



Cipher  
Mining

# Investor Presentation

MARCH 2023

## Forward-Looking Statements

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

These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by Cipher and our management, are inherently uncertain. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward looking statements. New risks and uncertainties may emerge from time to time, and it is not possible to predict all risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this communication, including but not limited to: volatility in the price of Cipher’s securities due to a variety of factors, including changes in the competitive and regulated industry in which Cipher operates, variations in performance across competitors, changes in laws and regulations affecting Cipher’s business, and the ability to implement business plans, forecasts, and other expectations and to identify and realize additional opportunities. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2022, and in Cipher’s subsequent filings with the Securities and Exchange Commission. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and Cipher assumes no obligation and, except as required by law, does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise.

## Non-GAAP Financial Measures

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

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# Cipher Mining Management Team



**Tyler Page**  
*Chief Executive Officer*



**Ed Farrell**  
*Chief Financial Officer*



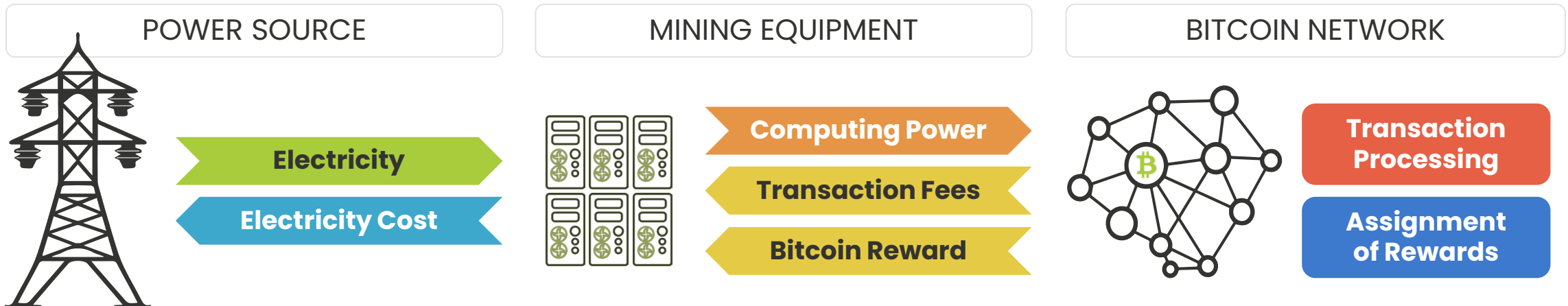
**Patrick Kelly**  
*Co-President*



**William Iwaschuk**  
*Co-President*



# Cipher Mining's Business Model



## Bitcoin Mining Dynamics

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

Average block time is 10 minutes

Time for Bitcoin system to mine a new block

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

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

Transaction fees are additional bitcoin paid to miners for confirming transactions

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



# Key Indicators as of February 28, 2023

## HASHRATE

**5.2 EH/s**  
Current



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

## MACHINES

**48,000+**  
Operating



**11,000+**  
To Be Energized



**15.59 BTC**

Daily Production High



**465 BTC**

BTC Held



**398 BTC**

Monthly Production February

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





### Data Centers Update

#### Alborz – **Complete**

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

#### Bear & Chief – **Complete**

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

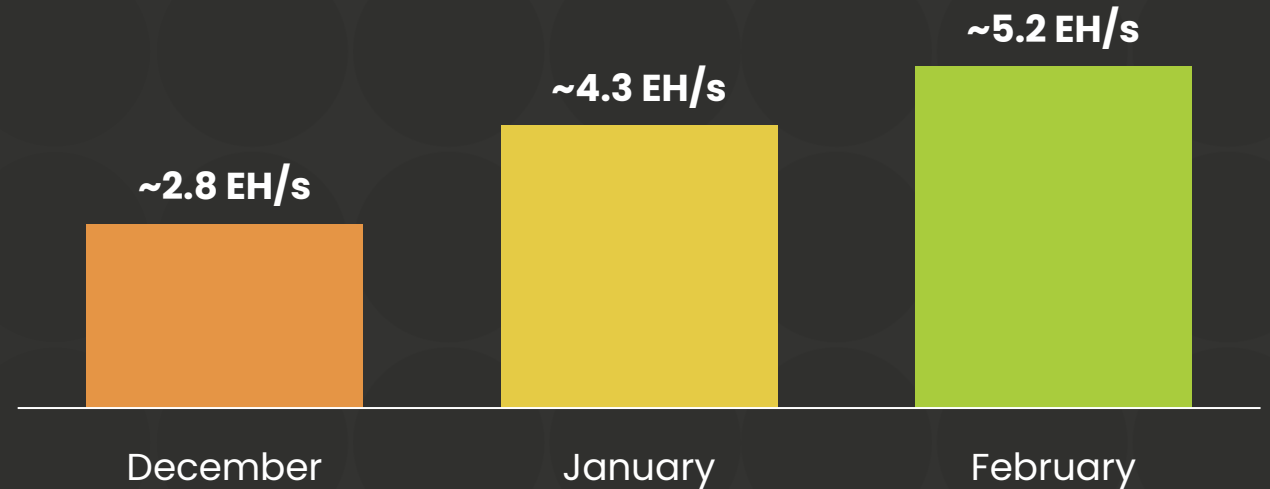
#### Odessa – **Developing**

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



### Rapid Scaling

Hash Rate Growth



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




# Operational Highlights

## Alborz

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

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

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

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



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

# Operational Highlights

## Bear & Chief

**~0.65 EH/s**  
**20 MW**

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

**~111**

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

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



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

**~1.99**

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



- (1) Joint venture with WindHQ LLC, of which Cipher owns ~0.32 EH/s
- (2) YTD through February 2023; Joint venture with WindHQ LLC, of which Cipher owns ~54 BTC
- (3) Represents expansion capacity up to 135 MW at each site; expansion capacity above 75 MW at each site is subject to ERCOT approval
- (4) Reflects combined electricity cost during January 2023, including taxes, settlement charges, and TSDP charges; January 2023 represents the latest electricity bills received
- (5) Estimated for February 2023, assumes full up-time, network hash rate of 297 EH/s and 910 bitcoins mined per day



# Operational Highlights

## Odessa

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

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

**~770**  
BTC Mined to Date<sup>(1)</sup>



**~6.2 EH/s**

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

**~12.9**  
Daily BTC Mining Capacity<sup>(3)</sup>

Odessa Growth Timeline

Hashrate Deployed (EH/s)

~1.9 EH/s

December

~3.3 EH/s

January

~4.2 EH/s

February

~4.7 EH/s

March

~6.2 EH/s

YE 2023

(1) As of February 28, 2023

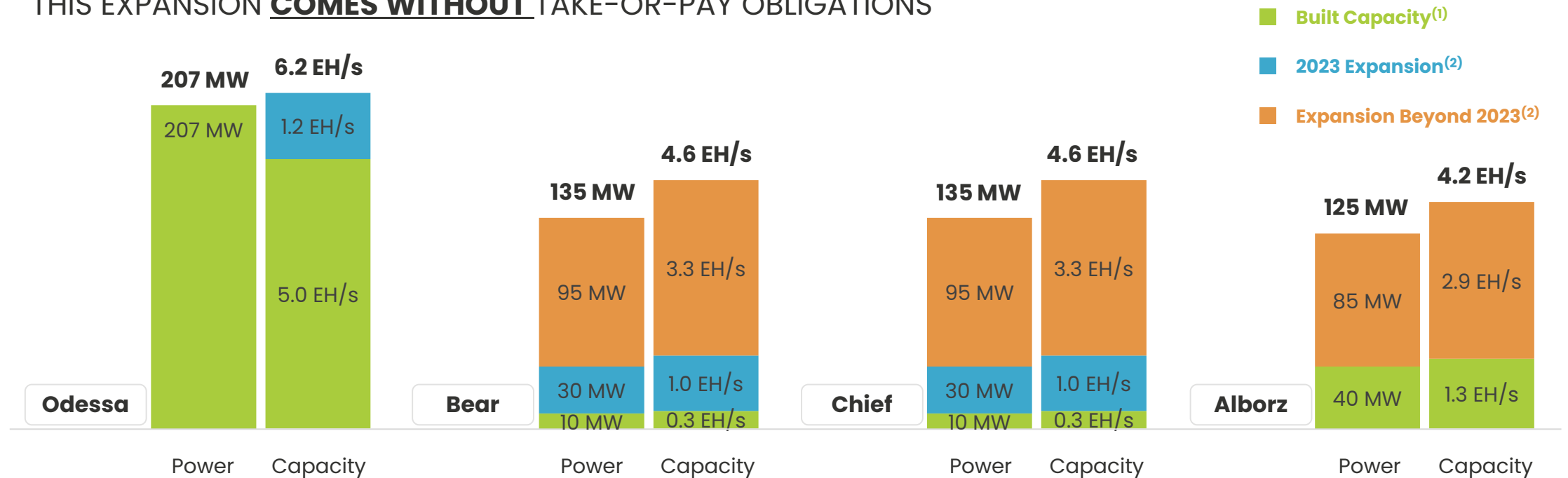
(2) Assumes MicroBT M50 mining rigs for non-contracted, available capacity

(3) Estimated for February 2023, assumes full up-time, network hash rate of 297 EH/s and 910 bitcoins mined per day



# Large Growth Opportunity – Minimal Commitment

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



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

Notes: Values represented are approximations

(1) Includes machines paid for and to be installed in 1H 2023

(2) Assumes MicroBT M50 mining rigs occupy the expansion capacity



# Managing through the Cycle

## BUILT TO SUCCEED

**~2.7c**

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

**~31.4**

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

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

<sup>(2)</sup> Reflects bitcoin spot price of ~\$23,498 on February 28, 2023

## LIQUIDITY SNAPSHOT

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



**For further details and inquiries,  
please contact us at  
[investors@ciphermining.com](mailto:investors@ciphermining.com)**

