

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 31, 2024

CIPHER MINING INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation)  
  
1 Vanderbilt Avenue  
Floor 54  
New York, New York  
(Address of Principal Executive Offices)

001-39625  
(Commission File Number)

85-1614529  
(IRS Employer  
Identification No.)

10017  
(Zip Code)

Registrant's Telephone Number, Including Area Code: (332) 262-2300

N/A  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	CIFR	The Nasdaq Stock Market LLC
Warrants, each whole warrant exercisable for one share of Common Stock at an exercise price of \$11.50 per whole share	CIFRW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition.**

On October 31, 2024, Cipher Mining Inc. (the “Company”) announced its results for the third quarter ended September 30, 2024. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K (the “Report”).

**Item 7.01 Regulation FD Disclosure.**

On October 31, 2024, the Company posted a presentation to its website at <https://investors.ciphermining.com> (the “Presentation”). A copy of the Presentation is furnished as Exhibit 99.2 to this Report. The Company expects to use the Presentation, in whole or in part, and possibly with modifications, in connection with the earnings call with investors, analysts and others.

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

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

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

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

<b>Exhibit Number</b>	<b>Description</b>
99.1	<a href="#">Press Release of the Company, dated October 31, 2024</a>
99.2	<a href="#">Presentation of the Company, dated October 31, 2024</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Cipher Mining Inc.

Date: October 31, 2024

By:

\_\_\_\_\_  
/s/ Tyler Page  
Tyler Page  
Chief Executive Officer

**Cipher Mining Provides Third Quarter 2024 Business Update**

*Completed acquisition of Barber Lake data center site, which includes 250 acres of land in West Texas, a newly constructed high-to-mid voltage substation, approvals for 300 MW, and agreements necessary to participate in the ERCOT market*

*Completed acquisition of Reveille data center site, which includes approvals for 70 MW and potential to expand to 200 MW, with energization targeted for 2027*

*Signed option agreements to purchase or lease three sites in Texas with targeted power capacity of 500 MW each, suitable for HPC or bitcoin mining*

*Third Quarter 2024 Net Loss of \$87m, and Adjusted Loss of \$3m*

NEW YORK—October 31, 2024—Cipher Mining Inc. (NASDAQ: CIPR) (“Cipher” or the “Company”) today announced results for its third quarter ended September 30, 2024, with an update on its operations and business strategy.

“We had a very busy third quarter, especially on the corporate and business development side,” said Tyler Page, CEO. “We were delighted to close our acquisition of the Barber Lake site, which has 300 MW immediately available for energization, and more recently, we also closed on our acquisition of the Reveille site, which is approved for 70 MW and has potential to scale to 200 MW. Looking to the future, we also created a pathway to become one of the largest data center developers in the world by finalizing the purchase of options to acquire three new sites with a total cumulative power capacity of up to 1.5 GW. Cipher’s active portfolio and options for development now total 2.5 GW across 10 sites.”

“We have made great progress in our discussions with hyperscalers in recent weeks as we seek our first HPC tenants while also continuing to build-out our bitcoin operations with the upgrade of our miner fleet at Odessa. Our operations and construction teams have extensive experience building tier 3 data centers, and we look forward to leveraging their broad skill sets as we expand our scope to bring on our first HPC tenants in the future.”

“Despite the headwind of record low hashprices for the bitcoin mining industry in the third quarter, our team delivered another set of solid results. The value of our Odessa power purchase agreement took a significant markdown given the passage of time and the drop in forward market prices for electricity, which contributed to the headline net loss this quarter. On an adjusted basis, our adjusted loss was nearly flat quarter-over-quarter, which we see as a testament to our low-cost unit economics given the known challenges presented to the entire industry in the first full quarter after the bitcoin halving. With our fleet upgrade at Odessa in the fourth quarter, we will be powering an extremely efficient fleet of rigs with industry-low costs for electricity, so we should be well-positioned for brighter bitcoin mining conditions going forward,” said Mr. Page.

**Finance and Operations Highlights**

- Completed acquisition of 300 MW Barber Lake data center site
- Completed acquisition of 70 MW Reveille data center site, which may be expanded to 200 MW and is well-suited for both HPC or bitcoin mining data centers
- Signed options to acquire up to 1.5 GW of new sites in Texas that are also suitable for both HPC or bitcoin mining data centers
- Upgrade of Odessa site bringing total self-mining hashrate to ~13.5 EH/s remains on track for Q4 2024
- Construction of the 300 MW data center at Black Pearl progressing well, with expected energization in Q2 2025

- Q3 2024 net loss of \$87 million, or \$0.26 per diluted share, and adjusted loss of \$3 million, or \$0.01 per diluted share

### **Business Update Call and Webcast**

The live webcast and a webcast replay of the conference call can be accessed from the investor relations section of Cipher's website at <https://investors.ciphermining.com>. To access this conference call by telephone, register here to receive dial-in numbers and a unique PIN to join the call.

### **About Cipher**

Cipher is focused on the development and operation of industrial-scale data centers for bitcoin mining and HPC hosting. Cipher aims to be a market leader in innovation, including in bitcoin mining growth, data center construction and as a hosting partner to the world's largest HPC companies. To learn more about Cipher, please visit <https://www.ciphermining.com/>.

### **Forward Looking Statements**

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

These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by Cipher and our management, are inherently uncertain. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward looking statements. New risks and uncertainties may emerge from time to time, and it is not possible to predict all risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this press release, including but not limited to: volatility in the price of Cipher's securities due to a variety of factors, including changes in the competitive and regulated industry in which Cipher operates, Cipher's evolving business model and strategy and efforts we may make to modify aspects of our business model or engage in various strategic initiatives, 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 fiscal year ended December 31, 2023 filed with the Securities and Exchange Commission ("SEC"), as any such factors may be updated from time to time in the Company's other filings with the SEC, including without limitation, the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024. 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**

This press release includes supplemental financial measures, including Adjusted Earnings (Loss) and Adjusted Earnings (Loss) per share - diluted, in each case, which exclude the impact of (i) the non-cash change in fair value of derivative asset, (ii) share-based compensation expense, (iii) depreciation and amortization, (iv) deferred income tax expense, (v) nonrecurring gains and losses and (vi) the non-cash change in fair value of warrant liability. These supplemental financial measures are not a measurement of financial performance under accounting principles generally accepted in the United States ("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.

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 measures, 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 an 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 financial statements prepared in accordance with GAAP. We rely primarily on such financial statements to understand, manage and evaluate our business performance and use the non-GAAP financial measures only supplementally.

**Contacts:**

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

	September 30, 2024	December 31, 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 25,342	\$ 86,105
Accounts receivable	226	622
Receivables, related party	59	245
Prepaid expenses and other current assets	3,488	3,670
Bitcoin	95,459	32,978
Derivative asset	27,185	31,878
Total current assets	151,759	155,498
Restricted cash	14,392	-
Property and equipment, net	310,699	243,815
Deposits on equipment	144,573	30,812
Intangible assets, net	25,742	8,109
Investment in equity investees	54,973	35,258
Derivative asset	47,225	61,713
Operating lease right-of-use asset	10,564	7,077
Security deposits	15,301	23,855
Other noncurrent assets	210	-
<b>Total assets</b>	<b>\$ 775,438</b>	<b>\$ 566,137</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 13,154	\$ 4,980
Accounts payable, related party	-	1,554
Accrued expenses and other current liabilities	40,764	22,439
Finance lease liability, current portion	3,695	3,404
Operating lease liability, current portion	1,479	1,166
Warrant liability	-	250
Total current liabilities	59,092	33,793
Asset retirement obligation	19,810	18,394
Finance lease liability	8,319	11,128
Operating lease liability	9,662	6,280
Deferred tax liability	6,564	5,206
Total liabilities	103,447	74,801
Commitments and contingencies ( <i>Note 13</i> )		
<b>Stockholders' equity</b>		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized, none issued and outstanding as of September 30, 2024, and December 31, 2023	-	-
Common stock, \$0.001 par value, 500,000,000 shares authorized, 355,771,238 and 296,276,536 shares issued as of September 30, 2024 and December 31, 2023, respectively, and 347,800,186 and 290,957,862 shares outstanding as of September 30, 2024, and December 31, 2023, respectively	356	296
Additional paid-in capital	870,565	627,822
Accumulated deficit	(198,922)	(136,777)
Treasury stock, at par, 7,971,052 and 5,318,674 shares at September 30, 2024 and December 31, 2023, respectively	(8)	(5)
Total stockholders' equity	671,991	491,336
<b>Total liabilities and stockholders' equity</b>	<b>\$ 775,438</b>	<b>\$ 566,137</b>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue - bitcoin mining	\$ 24,102	\$ 30,304	\$ 109,047	\$ 83,423
Costs and operating expenses (income)				
Cost of revenue	15,063	13,008	44,164	37,017
Compensation and benefits	14,738	17,071	44,058	41,676
General and administrative	8,919	6,827	23,362	20,977
Depreciation and amortization	28,636	16,217	66,131	42,284
Change in fair value of derivative asset	48,520	(4,744)	19,181	(13,294)
Power sales	(1,444)	(2,720)	(3,726)	(8,469)
Equity in (income) losses of equity investees	(847)	1,998	(1,008)	4,179
Losses (gains) on fair value of bitcoin	1,911	1,848	(22,336)	(3,276)
Other gains	-	(95)	-	(2,355)
Total costs and operating expenses	115,496	49,410	169,826	118,739
Operating loss	(91,394)	(19,106)	(60,779)	(35,316)
Other income (expense)				
Interest income	1,188	11	3,027	112
Interest expense	(346)	(627)	(1,118)	(1,513)
Change in fair value of warrant liability	-	10	250	(49)
Other expense	(4)	(6)	(1,235)	(18)
Total other income (expense)	838	(612)	924	(1,468)
Loss before taxes	(90,556)	(19,718)	(59,855)	(36,784)
Current income tax expense	(211)	(95)	(932)	(143)
Deferred income tax benefit (expense)	4,013	1,192	(1,358)	555
Total income tax benefit (expense)	3,802	1,097	(2,290)	412
Net loss	\$ (86,754)	\$ (18,621)	\$ (62,145)	\$ (36,372)
Loss per share - basic and diluted	\$ (0.26)	\$ (0.07)	\$ (0.20)	\$ (0.15)
Weighted average shares outstanding - basic	332,680,037	251,789,350	314,820,110	249,858,033
Weighted average shares outstanding - diluted	332,680,037	251,789,350	314,820,110	249,858,033



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

	Nine Months Ended September 30,	
	2024	2023
<b>Cash flows from operating activities</b>		
Net loss	\$ (62,145)	\$ (36,372)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	65,661	42,284
Amortization of intangible assets	470	-
Amortization of operating right-of-use asset	888	688
Share-based compensation	31,865	28,687
Equity in losses (gains) of equity investees	(1,008)	4,179
Non-cash lease expense	429	1,477
Other	(1,235)	-
Deferred income taxes	1,358	(555)
Bitcoin received as payment for services	(109,443)	(83,161)
Change in fair value of derivative asset	19,181	(13,294)
Change in fair value of warrant liability	(250)	49
Gains on fair value of bitcoin	(22,336)	(3,276)
Changes in assets and liabilities:		
Accounts receivable	396	(262)
Receivables, related party	186	(958)
Prepaid expenses and other current assets	182	3,238
Security deposits	16,851	144
Other non-current assets	(210)	-
Accounts payable	565	2,366
Accounts payable, related party	-	(1,529)
Accrued expenses and other current liabilities	62	10,732
Lease liabilities	-	(762)
Net cash used in operating activities	(58,533)	(46,325)
<b>Cash flows from investing activities</b>		
Proceeds from sale of bitcoin	79,786	78,729
Deposits on equipment	(135,263)	(4,533)
Purchases of property and equipment	(92,373)	(32,980)
Purchases and development of software	(1,059)	-
Purchase of strategic contracts	(17,044)	-
Capital distributions from equity investees	-	3,807
Investment in equity investees	(29,194)	(3,545)
Prepayments on financing lease	-	(3,676)
Net cash (used in) provided by investing activities	(195,147)	37,802
<b>Cash flows from financing activities</b>		
Proceeds from the issuance of common stock	225,181	11,644
Offering costs paid for the issuance of common stock	(3,487)	(298)
Repurchase of common shares to pay employee withholding taxes	(10,760)	(3,224)
Principal payments on financing lease	(3,625)	(8,184)
Net cash provided by (used in) financing activities	207,309	(62)
Net decrease in cash, cash equivalents, and restricted cash	(46,371)	(8,585)
Cash, cash equivalents, and restricted cash, beginning of the period	86,105	11,927
Cash and cash equivalents, and restricted cash, end of the period	\$ 39,734	\$ 3,342

	Nine Months Ended September 30,	
	2024	2023
<b>Supplemental disclosure of noncash investing and financing activities</b>		
Reclassification of deposits on equipment to property and equipment	\$ 21,502	\$ 74,186
Property and equipment purchases in accounts payable and accrued expenses	\$ 17,422	\$ -
Bitcoin received from equity investees	\$ 10,487	\$ 317
Settlement of related party payable related to master services and supply agreement	\$ 1,554	\$ -
Right-of-use asset obtained in exchange for finance lease liability	\$ 4,375	\$ 14,212
Sales tax accrual on machine purchases	\$ 1,388	\$ 1,837
Equity method investment acquired for non-cash consideration	\$ -	\$ 1,926
Finance lease cost in accrued expenses	\$ -	\$ 2,060

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.

	Nine Months Ended September 30,	
	2024	2023
Cash and cash equivalents	\$ 25,342	\$ 3,342
Restricted cash	\$ 14,392	\$ -
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	\$ 39,734	\$ 3,342

## Non-GAAP Financial Measures

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Reconciliation of Adjusted Earnings:</b>				
Net loss	\$ (86,754)	\$ (18,621)	\$ (62,145)	\$ (36,372)
Change in fair value of derivative asset	48,520	(4,744)	19,181	(13,294)
Share-based compensation expense	10,211	10,699	31,865	17,988
Depreciation and amortization	28,636	16,217	66,131	42,284
Deferred income tax expense	(4,013)	(1,192)	1,358	(555)
Other gains - nonrecurring	-	(95)	-	(2,355)
Change in fair value of warrant liability	-	(10)	(250)	49
<b>Adjusted (loss) earnings</b>	<b>\$ (3,400)</b>	<b>\$ 2,254</b>	<b>\$ 56,140</b>	<b>\$ 7,745</b>

## Reconciliation of Adjusted Earnings per share - diluted:

Net loss per share - diluted	\$ (0.26)	\$ (0.07)	\$ (0.20)	\$ (0.15)
Change in fair value of derivative asset per diluted share	0.14	(0.02)	0.07	(0.05)
Share-based compensation expense per diluted share	0.03	0.04	0.10	0.07
Depreciation and amortization per diluted share	0.09	0.06	0.21	0.17
Deferred income tax expense per diluted share	(0.01)	—	—	—
Other gains - nonrecurring per diluted share	—	—	—	(0.01)
Change in fair value of warrant liability per diluted share	—	—	—	—
<b>Adjusted (loss) earnings per diluted share</b>	<b>\$ (0.01)</b>	<b>\$ 0.01</b>	<b>\$ 0.18</b>	<b>\$ 0.03</b>



# Presentation for Business Update

OCTOBER 31, 2024



## Forward-Looking Statements

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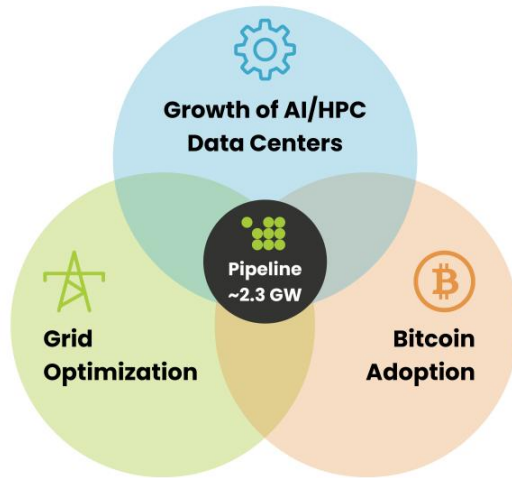
## Non-GAAP Financial Measures

This communication includes supplemental financial measures, including Adjusted Earnings (Loss) and Adjusted Earnings (Loss) per share - diluted, in each case, which exclude the impact of: (i) the non-cash change in fair value of derivative asset, (ii) share-based compensation expense, (iii) depreciation and amortization, (iv) deferred income tax expense, (v) nonrecurring gains and losses and (vi) the non-cash change in fair value of warrant liability. These supplemental financial measures are not a measurement of financial performance under accounting principles generally accepted in the United States ("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.

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 measures, 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 an 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 financial statements prepared in accordance with GAAP. We rely primarily on such financial statements to understand, manage and evaluate our business performance and use the non-GAAP financial measures only supplementally.

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- Demonstrated expertise at sourcing greenfield opportunities for data center development
- Focus on low energy prices and ability to monetize curtailment for optimal mining unit economics
- Data center construction and operations team with deep experience from Google, Vantage, Meta, etc.
- Clean balance sheet ready to optimize financing large HPC buildouts

# Key Indicators as of September 30, 2024

## SELF-MINING HASHRATE

**~9.3 EH/s**  
September 30, 2024



**~13.5 EH/s @ ~18.9 J/TH**  
YE 2024E<sup>(1)</sup>



**~1,508 BTC**  
BTC Held

## SITE PIPELINE CAPACITY

**~327 MW**  
Current Capacity<sup>(2)</sup>



**~2.3 GW**  
Future Pipeline Capacity at 6 New Sites<sup>(3)</sup>

**~2.7c**  
Weighted Average  
Power Price  
(c/kwh)<sup>(4)</sup>

Note: Values represented are approximations  
(1) Assumes energization of contracted Bitmain S21 Pro and Canaan A1556 rig orders replacing worst performing machines  
(2) Includes PJ capacity  
(3) Includes Black Foot, Barber Lake, Revella, Miksko, Milong, and McLenman and assumes all load studies / regulatory approvals are passed to reach full potential capacity  
(4) Represents the expected weighted average power price at Cipher's current sites





# Current Portfolio

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# Overview

## YTD Operations Update

~\$18,162 All-in Electricity Cost per BTC YTD 2024<sup>(1)</sup>

### Odessa

~\$17,561 all-in electricity cost per BTC YTD 2024<sup>(2)</sup>

~83% of September 2024 BTC production

### Cipher JV Data Centers

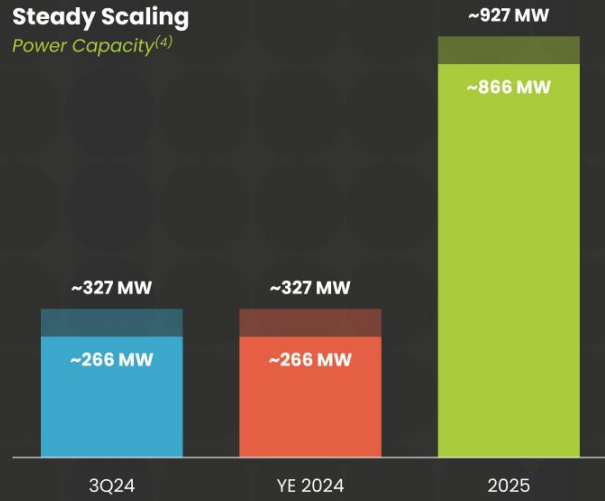
Alborz, Bear & Chief

~\$22,928 all-in electricity cost per BTC YTD 2024<sup>(3)</sup>

~17% of September 2024 BTC production

## Steady Scaling

Power Capacity<sup>(4)</sup>



(1) Reflects all-in electricity cost YTD through September 2024; reconciled to dates of latest power bills received.  
(2) Reflects electricity cost YTD through September 2024, including TDU charges and net of revenue generated from opportunistic power sales.  
(3) Reflects combined electricity cost YTD through September 2024, including taxes, customer charges, 2021 storm surcharge, settlement charges, and TSDP charges; reconciled to dates of latest power bills received.  
(4) Shaded area includes full capacity at JV sites.





ODESSA

# Operational Highlights



Odessa – 83% of BTC Production<sup>(1)</sup>



**~7.1 EH/s**

Current Operating Hashrate



**~11.3 EH/s**

YE 2024 Operating Hashrate<sup>(2)</sup>



**~\$25,488**

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



**~207 MW**

Total Power Capacity



**~1,872 BTC**

BTC Mined YTD<sup>(4)</sup>

<sup>(1)</sup> Reflects approximate percentage of Cipher's September 2024 BTC production  
<sup>(2)</sup> Assumes energization of contracted Bitmain S21 Pro and Canaan A1566 kg orders replacing worst performing machines  
<sup>(3)</sup> Reflects recorded electricity cost from April 20, 2024, through September 2024, including TDU charges and net of revenue generated from opportunistic power sales, reconciled to dates of latest power bills received  
<sup>(4)</sup> YTD through September 2024



## Operational Highlights

Alborz, Bear & Chief – 17% of BTC Production<sup>(1)</sup>



**~4.4 EH/s**

Current Operating Hashrate<sup>(2)</sup>



**120 MW**

Total Power Capacity



**~\$34,160**

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



**~488 BTC**

BTC Mined YTD<sup>(4)</sup>

(1) Reflects approximate percentage of Cipher's September 2024 BTC production.  
(2) Joint venture with WindHQ LLC, of which Cipher owns ~2.2 EH/s.  
(3) Reflects reconciled combined electricity cost from April 20, 2024, through September 2024, including taxes, settlement charges, TSDP charges, customer charges, and 2021 storm surcharge, reconciled to dates of latest power bills received.  
(4) YTD through September 2024, joint venture with WindHQ LLC, of which Cipher owns ~239 BTC.





# Development Pipeline

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## Growth: Black Pearl

### Black Pearl



**300 MW**

Total Power Capacity

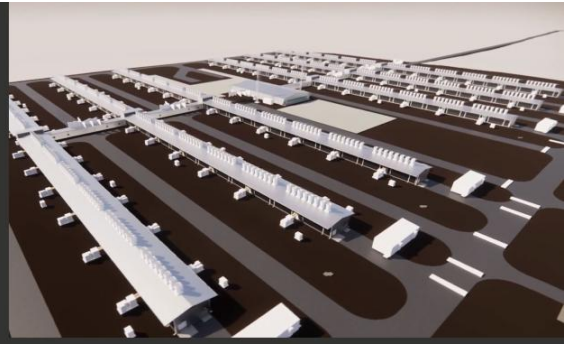


**70 Acres**

Total Acreage

- Energization expected in 2Q 2025
- Data center construction underway
  - Steel erection, concrete foundations, and underground electrical progressing on schedule
- BTC mining design envisions 250 MW of air-cooled and 50 MW of liquid-cooled mining operations that can provide ~21.5 EH/s<sup>(1)</sup>

<sup>1)</sup> Assumes a PUE of ~1.05 and an efficiency of ~132 J/TH/s per rig for full 300 MW BTC mining build out at Black Pearl site





## Growth: Barber Lake

### Barber Lake



**300 MW**

Approved  
Power Capacity



**250 Acres**

Total  
Acreage

- Site is energized and ready for construction
- Site features:
  - 250 acres of owned land in West Texas
  - Newly constructed high-to-mid voltage substation
  - Approvals for 300 MW of interconnection / agreements necessary to participate in the ERCOT market



## Growth: Reveille

### Reveille



**70 MW**

Initial Approved  
Power Capacity



**200 MW**

Total Potential  
Power Capacity

- Site features 70 MW available in Q4 2027, with potential to expand the capacity to 200 MW - subject to regulatory approvals
- Located in LZ\_South, which diversifies exposure within ERCOT as other current sites are in LZ\_West



## Growth: Mikeska

### Mikeska



**500 MW**

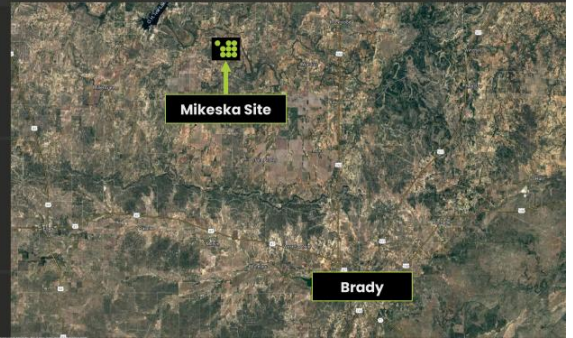
Total Potential  
Power Capacity



**100 Acres**

Total  
Acreage

- Option to purchase new site based on number of megawatts approved for interconnection
- Site features:
  - 100 acres of land with exclusive option to own
  - Located in LZ\_West
  - Total capacity of 500 MW pending load studies / ERCOT LFL approval
  - Expected to energize Q4 2027





# Growth: Milsing

## Milsing



**500 MW**

Total Potential  
Power Capacity



**187 Acres**

Total  
Acreage

- Option to purchase new site based on number of megawatts approved for interconnection
- Site features:
  - 187 acres of land with exclusive option to own
  - Located in LZ\_North, which diversifies exposure within ERCOT as other current sites are in LZ\_West
  - Total capacity of 500 MW pending load studies / ERCOT IFL approval
  - Expected to energize Q4 2027



## Growth: McLennan

### McLennan



**500 MW**

Total Potential  
Power Capacity



**293 Acres**

Total  
Acreage

- Option to purchase new site based on number of megawatts approved for interconnection
- Site features:
  - 293 acres of land with exclusive option to own
  - Located in LZ\_North, which diversifies exposure within ERCOT as other current sites are in LZ\_West
  - Total capacity of 500 MW pending load studies / ERCOT IFL approval
  - Expected to energize Q4 2027



# HPC Infrastructure – Speed to Market

## Current Market Conditions

- Scarcity of Powered Capacity
- Scarcity of Large Suitable Sites
- Urgency of Time to Market

## Cipher Advantages

- Readily Available Large Suitable Sites
- Energization Timeliness Unlocks Massive Value for End Users
- Ability to Focus on Highest Quality Tenants

"Prices charged by colocation providers for available data center capacity in the United States...**rose by an average of 35 percent** between 2020 and 2023. Additionally, new capacity due to come online in the next two to three years has already been leased out."

- McKinsey & Company  
*"AI Power: Expanding Data Center Capacity to Meet Growing Demand" Report on 10/29/2024*



"I'd rather risk building capacity before it is needed, rather than too late, **given the long lead times for spinning up new infra projects.**"

- Mark Zuckerberg, CEO  
*Meta Platforms, Inc. Q2-2024 Earnings Call on 07/31/2024*



"Every dollar a cloud provider spends on buying a GPU, they're going to make it back at **\$5 over 4 years**...Here [AI inference], the economics are even better. So, every **\$1 spent, there's \$7 earned** over that same time period and growing."

- Ian Buck, VP of Accelerated Computing  
*NVIDIA Corp. Presentation at BofA Securities 2024 Global Technology Conference on 06/05/2024*





# Financial Update

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# Q3 2024 Quarter Over Quarter Financial Highlights

## REVENUES

**\$37m**  **\$24m**  
Q2 2024 Q3 2024

## GAAP NET EARNINGS

**(\$15m)**  **(\$87m)**  
Q2 2024 Q3 2024

## GAAP NET EARNINGS PER SHARE

**(\$0.05)**  **(\$0.26)**  
Q2 2024 Q3 2024

## ADJUSTED EARNINGS

**(\$3m)**  **(\$3m)**  
Q2 2024 Q3 2024

## ADJUSTED EARNINGS PER SHARE

**(\$0.01)**  **(\$0.01)**  
Q2 2024 Q3 2024

Note: Values represented are approximations

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## Q3 2024 Year Over Year Financial Highlights

### REVENUES

**\$30m**  **\$24m**  
Q3 2023 Q3 2024

### GAAP NET EARNINGS

**(\$19m)**  **(\$87m)**  
Q3 2023 Q3 2024

### GAAP NET EARNINGS PER SHARE

**(\$0.07)**  **(\$0.26)**  
Q3 2023 Q3 2024

### ADJUSTED EARNINGS

**\$2m**  **(\$3m)**  
Q3 2023 Q3 2024

### ADJUSTED EARNINGS PER SHARE

**\$0.01**  **(\$0.01)**  
Q3 2023 Q3 2024

Note: Values represented are approximations

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# Results of Operations QoQ and YoY Comparison

	Three Months Ended			% Change	Three Months Ended		
	September 30, 2024	June 30, 2024			September 30, 2024	September 30, 2023	% Change
Revenue - bitcoin mining	\$ 24,102	\$ 36,808	(35%)	\$ 24,102	\$ 30,304	(20%)	
Costs and operating expenses (income)							
Cost of revenue	15,063	14,281	5%	15,063	13,008	16%	
Compensation and benefits	14,738	16,285	(9%)	14,738	17,071	(14%)	
General and administrative	8,920	8,365	7%	8,920	6,827	31%	
Depreciation and amortization	28,636	20,251	41%	28,636	16,217	77%	
Change in fair value of derivative asset	48,520	(21,980)	321%	48,520	(4,744)	1123%	
Power sales	(1,444)	(1,109)	(30%)	(1,444)	(2,720)	47%	
Equity in losses (gains) of equity investees	(847)	577	(247%)	(847)	1,998	(142%)	
Losses (gains) on fair value of bitcoin	1,911	16,309	(88%)	1,911	1,848	3%	
Other gains	-	-	0%	-	(95)	100%	
Total costs and operating expenses (income)	115,497	52,979	118%	115,497	49,410	134%	
Operating (loss) income	(91,395)	(16,171)	(465%)	(91,395)	(19,106)	(378%)	
Other income (expense)							
Interest income	1,188	1,053	13%	1,188	11	10700%	
Interest expense	(346)	(372)	7%	(346)	(627)	45%	
Change in fair value of warrant liability	-	-	0%	-	10	(100%)	
Other expense	(4)	727	(101%)	(4)	(6)	33%	
Total other income (expense)	838	1,408	(40%)	838	(612)	237%	
(Loss) income before taxes	(90,557)	(14,763)	(513%)	(90,557)	(19,718)	(359%)	
Current income tax expense	(211)	(335)	37%	(211)	(95)	(122%)	
Deferred income tax (benefit) expense	4,013	(193)	2179%	4,013	1,192	237%	
Total income tax expense	3,802	(528)	820%	3,802	1,097	247%	
Net (loss) income	\$ (86,755)	\$ (15,291)	(467%)	\$ (86,755)	\$ (18,621)	(366%)	

Note: in thousands, except for percentages

# Non-GAAP Adjusted Earnings QoQ and YoY Comparison

	Three Months Ended			Three Months Ended		
	September 30, 2024	June 30, 2024	% Change	September 30, 2024	September 30, 2023	% Change
<b>Reconciliation of Adjusted Earnings:</b>						
Net income (loss)	\$ (86,755)	\$ (15,291)	(467%)	\$ (86,755)	\$ (18,621)	(366%)
Change in fair value of derivative asset	48,520	(21,980)	321%	48,520	(4,744)	1123%
Share-based compensation expense	10,211	13,336	(23%)	10,211	10,699	(5%)
Depreciation and amortization	28,636	20,251	41%	28,636	16,217	77%
Deferred income tax (benefit) expense	(4,013)	193	(2179%)	(4,013)	(1,192)	(237%)
Other gains	-	-	0%	-	(95)	100%
Change in fair value of warrant liability	-	-	0%	-	(10)	100%
Adjusted earnings	(3,401)	(3,491)	3%	(3,401)	2,254	(251%)

	Three Months Ended			Three Months Ended		
	September 30, 2024	June 30, 2024	% Change	September 30, 2024	September 30, 2023	% Change
<b>Reconciliation of Adjusted Earnings per share - diluted:</b>						
Net loss per share - diluted	\$ (0.26)	\$ (0.05)	(436%)	\$ (0.26)	\$ (0.07)	(253%)
Change in fair value of derivative asset per diluted share	0.14	(0.07)	300%	0.14	(0.02)	843%
Share-based compensation expense per diluted share	0.03	0.04	(28%)	0.03	0.04	(28%)
Depreciation and amortization per diluted share	0.09	0.07	16%	0.09	0.06	34%
Deferred income tax expense per diluted share	(0.01)	0.00	(2065%)	(0.01)	(0.00)	(155%)
Other gains - nonrecurring per diluted share	-	-	0%	-	(0.00)	100%
Change in fair value of warrant liability per diluted share	-	-	0%	-	(0.00)	100%
Adjusted (loss) earnings per diluted share	\$ (0.01)	\$ (0.01)	8%	\$ (0.01)	\$ 0.01	(214%)

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



# Consolidated Balance Sheets



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

	September 30, 2024	December 31, 2023
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 25,342	\$ 86,105
Accounts receivable	226	622
Receivables, related party	59	245
Prepaid expenses and other current assets	3,488	3,670
Bitcoin	95,459	32,978
Derivative asset	27,185	31,878
Total current assets	151,759	155,498
Restricted cash	14,392	-
Property and equipment, net	310,699	243,815
Deposits on equipment	144,573	30,812
Intangible assets, net	25,742	8,109
Investment in equity investees	54,973	35,258
Derivative asset	47,225	61,713
Operating lease right-of-use asset	10,564	7,077
Security deposits	15,301	23,855
Other noncurrent assets	210	-
Total assets	\$ 775,438	\$ 566,137
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 13,154	\$ 4,900
Accounts payable, related party	-	1,554
Accrued expenses and other current liabilities	40,764	22,439
Finance lease liability, current portion	3,695	3,404
Operating lease liability, current portion	1,479	1,166
Warrant liability	-	250
Total current liabilities	59,092	33,793
Asset retirement obligation	19,810	18,394
Finance lease liability	8,319	11,128
Operating lease liability	9,662	6,280
Deferred tax liability	6,564	5,296
Total liabilities	103,447	74,801
Commitments and contingencies (Note 13)		
Stockholders' equity		
Preferred stock, \$0.001 par value, 10,000,000 shares authorized, none issued and outstanding as of September 30, 2024, and December 31, 2023	-	-
Common stock, \$0.001 par value, 500,000,000 shares authorized, 355,771,238 and 296,276,536 shares issued as of September 30, 2024 and December 31, 2023, respectively, and 347,800,186 and 290,957,862 shares outstanding as of September 30, 2024, and December 31, 2023, respectively	356	296
Additional paid-in capital	870,565	627,822
Accumulated deficit	(198,922)	(136,777)
Treasury stock, at par, 7,971,052 and 5,318,674 shares at September 30, 2024 and December 31, 2023, respectively	(8)	(5)
Total stockholders' equity	671,991	491,336
Total liabilities and stockholders' equity	\$ 775,438	\$ 566,137



# Appendix

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# Statements of Changes in Stockholders' Equity (Deficit)

## Three Months Ended September 30, 2024

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Treasury Stock		Total Stockholders' Equity
	Shares	Amount			Shares	Amount	
Balance as of June 30, 2024	335,557,872	\$ 336	\$ 802,610	\$ (112,168)	(6,941,446)	\$ (7)	\$ 690,771
Issuance of common shares, net of offering costs - At-the-market offering	17,953,378	18	61,273	-	-	-	61,291
Delivery of common stock underlying restricted stock units, net of shares settled for tax withholding settlement	2,259,988	2	(3,529)	-	(1,029,606)	(1)	(3,528)
Share-based compensation	-	-	10,211	-	-	-	10,211
Net loss	-	-	-	(86,754)	-	-	(86,754)
Balance as of September 30, 2024	355,771,238	\$ 356	\$ 870,565	\$ (198,922)	(7,971,052)	\$ (8)	\$ 671,991

## Three Months Ended September 30, 2023

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Treasury Stock		Total Stockholders' Equity
	Shares	Amount			Shares	Amount	
Balance as of June 30, 2023	254,795,626	\$ 254	\$ 473,471	\$ (128,751)	(4,381,735)	\$ (4)	\$ 344,970
Issuance of common shares, net of offering costs - At-the-market offering	2,831,736	4	8,597	-	-	-	8,601
Delivery of common stock underlying restricted stock units, net of shares settled for tax withholding settlement	1,983,952	1	(2,112)	-	(742,829)	(1)	(2,112)
Share-based compensation	71,428	-	10,699	-	-	-	10,699
Net loss	-	-	-	(18,621)	-	-	(18,621)
Balance as of September 30, 2023	259,682,742	\$ 259	\$ 490,655	\$ (147,372)	(5,124,564)	\$ (5)	\$ 343,537

Note: in thousands, except for share amounts

# Consolidated Statement of Cash Flows



Note: in thousands

	Nine Months Ended September 30,	
	2024	2023
<b>Cash flows from operating activities</b>		
Net loss	\$ (62,145)	\$ (36,372)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	65,661	42,284
Amortization of intangible assets	470	-
Amortization of operating right-of-use asset	888	688
Share-based compensation	31,865	28,687
Equity in losses (gains) of equity investees	(1,008)	4,179
Non-cash lease expense	429	1,477
Other	(1,235)	-
Deferred income taxes	1,358	(555)
Bitcoin received as payment for services	(109,443)	(83,161)
Change in fair value of derivative asset	19,181	(13,294)
Change in fair value of warrant liability	(250)	49
Gains on fair value of bitcoin	(22,336)	(3,276)
Changes in assets and liabilities:		
Accounts receivable	396	(262)
Receivables, related party	186	(958)
Prepaid expenses and other current assets	182	3,238
Security deposits	16,851	144
Other non-current assets	(210)	-
Accounts payable	565	2,366
Accounts payable, related party	-	(1,529)
Accrued expenses and other current liabilities	62	10,732
Lease liabilities	-	(762)
Net cash used in operating activities	(58,533)	(46,325)
<b>Cash flows from investing activities</b>		
Proceeds from sale of bitcoin	79,786	78,729
Deposits on equipment	(135,263)	(4,533)
Purchases of property and equipment	(92,373)	(32,980)
Purchases and development of software	(1,059)	-
Purchase of strategic contracts	(17,044)	-
Capital distributions from equity investees	-	3,807
Investment in equity investees	(29,194)	(3,545)
Prepayments on financing lease	-	(3,676)
Net cash (used in) provided by investing activities	(195,147)	37,802
<b>Cash flows from financing activities</b>		
Proceeds from the issuance of common stock	225,181	11,644
Offering costs paid for the issuance of common stock	(3,487)	(298)
Repurchase of common shares to pay employee withholding taxes	(10,760)	(3,224)
Principal payments on financing lease	(3,625)	(8,184)
Net cash provided by (used in) financing activities	207,309	(62)
Net decrease in cash, cash equivalents, and restricted cash	(46,371)	(8,585)
Cash, cash equivalents, and restricted cash, beginning of the period	86,105	11,927
Cash and cash equivalents, and restricted cash, end of the period	\$ 39,734	\$ 3,342

# Consolidated Statement of Cash Flows Cont.



Note: In thousands

	Nine Months Ended September 30,	
	2024	2023
<b>Supplemental disclosure of noncash investing and financing activities</b>		
Reclassification of deposits on equipment to property and equipment	\$ 21,502	\$ 74,186
Property and equipment purchases in accounts payable and accrued expenses	\$ 17,422	\$ -
Bitcoin received from equity investees	\$ 10,487	\$ 317
Settlement of related party payable related to master services and supply agreement	\$ 1,554	\$ -
Right-of-use asset obtained in exchange for finance lease liability	\$ 4,375	\$ 14,212
Sales tax accrual on machine purchases	\$ 1,388	\$ 1,837
Equity method investment acquired for non-cash consideration	\$ -	\$ 1,926
Finance lease cost in accrued expenses	\$ -	\$ 2,060

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.

	Nine Months Ended September 30,	
	2024	2023
Cash and cash equivalents	\$ 25,342	\$ 3,342
Restricted cash	14,392	-
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	\$ 39,734	\$ 3,342

