 48,959
Costs and operating (expenses) income		
Cost of revenue	(14,894)	
Depreciation and amortization	(43,467)	
Change in fair value of power purchase agreement	7,330	
Unrealized loss on fair value of bitcoin	(20,178)	
Realized gains on sale of bitcoin	12,196	
Equity in losses of equity method investees	(5,292)	
Other segment items(1)	512	
Segment operating loss	(14,834)	(14,834)
Adjustments(2)		(23,254)
Operating loss		(38,088)
Interest income		190
Interest expense		(777)
Other non-operating items(3)		(156)
Loss before taxes		$ (38,831)

(1) Other segment items included in Bitcoin Mining include Power sales, and Other losses.

(2) Other operating items included in adjustments include Compensation and benefits, and General and administrative.

(3) Other non-operating items include Change in fair value of warrant liability, and Other expense.

NOTE 20. INCOME TAXES

The determination of income tax expense in the unaudited condensed consolidated statements of operations is based upon the estimated effective tax rate for the year, adjusted for the impact of any discrete items which are accounted for in the period in which they occur. The Company recorded an income tax expense of approximately 0.4% of loss before taxes for the three months ended March 31, 2026 and March 31, 2025.

NOTE 21. SUBSEQUENT EVENTS

The Company has evaluated subsequent events for adjustment to or disclosure in its condensed consolidated financial statements through the date of this report. No subsequent events have been identified other than those disclosed in these condensed consolidated financial statements except for the following:

On April 17, 2026, the Company entered into an eleven-year lease in New York, New York, to expand the Company’s office space to accommodate increased headcount. The lease provides for total undiscounted fixed rent obligations of approximately $50.2 million over the initial term, subject to an initial rent abatement period of approximately twelve and a half months.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report. This discussion contains forward-looking statements based upon current plans, expectations and beliefs involving risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in Part II, Item 1A, “Risk Factors” and other factors set forth in other parts of this Quarterly Report.

Unless the context otherwise requires, references in this Quarterly Report to the “Company,” “Cipher,” “Cipher Digital,” “we,” “us” or “our” refers to Cipher Digital Inc. and its consolidated subsidiaries, unless otherwise indicated.

Overview

We are dedicated to developing and operating industrial-scale data centers engineered for next-generation computing at the highest standards of innovation, precision, and excellence. Over the past several years, we have intentionally evolved from a pure-play bitcoin miner into a vertically integrated data center development and operations platform focused on energy-intensive compute infrastructure. Our vertical integration spans critical stages of the data center value chain, including land and power origination and interconnection, site development, data center design and construction, oversight and ongoing facility operations.

Fundamentally, we bring together construction, engineering, operations, power, real estate and technology expertise to deliver high quality, purpose-built data centers that meet tenants’ needs. Our in-house teams source and control industrial-scale sites with access to substantial electric power capacity, advance grid interconnection and substation development, and manage the design and construction of data center campuses. We also operate and maintain energy-intensive data center facilities, leveraging operational expertise developed through our employees’ extensive experience managing Tier III HPC data centers and large, flexible electrical loads. Against a backdrop of increasing demand for AI technology and access to energized HPC data centers to meet consumers’ demands for such technology, we believe we play an important part of the AI economy and we expect to benefit from powerful, long-term growth drivers.

While bitcoin mining has been an important component of our business model in prior years, our strategy increasingly emphasizes the development of industrial-scale data centers that can be leased to hyperscalers and other HPC customers under long-term contracts, while retaining the flexibility to deploy bitcoin mining as an interim or complementary use of power.

On February 20, 2026, we changed our name to “Cipher Digital Inc.” Rebranding to “Cipher Digital” aligns with our corporate strategy to scale into a leading HPC data center developer and operator, as we leverage our existing site pipeline and source additional sites, partnering with premier tenants, and developing and operating industry-leading data centers purpose-built for HPC. Our goal is to monetize our power assets and manage capital efficiently through market cycles in order to align our infrastructure with the growing global demand for AI-driven compute capacity.

Our data center portfolio consists of approximately 4.2 gigawatts (“GW”) of capacity across 10 sites, at various stages of interconnection. We are currently developing 700 MW of HPC data center facilities across three sites for hyperscaler tenants, and we currently operate approximately 207 MW of capacity at one bitcoin mining data center in Texas. We also maintain a pipeline of approximately 3.3 GW across six sites in Texas and one additional site in Ohio.

We have executed HPC leases at three of our data centers and are currently marketing potential leases at others of our pipeline sites. We believe we have a demonstrated ability to source high-quality sites suitable for HPC tenants, with characteristics like proximity to major metropolitan areas, ample acreage, diverse fiber routes, and available interconnection infrastructure. We have experienced in-house construction, engineering and operations teams and project management competencies. We have demonstrated an ability to access and manage capital in a disciplined manner.

A significant component of our current and future growth is expected to be generated through the development of our existing portfolio and acquisition of new sites. We are focused on developing the remaining sites in our pipeline for future HPC tenants, and evaluating additional sites, locations, and partnerships to expand our pipeline that are suitable for HPC tenants. From time to time, we may also look to sell individual assets that we do not consider to be core to our business and growth strategy. For further details on our pipeline of future sites that we expect to be suitable for HPC, see “*Business—Site Pipeline*” of our Annual Report on Form 10-K.

Recent Developments

On April 17, 2026, we entered into an eleven-year lease in New York, New York, to expand our office space to accommodate increased headcount.

On March 25, 2026, we executed our third data center campus lease. This agreement is for an initial term of 15 years with an investment-grade Hyperscale tenant. Under the terms of the agreement, we will develop and deliver a new HPC data center at one of our existing sites.

On March 25, 2026, we entered into a revolving credit facility (the “Facility”), which provides for up to $200 million of committed capacity with an additional accordion option of up to $50 million. Proceeds from the Facility will be used to enhance liquidity, support working capital, and fund growth initiatives. The Facility has a scheduled maturity of March 2030 and bears interest at the Secured Overnight Financing Rate (SOFR) plus 1.25% to 1.75%, subject to step-down pricing based on the Company’s total debt to market capitalization ratio.

Factors Affecting Our Results of Operations

There have been no material changes to the “Factors Affecting Our Results of Operations” in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section of our 2025 Form 10-K. Our financial position and results of operations depend to a significant extent on those factors.

Summary of Bitcoin Inventory

The following table presents information about our Bitcoin inventory for the three months ended March 31, 2026, including bitcoin production and sales of bitcoin (dollar amounts in thousands):

	Quantity	Amounts
Opening balance	1,433	$ 125,400
Bitcoin received from equity investees	34	2,772
Bitcoin received from mining activities	451	35,212
Proceeds from sales of bitcoin	(802)	(66,771)
Realized losses on sale of bitcoin	—	(24,223)
Unrealized gains on fair value of bitcoin	—	3,760
Ending balance	1,116	$ 76,150

Components of Our Results of Operations

Revenue

Our current revenue consists of bitcoin earned through mining activities at the Odessa and Black Pearl Facilities. We currently participate in third-party mining pools to mine bitcoin. The provision of computing power in accordance with the mining pool operator's terms of service is the only performance obligation in our contract with the mining pool operator. We are entitled to a fractional share of the set cryptocurrency award from the mining pool operator (referred to as a "block reward") and potentially transaction fees generated from blockchain users and distributed to individual miners by the mining pool operator.

Our fractional share of the block reward is based on the proportion of computing power we contributed to the mining pool operator to the total computing power contributed by all mining pool participants in solving the current algorithm, over the contract term. The block reward is pre-determined in the protocol governing the relevant blockchain. Our proportionate share of transaction fees is based on our contributed share of hashrate as a percentage of total network hashrate during the contract term. The transaction fees are the aggregate fees paid by parties whose transactions are included in the block. Bitcoin earned is measured at fair value at contract inception and is recognized in revenue over the contract term as hashrate is provided.

Cost of revenue

Cost of revenue consists of direct production costs of bitcoin mining operations, primarily electricity expenses, as well as other facilities costs, but excludes depreciation which is separately stated.

Compensation and benefits

Compensation and benefits includes payroll and payroll-related expenses, as well as stock based compensation awarded to employees of the Company.

General and administrative expenses

General and administrative expenses represent insurance expense, rent expense, professional fees, including accounting and audit, consulting, legal, public relations and/or investor relations expenses, non-income taxes and licenses, travel, and other expenses. We expect our general and administrative fees to remain high as we incur the ongoing costs of operating as a public company, including increased director and officer insurance costs, and increased travel and conference participation expenses.

Depreciation

Our depreciation expense consists mainly of depreciation for our miners and mining equipment, as well as depreciation associated with leasehold improvements and other capitalized assets. We capitalize the cost of our mining machines and record depreciation expense on a straight-line basis over the estimated useful life of the machines, which is generally 3 years. Leasehold improvements include capitalized asset retirement costs, which are amortized over the estimated useful life of the related asset. All other leasehold improvements are depreciated over the lesser of the estimated useful life of the asset or the remaining life of the related lease.

Change in fair value of derivative asset and power sales

The change in fair value of derivative asset represents the changes in fair value of the Luminant Power Agreement recorded during the reporting period.

Equity in losses of equity investees

Equity in losses of equity investees includes our share of the losses recorded by Alborz LLC, Bear LLC and Chief Mountain LLC. Additionally, it includes the losses that we recognized upon our contributions of miners to these equity investees, due to the miners having a lower fair value at the time of the contributions than our costs paid to obtain them, which resulted in basis differences between the cost of the investments on our condensed consolidated balance sheets and the amount of our underlying equity in the net assets of the investee attributed to the miners. We have accreted these basis differences and recognized the accretion as a reduction to our share of the losses recognized by Alborz LLC, Bear LLC and Chief Mountain LLC within the equity in losses of equity investees on our condensed consolidated statements of operations over the depreciation period for the miners.

Changes in fair value of bitcoin and realized gain/loss on sale of bitcoin

All of our bitcoin is recorded as a current asset on our condensed consolidated balance sheet as we expect to begin regularly exchanging our bitcoin held for fiat currency to fund our operating expenses. We adopted ASU 2023-08 *Accounting for and Disclosure of Crypto Assets* ("ASU 2023-08") effective January 1, 2023, which requires cryptocurrencies to be measured at fair value each reporting period with changes in fair value being reported in net income.

The fair value of bitcoin has been highly volatile since we began to obtain bitcoin through our operating activities, which has impacted our operating results and we expect volatility in the fair value of bitcoin to continue for the foreseeable future.

Provision for income taxes

Our provision for income taxes primarily consists of U.S. deferred federal taxes. A valuation allowance is recorded against substantially all of our net deferred tax assets, which are composed primarily of federal and state net operating loss carryforwards, stock-based compensation, intangible assets other than goodwill, investments in joint ventures and lease liabilities; in addition, we have deferred tax liabilities resulting from our derivative and right-to-use assets. Our ability to offset our deferred tax liabilities with our deferred tax assets is limited due to restrictions on the ability to offset taxable income by more than eighty percent with federal net operating losses. As a result, we have recorded a deferred tax liability for the amount of future taxable income that is not expected to be covered by net operating losses. We evaluate our ability to recognize our deferred tax assets annually by considering all positive and negative evidence available as prescribed by the Financial Accounting Standards Board ("FASB") under its general principles of Accounting Standards Codification ("ASC") 740, *Income Taxes*.

Results of Operations

The following table sets forth our results of operations for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2026	2025
Revenue - bitcoin mining	$ 34,838	$ 48,959
Costs and operating (expenses) income		
Cost of revenue	(17,705)	(14,894)
Compensation and benefits	(35,003)	(14,303)
General and administrative	(11,741)	(8,951)
Depreciation and amortization	(19,014)	(43,467)
Change in fair value of power purchase agreement	(28,230)	7,330
Power sales	2,138	991
Equity in losses of equity investees	(1,601)	(5,292)
Unrealized gains (losses) on fair value of bitcoin	3,760	(20,178)
Realized (losses) gains on sale of bitcoin	(24,223)	12,196
Other operating losses	(17,788)	(479)
Total costs and operating expenses	(149,407)	(87,047)
Operating loss	(114,569)	(38,088)
Other income (expense)		
Interest income	31,590	190
Interest expense	(59,158)	(777)
Change in fair value of warrant liability	43,610	-
Other expenses	(15,382)	(156)
Total other income (expense)	660	(743)
Loss before taxes	(113,909)	(38,831)
Current income tax expense	(407)	(779)
Deferred income tax benefit	-	635
Total income tax expense	(407)	(144)
Net loss	(114,316)	(38,975)
Less: Net loss attributable to redeemable noncontrolling interest	$ —	$ —
Net loss available for common stockholders	$ (114,316)	$ (38,975)

Comparative Results for the Three Months Ended March 31, 2026 and 2025

Revenue

Revenue for the three months ended March 31, 2026 was $34.8 million, compared to $49.0 million for the three months ended March 31, 2025, and was generated from bitcoin mining operations at the Odessa and Black Pearl Facilities. The decrease year over year was primarily driven by a decrease in the average bitcoin price in the current year, partially offset by an increase in the amount of bitcoin mined.

Cost of revenue

Cost of revenue for the three months ended March 31, 2026 was $17.7 million, compared with $14.9 million for the three months ended March 31, 2025, and consisted primarily of power costs at our data centers. The increase is primarily due to increased power costs at the Black Pearl Facility which commenced mining operations in July 2025.

Compensation and benefits

Compensation and benefits for the three months ended March 31, 2026 was $35.0 million, an increase from $14.3 million for the three months ended March 31, 2025, driven by an increase in headcount, and higher valuation on performance based stock compensation in the year.

General and administrative

General and administrative expenses for the three months ended March 31, 2026 was $11.7 million, an increase of $2.7 million compared to $9.0 million for the three months ended March 31, 2025. The increase was primarily driven by an increase in legal fees related to strategic initiatives, including our lease negotiations and financing transactions.

Depreciation and amortization

Depreciation and amortization for the three months ended March 31, 2026 was $19.0 million, a decrease of $24.5 million compared to Depreciation and amortization of $43.5 million for the three months ended March 31, 2025. The decrease was primarily due to asset write-downs related to our mining business resulting in less assets in service in the current year.

Change in fair value of power purchase agreement

Change in fair value of power purchase agreement was a $28.2 million decrease for the three months ended March 31, 2026 and was driven by the fair value of the Luminant Power Agreement. The estimated fair value of our power purchase agreement was derived from Level 2 and Level 3 inputs, and, due to a lack of quoted prices for similar type assets, is classified in Level 3 of the fair value hierarchy. Specifically, the discounted cash flow estimation models contain quoted spot and forward prices for electricity, as well as estimated usage rates consistent with the terms of the Luminant Power Agreement.

Power sales

At our Odessa Facility, we sell excess electricity that is available under the Luminant Power Agreement, but not needed in our mining operations, back to the ERCOT market through Luminant. We sold power for proceeds of $2.1 million and $1.0 million for the three months ended March 31, 2026, and 2025, respectively. Power sales fluctuate each period based on power and bitcoin prices, which are volatile.

Equity in losses of equity investees

Equity in losses of equity investees totaled $1.6 million for the three months ended March 31, 2026 compared to $5.3 million for the three months ended March 31, 2025. Equity in losses of equity investees consists of our 49% share in the losses generated by our three partially-owned bitcoin mining sites, and the accretion of the basis differences in our investments in the equity investees. These interests were sold in February 2026. For the three months ended March 31, 2025, we recognized approximately $4.0 million as our 49% share of a one-time impairment charge on the miners of Alborz LLC, net of accretion.

Unrealized (losses) gains on fair value of bitcoin

Unrealized gains on fair value of bitcoin totaled $3.8 million for the three months ended March 31, 2026, compared to Unrealized losses on fair value of bitcoin of $20.2 million for the three months ended March 31, 2025. Unrealized (losses) gains on fair value of bitcoin is driven by the cost of bitcoin mined compared to the price of bitcoin at the end of the period.

Realized gains and losses on sale of bitcoin

Realized losses on sale of bitcoin totaled $24.2 million for the three months ended March 31, 2026 compared to gains of $12.2 million in the prior year period. In both periods, this is driven by selling bitcoin at prices differing from our cost basis.

Other income (expense)

Other income totaled $0.7 million for the three months ended March 31, 2026, compared to expenses of $0.7 million for the three months ended March 31, 2025. Other income in the current year primarily contains Interest income of $31.6 million earned from excess cash in interest bearing accounts, Interest expense of $59.2 million incurred primarily from our financing arrangements for the Barber Lake and Black Pearl Facilities, the gain on fair value of our Warrant liability of $43.6 million, and a $16.5 million loss on the fair value of our Canaan Inc. common stock.

Income tax benefit (expense)

For the three months ended March 31, 2026, we recorded a provision for income taxes of $0.4 million as a result of projected taxable income for the current year in the jurisdictions which we operate. For the three months ended March 31, 2025, we recorded a provision for income taxes of $0.1 million.

Liquidity and Capital Resources

Cash provided by operations was $91.5 million for the three months ended March 31, 2026. As of March 31, 2026, we had cash and cash equivalents of $715.2 million, total stockholders' equity of $714.2 million and an accumulated deficit of $1,118.0 million. We fund operations primarily through a combination of at-the-market stock issuances, short-term and long-term financing arrangements, and bitcoin sales.

We have established an at-the-market sales agreement with Cantor Fitzgerald & Co., Canaccord Genuity LLC, Needham & Company, LLC, Compass Point Research & Trading, LLC, Keefe, Bruyette & Woods, Inc., Virtu Americas LLC, and BTIG, LLC (each, an "Agent" and, together, the "Agents"), pursuant to which we may, from time to time, sell shares of our common stock having an aggregate offering price of up to $725.7 million. For the quarter ended March 31, 2026, we did not sell any shares through at-the-market offerings. For more information on our at-the-market sales agreement and our at-the-market offerings, see Note 15. Stockholders' Equity.

On March 23, 2026, we entered into a $200.0 million Revolving Credit Facility with Morgan Stanley Senior Funding, Inc. as administrative agent and collateral agent, and a syndicate of lenders, which matures on March 23, 2030 (subject to a potential Springing Maturity Date tied to the 2030 Convertible Notes). The Revolving Credit Facility also provides for additional accordion option of up to $50 million. During the Pre-Completion Availability Period, the period prior to the completion of the Barber Lake Facility and the Black Pearl Facility, aggregate borrowings under the Revolving Credit Facility are limited to $50.0 million. The Revolving Credit Facility includes a $50.0 million letter of credit sublimit. Borrowings bear interest at Term SOFR plus an initial applicable margin of 1.75% (or ABR plus 0.75%), with the margin adjustable thereafter based on our Consolidated Total Debt to Market Capitalization Ratio. We are also required to pay a commitment fee of 0.50% per annum on unfunded commitments. The Revolving Credit Facility is secured on a first-priority basis (pari passu with the 2030 Senior Secured Notes) by substantially all of the assets of the Borrower and the guarantors. The Revolving Credit Facility contains a financial maintenance covenant requiring us to maintain minimum Liquidity of $100.0 million, increasing to $150.0 million after the first, and $200.0 million after both, of the Barber Lake Facility and the Black Pearl Facility commence operations. As of March 31, 2026, we had no outstanding borrowings under the Revolving Credit Facility and were in compliance with all covenants. For more information on the Revolving Credit Facility, see Note 14. Debt.

We have a master loan agreement with Coinbase Credit, Inc., as lender, and Coinbase, Inc., as lending service provider. Pursuant to the master loan agreement, we currently have a secured line of credit up to $25.0 million (the "Coinbase Overnight Credit Facility"), subject to credit review. We will not incur commitment fees for unused portions of the Coinbase Overnight Credit Facility. The borrowing rate on amounts drawn against the Coinbase Overnight Credit Facility is determined on the basis of the Federal Funds Target Rate - Upper Bound, plus 2.5%, calculated daily based on a 365-day year and payable monthly for the duration of the loan. Borrowings under the Coinbase Overnight Credit Facility are available on demand, open term, and collateralized by bitcoin transferred to the lending service provider's platform. As of March 31, 2026 we had nothing drawn on the Coinbase Overnight Credit Facility.

We also have a $100.0 million secured credit facility with Two Prime Lending Limited ("Two Prime Credit Facility"). Borrowings on this facility will be backed by the Company's bitcoin held in a triparty account. We have not drawn on the Two Prime Credit Facility, and as such we had nothing outstanding on this facility as of March 31, 2026.

On May 22, 2025, we issued $172.5 million principal amount of convertible notes due in 2030 with an interest rate of 1.75% (the "2030 Convertible Notes"). The 2030 Convertible Notes are senior, unsecured obligations with interest due semiannually on May 15 and November 15 each year beginning on November 15, 2025.

On September 30, 2025, we issued an aggregate principal amount of $1,300.0 million of 0.00% Convertible Senior Notes due 2031 (the "2031 Convertible Notes" and together with the 2030 Convertible Notes, the "Convertible Notes"). With the net proceeds of the 2031 Convertible Notes, we funded capped call transactions which are generally expected to reduce the potential dilution of the Company's common stock that will initially underlie the 2031 Convertible Notes, and expect to use the remaining proceeds to finance a portion of the construction at the Barber Lake Facility, continue to develop our sites, and for general corporate purposes.

For more information on our 2030 Convertible Notes and 2031 Convertible Notes, see *Note 14. Debt*.

Management believes that our existing financial resources, combined with projected cash and bitcoin inflows from our data centers, our intent and ability to sell bitcoin received or earned, and our intent and ability to sell common stock through at-the-market offerings will be sufficient to enable us to meet our operating and capital requirements for at least 12 months from the date the condensed consolidated financial statements included in this Quarterly Report are issued and the foreseeable future.

Cash Flows

The following table summarizes our sources and uses of cash for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2026	**2025**
Net cash provided by (used in) operating activities	$ 91,531	$ (47,238)
Net cash used in investing activities	(474,202)	(17,298)
Net cash provided by financing activities	1,964,378	82,124
Net increase in cash and cash equivalents, and restricted cash	$ 1,581,707	$ 17,588

Operating Activities

Net cash provided by operating activities was $91.5 million for the three months ended March 31, 2026 compared to net cash use in operating activities of $47.2 million for the three months ended March 31, 2025. We incurred a net loss of $114.3 million for the three months ended March 31, 2026, compared to a net loss of $39.0 million for the three months ended March 31, 2025, representing an increase of $75.3 million. Cash flows from operating activities was impacted by a $99.9 million increase in non-cash items, primarily driven by the increase in amortization of debt discount and issuance costs of $59.2 million, increase in realized losses of $36.4 million, change in fair value of derivative asset of $35.6 million, partially offset by a $23.9 million decrease in unrealized losses on fair value of bitcoin, a decrease of $24.5 million in depreciation and a decrease of $43.6 million in the change in fair value of our warrants. Additionally, changes in assets and liabilities resulted in an increase in cash used of $114.2 million between the three months ended March 31, 2026 and 2025.

Investing Activities

Cash used in investing activities increased by $456.9 million to $474.2 million of net cash used in investing activities for the three months ended March 31, 2026 compared to $17.3 million of net cash used in investing activities for the three months ended March 31, 2025. This change primarily related to an increase of $454.3 million in purchases of property and equipment related to building out the Black Pearl and Barber Lake Facilities, partially offset by a decrease of $23.2 million in proceeds from the sale of bitcoin.

Financing Activities

Cash flows provided by financing activities increased by $1,882.3 million to $1,964.4 million net cash provided by financing activities for the three months ended March 31, 2026 from $82.1 million net cash provided by financing activities for the three months ended March 31, 2025. This change was primarily driven by $1,969.8 million of proceeds from the issuance of notes, net of issuance costs, offset by a $2.6 million increase in cash used to repurchase common shares to pay employee withholding taxes during the three months ended March 31, 2026.

Contractual Obligations and Other Commitments

On December 17, 2021, we entered into a lease agreement for office space, amended in the second quarter of 2024, with a term through May 2029. Monthly rent payments associated with the amended lease are approximately $0.2 million.

We also entered into a series of agreements with affiliates of Luminant ET Services Company LLC ("Luminant"), including the Lease Agreement dated June 29, 2021, with amendment and restatement on July 9, 2021 (as amended and restated, the "Luminant Lease Agreement"). The Luminant Lease Agreement leases a plot of land to us where our data center, ancillary infrastructure and electrical system (the "Interconnection Electrical Facilities" or "substation") have been set up for our Odessa Facility. We entered into the Luminant Lease Agreement and the Luminant Purchase and Sale Agreement to build the infrastructure necessary to support our planned operations. Management determined that the Luminant Lease Agreement and the Luminant Purchase and Sale Agreement should be combined for accounting purposes under ASC 842, *Leases* (collectively, the "Combined Luminant Lease Agreement") and that amounts exchanged under the combined contract should be allocated to the various components of the overall transaction based on relative fair values.

Our management determined that the Combined Luminant Lease Agreement contains two lease components; and the components should be accounted for together as a single lease component, because the effect of accounting for the land lease separately would be insignificant.

The Combined Luminant Lease Agreement commenced on November 22, 2022 and has an initial term of five years, with renewal provisions that are aligned with the Luminant Power Agreement. Financing for use of the land and substation is provided by Luminant affiliates. Despite lease commencement in November 2022, we had not been required by Luminant to make any lease payments for the substation prior to July 2023, therefore we accrued amounts due under the Combined Luminant Lease Agreement in accrued expenses and other current liabilities on its condensed consolidated balance sheet.

On August 23, 2023, we entered into a second amendment of the Luminant Lease Agreement, the terms of which included an amended payment schedule, reflecting monthly installments of principal and interest totaling $19.7 million on an undiscounted basis, due over the remaining four-year period starting in July 2023. This amendment did not have a material impact on our condensed consolidated financial statements.

At the end of the lease term for the Interconnection Electrical Facilities, the substation will be sold back to Luminant's affiliate, Vistra Operations Company, LLC at a price to be determined based upon bids obtained in the secondary market.

Non-GAAP Financial Measures

We are providing supplemental financial measures for Adjusted EBITDA, that excludes the impact of (i) interest income, (ii) interest expense, (iii) income taxes, (iv) depreciation and amortization, (v) the non-cash change in fair value of derivative asset, (vi) share-based compensation expense, (vii) nonrecurring gains and losses, (viii) the non-cash change in fair value of warrant liability, (ix) non-cash losses related to miners reclassified as held for sale, (x) impairment of long-lived assets, and (xi) non-cash disposal of miners.

Beginning with the three months ended March 31, 2026, we have changed our primary non-GAAP performance measure from "Adjusted Earnings (Loss)", which we previously reported, to Adjusted EBITDA. Adjusted EBITDA differs from Adjusted Earnings (Loss) only in that, in addition to the adjustments previously made to compute Adjusted Earnings (Loss), Adjusted EBITDA also excludes interest expense, interest income, and current income tax expense. Management changed the measure because, following our issuance of the 2030 Convertible Notes in May 2025, the 2030 Senior Secured Notes in November 2025, the 2031 Convertible Notes in September 2025, and the 2031 Senior Secured Notes in February 2026, our interest expense has become a significant component of net loss that is not directly tied to our underlying operating performance. We believe that excluding interest expense, interest income, and current income tax expense provides a measure that is more representative of our core operating performance, more comparable to measures used by industry peers, and more useful to investors evaluating our underlying business. The reconciliation table below presents Adjusted EBITDA for both periods presented under our new methodology. We do not intend to report Adjusted Earnings (Loss) in future periods.

These supplemental financial measures are not measurements of financial performance under accounting principles GAAP and, as a result, these supplemental financial measures may not be comparable to similarly titled measures of other companies. Management uses these non-GAAP financial measures internally to help understand, manage, and evaluate our business performance and to help make operating decisions. We believe the use of these non-GAAP financial measures can also facilitate comparison of our operating results to those of our competitors by excluding certain items that vary in our industry based on company policy.

Non-GAAP financial measures are subject to material limitations as they are not in accordance with, or a substitute for, measurements prepared in accordance with GAAP. For example, we expect that share-based compensation expense, which is excluded from the non-GAAP financial measure, will continue to be a significant recurring expense over the coming years and is an important part of the compensation provided to certain employees, officers and directors. Similarly, we expect that depreciation and amortization will continue to be a recurring expense over the term of the useful life of the related assets. Our non-GAAP financial measures are not meant to be considered in isolation and should be read only in conjunction with our condensed consolidated financial statements included elsewhere in this Quarterly Report, which have been prepared in accordance with GAAP. We rely primarily on such condensed consolidated financial statements to understand, manage and evaluate our business performance and use the non-GAAP financial measures only supplementally.

The following is a reconciliation of our Adjusted EBITDA to the most directly comparable GAAP measure for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2026	**2025**
Reconciliation of Adjusted EBITDA:		
Net loss	$ (114,316)	$ (38,975)
Interest income	(31,590)	(190)
Interest expense	59,158	777
Total income tax expense	407	144
Depreciation and amortization	19,014	43,467
EBITDA	$ (67,327)	$ 5,223
Change in fair value of power purchase agreement	28,230	(7,330)
Share-based compensation expense	27,048	9,132
Other losses (gains) - nonrecurring	—	479
Change in fair value of warrant liability	(43,610)	—
Loss on miners held for sale	7,437	—
Adjusted EBITDA	$ (48,222)	$ 7,504

Critical Accounting Policies, and Use of Estimates

For a description of our policies regarding our critical accounting estimates, see “Critical Accounting Policies and Estimates” of Part II, Item 7 “Management's Discussion and Analysis of Financial Condition and Results of Operations” in our 2025 Form 10-K. As of March 31, 2026, there were no significant changes in our critical accounting policies and estimates or the application or the results of the application of those policies to our unaudited condensed consolidated financial statements from those previously disclosed in our 2025 Form 10-K.

Recent Accounting Pronouncements

Information regarding recent accounting pronouncements applicable to us, adopted and not yet adopted as of the date of this report, is included in Note 2 to our condensed consolidated financial statements located in “Part I - Financial Information, Item 1. Financial Statements” in this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The following discussion of our market risks involves forward-looking statements. Actual results could differ materially from those projected in our forward-looking statements. For more information regarding the forward-looking statements used in this section and elsewhere in this Quarterly Report, see the Cautionary Note Regarding Forward-Looking Statements at the forepart of this Quarterly Report.

Our primary market risks are described below. We use various strategies to manage these risks; however, they may still from time to time impact our condensed consolidated financial statements.

Bitcoin Price Risk

We hold bitcoin on our inventory at fair value, and as such we are exposed to the impact of the change in bitcoin price. As of March 31, 2026, we had 1,116 bitcoin in inventory. A 10% decrease in the price of bitcoin would result in an estimated $7.7 million increase in Net loss for the three months ended March 31, 2026.

Item 4. Controls and Procedures.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

We conducted an evaluation of the effectiveness of our "disclosure controls and procedures" ("Disclosure Controls"), as defined by Rules 13a-15(e) and 15d-15(e) of the Exchange Act, as of March 31, 2026, the end of the period covered by this Quarterly Report. The Disclosure Controls evaluation was done under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, with the goal being that the information required to be disclosed by us in reports filed with the SEC under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding disclosure. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, our disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2026.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

We are not a party to any material pending legal proceedings. From time to time, we may be subject to legal proceedings and claims arising in the ordinary course of business. The outcome of any such claims or proceedings, regardless of the merits, is inherently uncertain.

Item 1A. Risk Factors.

Our business, financial condition and operating results can be affected by a number of factors, whether currently known or unknown, including but not limited to the risk factors as previously disclosed in Part I, Item 1A, "Risk Factors" of our 2025 Form 10-K, which is incorporated herein by reference. There have been no material changes to the risk factors previously disclosed in our 2025 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

(a) Disclosure in lieu of reporting on a Current Report on Form 8-K.

None.

(b) Material changes to the procedures by which security holders may recommend nominees to the board of directors.

None.

(c) Insider trading arrangements and policies.

Our officers and directors from time to time may adopt trading plans to transact in our common stock for a variety of reasons, including tax considerations, investment diversification, or other personal reasons. During the three months ended March 31, 2026, certain of our officers and directors adopted a pre-arranged stock trading plan intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act (each such plan, a "Rule 10b5-1 Plan"), as described below. On March 23, 2026, Patrick Kelly, Co-President and Chief Operating Officer, adopted a Rule 10b5-1 Plan, which covers the sale of up to 289,271 shares of our common stock until May 28, 2027. On December 18, 2025, William Iwaschuk, Co-President, Chief Legal Officer and Corporate Secretary, terminated a Rule 10b5-1 Plan covering the sale of up to 487,956 shares of our common stock until May 8, 2026.

No other directors or "officers" (as defined in Section 16a-1(f) of the Exchange Act) adopted, terminated, or modified a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K, during the three months ended March 31, 2026.

Item 6. Exhibits.

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed/ Furnished Herewith
		From	File No	Exhibit	Filing Date	
2.1†	Agreement and Plan of Merger, dated as of March 4, 2021, by and among Good Works Acquisition Corp., Currency Merger Sub, Inc. and Cipher Mining Technologies Inc.	8-K	001-39625	2.1	3/5/21	
3.1	Amended and Restated Certificate of Incorporation of Cipher Digital Inc.	8-K	001-39625	3.1	2/24/26	
3.2	Amended and Restated Bylaws of Cipher Digital Inc.	8-K	001-39625	3.2	2/24/26	
10.1	Credit Agreement, dated as of March 23, 2026, among Cipher Digital Inc., as borrower, the lenders party thereto, and Morgan Stanley Senior Funding, Inc., as administrative agent and collateral agent.	8-K	001-39625	10.1	3/25/26	
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).					*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a).					*
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.					**
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.					**
97.1	Compensation Recoupment Policy	10-K	001-39625	97.1	3/5/24	
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document					*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					*

* Filed herewith.
** Furnished herewith.
† Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit pursuant to Item 601(b)(10)(iv) of Regulation S-K because such information is (i) non-material, (ii) is of the type that the registrant customarily and actually treats as private or confidential and (iii) would be competitively harmful if publicly disclosed.
^ Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant undertakes to provide copies of any of the omitted schedules or exhibits upon request by the Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized**.**

CIPHER DIGITAL INC.

Date: May 5, 2026	By:	/s/ Tyler Page
		Tyler Page
		Chief Executive Officer
		(Principal Executive Officer)
Date: May 5, 2026	By:	/s/ Gregory Mumford
		Gregory Mumford
		Chief Financial Officer
		(Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

CERTIFICATION

I, Tyler Page, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cipher Digital Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2026	By:	/s/ Tyler Page
		Tyler Page
		Chief Executive Officer
		(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Gregory Mumford, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cipher Digital Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2026	By:	/s/ Gregory Mumford
		Gregory Mumford
		Chief Financial Officer
		(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Cipher Digital Inc. (the "Company") for the period ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Tyler Page, principal executive officer, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 5, 2026

By: /s/ Tyler Page

Tyler Page
Chief Executive Officer
(Principal Executive Officer)

This certification accompanies each Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of § 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by § 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by § 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Cipher Digital Inc. (the “Company”) for the period ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Gregory Mumford, principal financial officer, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 5, 2026

By: /s/ Gregory Mumford

Gregory Mumford
Chief Financial Officer
(Principal Financial Officer)

This certification accompanies each Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of § 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by § 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by § 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.