

# Bitfury Group Announces Approval of Distribution of Cipher Mining Inc. Shares



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**Bitfury** →

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*Approved distribution readies Cipher for its next chapter of growth with a more diversified shareholder base*

AMSTERDAM , Feb. 26, 2024 /PRNewswire/ -- Bitfury Group ("Bitfury" or the "Company"), a leading full-service blockchain technology company, today announced the shareholder approval of the non-dilutive distribution of approximately 126 million common shares currently held by Bitfury in Cipher Mining Inc. (NASDAQ:**CIFR**) ("Cipher") **in accordance with plans that were previously outlined.**

Of these 126 million common shares of Cipher, approximately 107 million shares will be distributed by Bitfury to its long-term shareholders on a pro rata basis, including approximately 50 million shares being distributed to the majority owner of Bitfury, V3 Holding Limited (a holding company wholly-owned by Bitfury's CEO), and approximately 57 million shares being distributed in the aggregate to approximately 50 other Bitfury shareholders. The company

believes these are shareholders that support Bitfury and now may benefit from having direct exposure to the competitive advantages of Cipher's business model, particularly going into the next halving cycle in the coming months.

In addition to the pro rata distribution described above, approximately 18.5 million shares will be reserved for the benefit of former and current Bitfury employees, contractors and advisors.

The distribution of approximately 107 million shares and 18.5 million shares being allocated to employees, contractors and advisors will reduce Bitfury's stake in Cipher to approximately 50 million shares as part of a strategically planned effort to reduce Bitfury's ownership concentration in Cipher priming its successful spin off for its next stage of growth.

The following table shows Bitfury's estimate of the approximate general concentration of ownership in Cipher's shares before and after the distribution (share numbers in millions):

	Prior to Distribution		Following Distribution of approx. 107 million shares		Following Distribution of approx. 18.5 million shares	
	(shares)	( % )	(shares)	( % )	(shares)	( % )
Bitfury	175.8	68.4 %	68.5	26.6 %	50.0	19.5 %
V3 Holding Limited <sup>(1)</sup>	0	0.0 %	50.3	19.6 %	50.3	19.6 %
Free Float	81.3	31.6 %	138.2	53.8 %	156.7	61.0 %
<b>Total Shares Outstanding</b> <sup>(2)</sup>	<b>257.1</b>	<b>100.0 %</b>	<b>257.1</b>	<b>100.0 %</b>	<b>257.1</b>	<b>100.0 %</b>

(1) Counting only shares owned directly, excluding beneficial ownership of shares owned by Bitfury.

(2) 257,057,496 shares of Common Stock outstanding as of December 8, 2023, based on (i) 254,660,072 shares of Common Stock outstanding as of November 6, 2023, as disclosed in Cipher's Quarterly Report on Form 10-Q and (ii) Cipher's issuance of 2,397,424 shares of Common Stock on December 8, 2023, as disclosed in Cipher's Current Report on Form 8-K filed with the SEC on December 8, 2023

V3 Holding Limited is expected to beneficially own approximately 46% of the outstanding shares of Cipher following the distribution of approximately 107 million shares and reducing it to approximately 39% following the distribution of approximately 18.5 million shares, including both the shares V3 Holding Limited receives in the pro rata distribution and the shares which are retained by Bitfury.

Bitfury believes that none of its other shareholders will hold positions of more than 5% of Cipher's shares as a result of the distribution.

The pro rata distribution process of approximately 107 million shares is expected to commence today and to be largely completed in the coming weeks, with the distribution of the approximately 18.5 million shares expected to be completed in the next few months.

**Val Vavilov, CEO of Bitfury**, commented on today's news, "Bitfury has served as an incubator for Cipher, transferring the knowledge we've accumulated during more than 10 years of building and operating Bitcoin mining data centers all around the world, with the end goal always being to provide the firm with the financial and operational freedom via a diversified shareholder base. Cipher is a great example of the value we can provide to our portfolio of incubated companies, and I believe this move will yield positive results for both Bitfury and Cipher shareholders alike."

**Tyler Page, CEO of Cipher**, commented, "We are excited about these upcoming changes to the Cipher capital table. The market can now look beyond technical issues of our shareholder base, and focus instead on the enormous fundamental value in our stock, driven by our best-in-class power structure, our clear path to growth, and our proven execution."

### **About Bitfury**

Bitfury is the world's leading full-service blockchain technology company. Since our founding in 2011, Bitfury has built on its heritage as one of the earliest Bitcoin miners and providers of Bitcoin mining equipment to develop a suite of infrastructure products and services that power the Web 3.0 ecosystem and make digital assets safe, sustainable, and useful. From hardware to security to software, our businesses leverage today's cutting-edge technologies to solve the most pressing challenges of tomorrow.

To learn more about Bitfury, please visit <https://bitfury.com/>


### **About Cipher**

Cipher is an emerging technology company focused on the development and operation of bitcoin mining data centers. Cipher is dedicated to expanding and strengthening the Bitcoin network's critical infrastructure. Together with its diversely talented team and strategic partnerships, Cipher aims to be a market leader in bitcoin mining growth and innovation.

To learn more about Cipher, please visit <https://www.ciphermining.com/>

## Forward Looking Statements

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

These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by Cipher and our management, are inherently uncertain. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward looking statements. New risks and uncertainties may emerge from time to time, and it is not possible to predict all risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this press release, including but not limited to: volatility in the price of Cipher's securities due to a variety of factors, including changes in the competitive and regulated industry in which Cipher operates, variations in performance across competitors, changes in laws and regulations affecting Cipher's business, and the ability to implement business plans, forecasts, and other expectations and to identify and realize additional opportunities. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the "Risk Factors" section of our Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 14, 2023, and in Cipher's subsequent filings with the 

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

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