
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): September 29, 2023

Core Scientific, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-40046
(Commission
File Number)

86-1243837
(IRS Employer
Identification No.)

210 Barton Springs Road, Suite 300
Austin, Texas
(Address of principal executive offices)

78704
(Zip Code)

Registrant's telephone number, including area code: (512) 402-5233

(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 \$0.0001 per share	CORZQ	*
Warrants, exercisable for shares of common stock	CRZWQ	*

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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. ☐

* The registrant's common stock and warrants began trading exclusively on the OTC Pink Marketplace on January 3, 2023 under the Symbols "CORZQ" and "CRZWQ," respectively.

As previously announced, on December 21, 2022, Core Scientific, Inc. (the “Company”) and certain of its affiliates (collectively, the “Debtors”) filed voluntary petitions (the “Chapter 11 Cases”) in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”) seeking relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). The Debtors continue to operate their business and manage their properties as “debtors-in-possession” under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court. Additional information about the Chapter 11 Cases, including access to Court documents, is available online at cases.stretto.com/CoreScientific/, a website administered by Stretto, Inc., a third-party bankruptcy claims and noticing agent. The information on this web site is not incorporated by reference into, and does not constitute part of, this Form 8-K.

Item 7.01. Regulation FD Disclosure.

On September 29, 2023, the Debtors each filed with the Bankruptcy Court their monthly operating reports for the period beginning August 1, 2023 and ending August 31, 2023 (collectively, the “August Monthly Operating Reports”). The August Monthly Operating Reports are attached hereto, as Exhibits 99.1 through 99.11, and are incorporated herein by reference. This Current Report on Form 8-K (including the exhibits hereto) will not be deemed an admission as to the materiality of any information required to be disclosed solely by Regulation FD. The August Monthly Operating Reports and other filings with the Bankruptcy Court related to the Chapter 11 Cases may be available electronically at cases.stretto.com/CoreScientific/.

The information contained in this Item 7.01 shall not be deemed to be “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, and shall not be deemed to be incorporated by reference into any of the Company’s filings under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing.

Cautionary Statement Regarding the August Monthly Operating Reports

The Company cautions investors and potential investors not to place undue reliance upon the information contained in the August Monthly Operating Reports, which were not prepared for the purpose of providing the basis for an investment decision relating to any of the securities of the Company. The August Monthly Operating Reports are limited in scope, cover a limited time period and have been prepared solely for the purpose of complying with the

monthly reporting requirements of the Bankruptcy Court. The August Monthly Operating Reports were not audited or reviewed by independent accountants, were not prepared in accordance with generally accepted accounting principles in the United States, are in a format prescribed by applicable bankruptcy laws or rules, and are subject to future adjustment and reconciliation. There can be no assurance that, from the perspective of an investor or potential investor in the Company's securities, the August Monthly Operating Reports are complete. The August Monthly Operating Reports also contain information for periods which are shorter or otherwise different from those required in the Company's reports pursuant to the Exchange Act, and such information might not be indicative of the Company's financial condition or operating results for the period that would be reflected in the Company's financial statements or in its reports pursuant to the Exchange Act. Results set forth in the August Monthly Operating Reports should not be viewed as indicative of future results.

Furthermore, this Form 8-K and/or the August Monthly Operating Reports may include "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "estimate," "plan," "project," "forecast," "intend," "will," "expect," "anticipate," "believe," "seek," "target" or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. The Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of certain risks and other factors, which could include the following: risks and uncertainties relating to the Company's Chapter 11 Cases including but not limited to, the Company's ability to obtain Bankruptcy Court approval with respect to motions in its Chapter 11 Cases, successfully enter into and implement a restructuring plan, emerge from Chapter 11 and achieve significant cash flows from operations; the effects of the Chapter 11 Cases on the Company and on the interests of various constituents, Bankruptcy Court rulings in the Chapter 11 Cases and the outcome of the Chapter 11 Cases in general, the length of time the Company will operate under the Chapter 11 Cases, risks associated with any third-party motions in the Chapter 11 Cases, the potential adverse effects of the Chapter 11 Cases on the Company's liquidity or results of operations and increased legal and other professional costs necessary to execute the Company's reorganization; finalization and receipt of the replacement debtor-in-possession facility; satisfaction of any conditions to which the Company's debtor-in-possession financing is subject and the risk that these conditions may not be satisfied for various reasons, including for reasons outside of the Company's control; the consequences of the acceleration of the Company's debt obligations; the trading price and volatility of the Company's common stock and the risks related to trading on the OTC Pink Market; as well as other risk factors set forth in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission. These statements are provided for illustrative purposes only and are based on various assumptions, whether or not identified in this Current Report on Form 8-K, and on the current expectations of the Company's management. These forward-looking statements are not intended to serve, and must not be relied on by any investor, as a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of the Company. These forward-looking statements are subject to a number of risks and uncertainties, including those identified in the Company's reports filed with the U.S. Securities & Exchange Commission, and if any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. Accordingly, undue reliance should not be placed upon the forward-looking statements.

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

Exhibit No.	Exhibit
99.1	<u>Core Scientific, Inc., Monthly Operating Report for the period ended August 31, 2023</u>
99.2	<u>Core Scientific Mining LLC, Monthly Operating Report for the period ended August 31, 2023</u>
99.3	<u>Core Scientific Operating Company, Monthly Operating Report for the period ended August 31, 2023</u>
99.4	<u>Core Scientific Acquired Mining LLC, Monthly Operating Report for the period ended August 31, 2023</u>
99.5	<u>Radar Relay, Inc., Monthly Operating Report for the period ended August 31, 2023</u>
99.6	<u>Core Scientific Specialty Mining (Oklahoma) LLC, Monthly Operating Report for the period ended August 31, 2023</u>
99.7	<u>American Property Acquisition, LLC, Monthly Operating Report for the period ended August 31, 2023</u>
99.8	<u>Starboard Capital LLC, Monthly Operating Report for the period ended August 31, 2023</u>
99.9	<u>RADAR LLC, Monthly Operating Report for the period ended August 31, 2023</u>
99.10	<u>American Property Acquisitions I, LLC, Monthly Operating Report for the period ended August 31, 2023</u>
99.11	<u>American Property Acquisitions VII, LLC, Monthly Operating Report for the period ended August 31, 2023</u>
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.

Core Scientific, Inc.

Date: September 29, 2023

By: /s/ Todd M. DuChene

Name: Todd M. DuChene

Title: Chief Legal Officer and Chief Administrative Officer

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON

In Re. Core Scientific, Inc.

§
§
§
§

Case No. 22-90341

Lead Case No. 22-90341

Debtor(s)

☒ Jointly Administered**Monthly Operating Report**

Chapter 11

Reporting Period Ended: 08/31/2023

Petition Date: 12/21/2022

Months Pending: 8

Industry Classification: 3 3 4 1

Reporting Method:

Accrual Basis ☒Cash Basis ☐

Debtor's Full-Time Employees (current):

275

Debtor's Full-Time Employees (as of date of order for relief):

236

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☒ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☐ Accounts receivable aging
- ☐ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☐ Schedule of payments to professionals
- ☐ Schedule of payments to insiders
- ☐ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

/s/ Alfredo R. Pérez

Alfredo R. Pérez

Signature of Responsible Party

Printed Name of Responsible Party

09/29/2023

Date

700 Louisiana Street, Suite 1700, Houston, Texas 77002

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

Part 1: Cash Receipts and Disbursements

	Current Month	Cumulative
a. Cash balance beginning of month	\$ 20,202,681	
b. Total receipts (net of transfers between accounts)	\$ 1,658,983	\$76,821,535
c. Total disbursements (net of transfers between accounts)	\$ 7,719,521	\$14,986,946
d. Cash balance end of month (a+b-c)	\$ 14,142,143	
e. Disbursements made by third party for the benefit of the estate	\$ 0	\$ 0
f. Total disbursements for quarterly fee calculation (c+e)	\$ 7,719,521	\$14,986,946

Part 2: Asset and Liability Status

(Not generally applicable to Individual Debtors. See Instructions.)

	Current Month	
a. Accounts receivable (total net of allowance)	\$ 467,184,855	
b. Accounts receivable over 90 days outstanding (net of allowance)	\$ 0	
c. Inventory (Book <input checked="" type="checkbox"/> Market <input type="checkbox"/> Other <input type="checkbox"/> (attach explanation))	\$ 0	
d. Total current assets	\$2,324,671,006	
e. Total assets	\$2,327,229,795	
f. Postpetition payables (excluding taxes)	\$ 0	
g. Postpetition payables past due (excluding taxes)	\$ 0	
h. Postpetition taxes payable	\$ 0	
i. Postpetition taxes past due	\$ 0	
j. Total postpetition debt (f+h)	\$ 0	
k. Prepetition secured debt	\$ 559,735,403	
l. Prepetition priority debt	\$ 0	
m. Prepetition unsecured debt	\$ 0	
n. Total liabilities (debt) (j+k+l+m)	\$ 559,735,403	
o. Ending equity/net worth (e-n)	\$1,767,494,392	

Part 3: Assets Sold or Transferred

	Current Month	Cumulative
a. Total cash sales price for assets sold/transferred outside the ordinary course of business	\$ 0	\$ 0
b. Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$ 0	\$ 0
c. Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$ 0	\$ 0

Part 4: Income Statement (Statement of Operations)

(Not generally applicable to Individual Debtors. See Instructions.)

	Current Month	Cumulative
a. Gross income/sales (net of returns and allowances)	\$ 0	
b. Cost of goods sold (inclusive of depreciation, if applicable)	\$ 0	
c. Gross profit (a-b)	\$ 0	
d. Selling expenses	\$ 0	
e. General and administrative expenses	\$ 0	
f. Other expenses	\$ 0	
g. Depreciation and/or amortization (not included in 4b)	\$ 0	
h. Interest	\$ 0	
i. Taxes (local, state, and federal)	\$ 0	
j. Reorganization items	\$ 0	
k. Profit (loss)	\$ 0	\$ 91,773

Part 5: Professional Fees and Expenses			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
a.	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>		\$4,163,962	\$22,939,170	\$3,802,932	\$22,578,139
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
i	Stretto, Inc	Other	\$ 79,065	\$ 616,272	\$ 79,065	\$ 616,272
ii	PJT Partners	Financial Professional	\$ 160,000	\$ 1,693,255	\$ 160,000	\$ 1,693,255
iii	Weil	Lead Counsel	\$2,854,979	\$16,466,493	\$2,854,979	\$16,466,493
iv	AlixPartners LLP	Financial Professional	\$ 357,518	\$ 3,320,760	\$ 0	\$ 2,963,242
v	Scheef & Stone, LLP	Other	\$ 22,109	\$ 112,922	\$ 22,109	\$ 112,922
vi	Deloitte Financial Advisory Ser	Financial Professional	\$ 17,566	\$ 56,741	\$ 14,052	\$ 53,228
vii	Deloitte Tax LLP	Financial Professional	\$ 672,726	\$ 672,726	\$ 672,726	\$ 672,726
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b.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor’s professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>					
	<i>Itemized Breakdown by Firm</i>					
		Firm Name	Role			
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c.	All professional fees and expenses (debtor & committees)			\$5,433,828	\$29,135,572	\$5,072,797
						\$28,774,542

Part 6: Postpetition Taxes

	Current Month	Cumulative
a. Postpetition income taxes accrued (local, state, and federal)	\$ 0	\$ 0
b. Postpetition income taxes paid (local, state, and federal)	\$ 0	\$ 0
c. Postpetition employer payroll taxes accrued	\$ 0	\$ 102,744
d. Postpetition employer payroll taxes paid	\$ 0	\$ 0
e. Postpetition property taxes paid	\$ 0	\$ 0
f. Postpetition other taxes accrued (local, state, and federal)	\$ 0	\$ 0
g. Postpetition other taxes paid (local, state, and federal)	\$ 0	\$ 0

Part 7: Questionnaire - During this reporting period:

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes ☐ No ☒
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes ☐ No ☒
- c. Were any payments made to or on behalf of insiders? Yes ☐ No ☒
- d. Are you current on postpetition tax return filings? Yes ☐ No ☒
- e. Are you current on postpetition estimated tax payments? Yes ☒ No ☐
- f. Were all trust fund taxes remitted on a current basis? Yes ☒ No ☐
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes ☐ No ☒
- h. Were all payments made to or on behalf of professionals approved by the court? Yes ☒ No ☐ N/A ☐
- i. Do you have: Worker's compensation insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- Casualty/property insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- General liability insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court? Yes ☒ No ☐
- k. Has a disclosure statement been filed with the court? Yes ☒ No ☐
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☒ No ☐

Part 8: Individual Chapter 11 Debtors (Only)

a. Gross income (receipts) from salary and wages	\$	0
b. Gross income (receipts) from self-employment	\$	0
c. Gross income from all other sources	\$	0
d. Total income in the reporting period (a+b+c)	\$	0
e. Payroll deductions	\$	0
f. Self-employment related expenses	\$	0
g. Living expenses	\$	0
h. All other expenses	\$	0
i. Total expenses in the reporting period (e+f+g+h)	\$	0
j. Difference between total income and total expenses (d-i)	\$	0
k. List the total amount of all postpetition debts that are past due	\$	0
l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
m. If yes, have you made all Domestic Support Obligation payments?	Yes <input type="checkbox"/>	No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

/s/ Michael Bros

Signature of Responsible Party

SVP, Capital Markets and Acquisitions

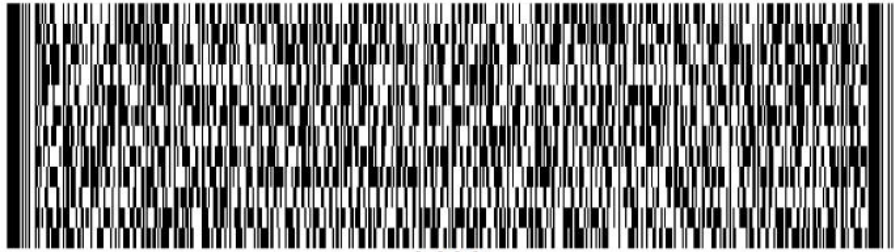
Title

Michael Bros

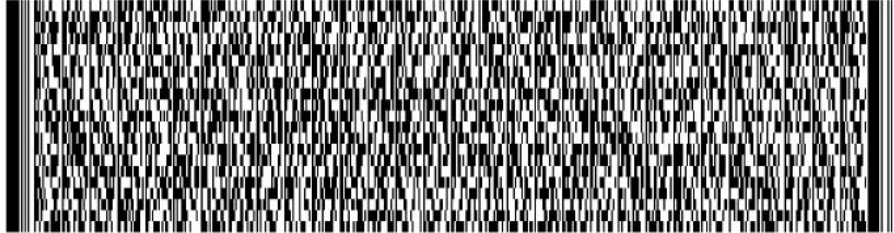
Printed Name of Responsible Party

09/29/2023

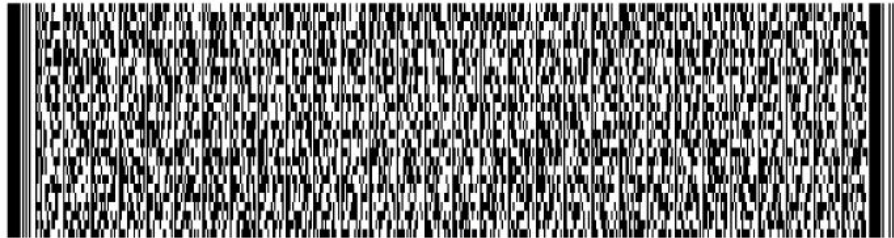
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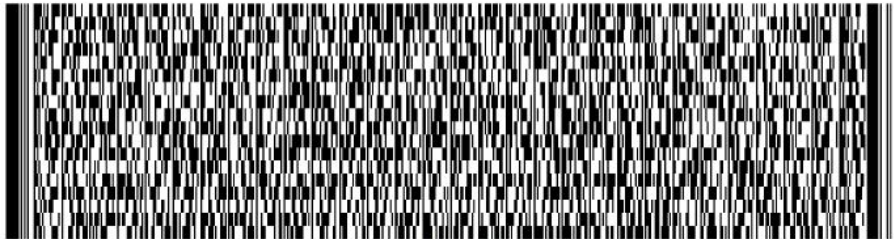
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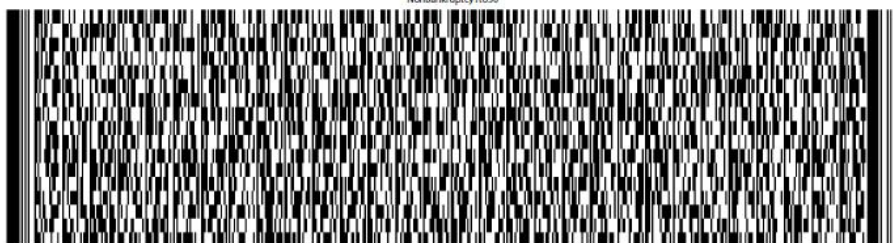
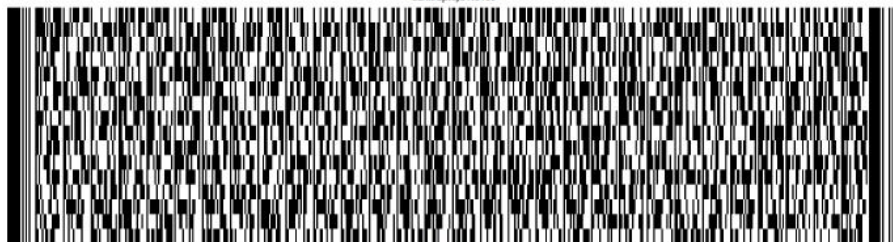
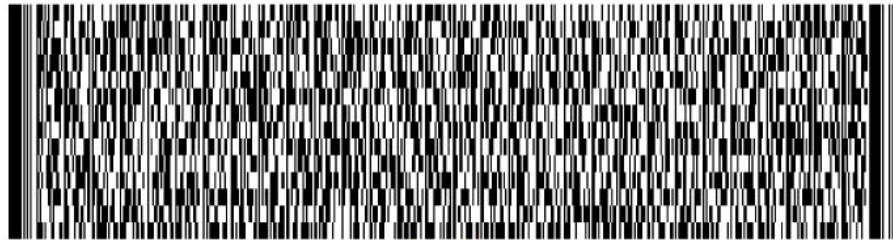
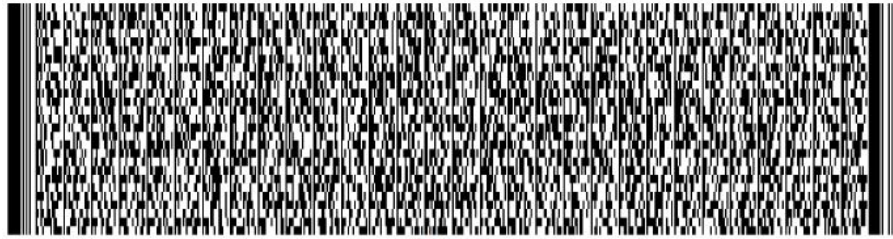
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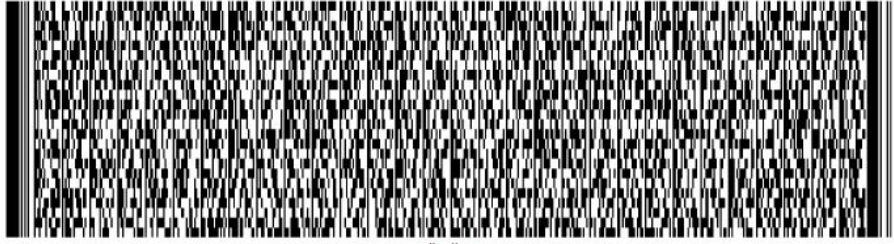


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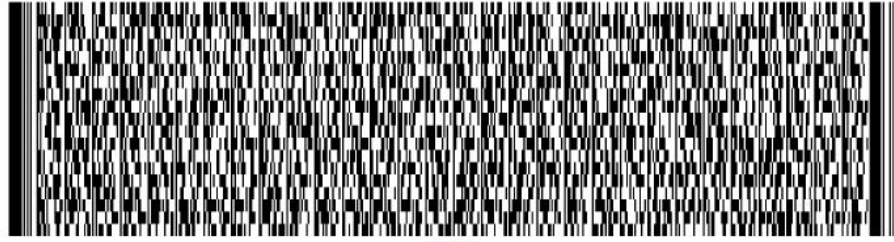


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PageFour

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re: CORE SCIENTIFIC, INC., <i>et al.</i> , Debtors. ¹	§ Chapter 11 § § Case No. 22-90341 (DRJ) § § (Jointly Administered)
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MONTHLY OPERATING REPORT NOTES FOR AUGUST 2023

On December 21, 2022 (the “**Petition Date**”), Core Scientific, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**” or the “**Company**”), each commenced a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors’ chapter 11 cases are being jointly administered for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 1015-1 of the Bankruptcy Local Rules for the United States Bankruptcy Court for the Southern District of Texas (the “**Local Rules**”). On January 9, 2023, the United States Trustee for Region 7 (the “**U.S. Trustee**”) appointed an official committee of unsecured creditors (the “**Creditors’ Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. On March 23, 2023, the U.S. Trustee appointed an official equity committee (the “**Equity Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

The following notes and statements of limitations and disclaimers should be referred to, and referenced in connection with, any review of this Monthly Operating Report (the “**MOR**”).

1. **Introduction.** This MOR is unaudited and does not purport to represent financial statements prepared in accordance with accounting principles generally accepted in the United States (“**GAAP**”), and it is not intended to fully reconcile to the consolidated financial statements prepared by the Debtors. Information contained in this MOR has been derived from the Debtors’ books and records, but does not reflect in all circumstances presentation for GAAP or SEC reporting purposes. Therefore, to comply with their obligations to provide MORs during these chapter 11 cases, the Debtors have prepared this MOR using the best information presently available to them, which has been collected, maintained, and prepared in accordance with their historical accounting practices. Accordingly, this MOR is true and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (6074); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions VII, LLC (3198). The Debtors’ corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

accurate to the best of the Debtors' knowledge, information, and belief, based on currently-available data. The results of operations and financial position contained herein are not necessarily indicative of results that may be expected for any period other than the period beginning on August 1, 2023 and ending August 31, 2023, or for the full year, and may not necessarily reflect the Debtors' future consolidated results of operations and financial position.

2. **Reservation of Rights.** This MOR is limited in scope, covers the period beginning on August 1, 2023 and ending August 31, 2023, and has been prepared solely for the purpose of complying with the monthly reporting requirements of the Debtors' chapter 11 cases. The unaudited financial information for this report has been derived from the Debtors' books and records. The information presented herein has not been subject to all procedures that typically would be applied to financial information in accordance with U.S. GAAP. Upon the application of such procedures, the Debtors believe that the financial information could be subject to material change. The information furnished in this MOR includes normal recurring adjustments but does not include all of the adjustments that typically would be made for interim financial information presented in accordance with GAAP.

Given the complexity of the Debtors' business, inadvertent errors or omission may occur. Accordingly, the Debtors hereby reserve all of their rights to dispute the nature, validity, status, enforceability, or executory natures of any claim amount, agreement, representation, or other statement set forth in this MOR. Further, the Debtors reserve the right to amend or supplement this MOR, if necessary, but shall be under no obligation to do so.

3. **Basis of Presentation.** Although the Debtors generally prepare their financial statements on a consolidated basis, the MOR has been prepared on an entity-by-entity basis (excluding most intercompany eliminations) for Debtors Core Scientific, Inc., Core Scientific Acquired Mining LLC, Core Scientific Operating Company, Core Scientific Mining LLC, Radar Relay, Inc., Core Scientific Specialty Mining (Oklahoma) LLC, American Property Acquisition, LLC, Starboard Capital LLC, RADAR LLC, American Property Acquisitions I, LLC, and American Property Acquisitions VII, LLC. The financial information contained herein is unaudited, limited in scope, covers a limited time period, and has been prepared solely for the purpose of complying with the monthly reporting requirements for chapter 11 debtors issued by the UST.

The amounts reported in this MOR are as-of August 31, 2023, the end of the Debtors' reporting period. This MOR covers the period beginning August 1, 2023 and ending August 31, 2023.

4. **Accounting Principles.** The Debtors maintain their financial records according to GAAP, however the MOR does not purport to represent financial statements prepared in accordance with GAAP, nor are they intended to be fully reconciled with the financial statements of the Debtors.

The Debtors generally prepare financial statements on a consolidated basis. To the extent that there are negative asset balances for an individual Debtor, such as accounts receivable and current assets, they may be due to some intercompany elimination transactions or adjustments in each specific Debtor's books and records.

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5. **Currency.** Unless otherwise indicated, all amounts in the MOR are reflected in U.S. dollars.
6. **Consolidated Entity Accounts Payable and Disbursement Systems.** Cash is received and disbursed by the Debtors as described in the *Emergency Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Continue their Existing Cash Management System, (B) Maintain Existing Business Forms and Intercompany Arrangements, (C) Continue Intercompany Transactions, and (D) Continue Utilizing Employee Credit Cards; and (II) Granting Related Relief* (Docket No. 12) (the “**Cash Management Motion**”) and the Debtors’ receipt and disbursement of cash is consistent with the Debtors’ historical cash management practices. Due to the consolidated cash management reporting system, certain cash payments may be paid out of a legal entity that is different than the legal entity at which the expenses were incurred. Also, certain cash receipts may be received in a different legal entity than the legal entity at which the accounts receivable is recorded. Disbursements attributed to each entity represent the entity on behalf of which payments were made, on a proportional allocated basis, from the consolidated cash management system.
7. **Supporting Documentation.** At the direction of the U.S. Trustee, the following schedules are attached to the MORs: (i) Statement of Cash Receipts and Disbursements; (ii) Balance Sheet; (iii) Income Statement (profit or loss statement); (iv) Schedule of Asset Sales; and (v) Schedule of Payments to Insiders.

Statement of Cash Receipts and Disbursements. Based on guidance received from the Office of the United States Trustee in connection with the completion of UST Form 11-MOR Part 1, Cash Receipts and Disbursements, reported cash receipts and disbursements should exclude intercompany and debtor-to-debtor transactions. As a result, for those debtors with net intercompany cash outflows or inflows during the reporting period, the ending cash balances reported on Form 11-MOR Part 1 may not match the ending cash balances per the Debtors’ bank statements or the Debtors’ books and records. For additional information on ending cash balances per the Debtors’ books and records, see the attached cash balances per MOR-1: Schedule of Cash Receipts and Disbursements.

Balance Sheet. Liabilities Subject to Compromise (“LSTC”): LSTC represent the Debtors’ estimate of prepetition claims to be resolved in connection with the chapter 11 cases. As a result of the chapter 11 filings, the payment of prepetition liabilities are subject to compromise or other treatment under a plan of reorganization. The determination of how such liabilities will ultimately be settled or treated cannot be made until the Court approves a chapter 11 plan of reorganization. Accordingly, the ultimate amount of such liabilities is not determinable at this time. Prepetition liabilities that are subject to compromise under ASC 852 are preliminary and may be subject to, among other things, future adjustments depending on Court actions, further developments with respect to disputed claims, determinations of the secured status of certain claims, the values of any collateral securing such claims, rejection of executory contracts, continued reconciliation or other events.

As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate balance sheets in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate balance sheets for the remaining Debtor entities. Consequently, the balance sheets included in the MOR for these Debtors reflect no balances.

Values in the balance sheet(s) attached hereto represent rounded numbers. Accordingly, subtotals may not agree to the summation of the rounded numbers presented.

Income Statement. As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate income statements in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate income statements for the remaining Debtor entities. Consequently, the income statements included in the MOR for these Debtors reflect no income.

Schedule of Payments to Insiders. This schedule provides additional detail for the period on page 1 of the MOR. For each insider payment made during the reporting period the following information is provided: Recipient; Date of payment or benefit provided; Amount of cash payment or market value of non-cash payment; and Reason for each payment made.

8. **Part 1: Cash Receipts and Disbursements.** Cumulative quarter-to-date for Q3 2023 disbursements are reported in the Cumulative figures in the MOR. Cumulative case to date total disbursements through August 31, 2023 are \$348,255,982.
9. **Part 2: Asset and Liability Status.** Long-term lease liabilities resulting from the Debtors' office / location leases and equipment / fixed asset leases are reported as prepetition unsecured debt. Beginning with the April MOR, the (i) April 2022 \$60 million Bridge Promissory Note with BRF Finance Co, LLC and (ii) April 2022 \$15 million Bridge Promissory Note with B. Riley Commercial Capital, LLC (collectively, the "Unsecured Bridge Notes"), are also reported as prepetition unsecured debt, whereas the Unsecured Bridge Notes were inadvertently included in prepetition priority debt on previous monthly operating reports.
10. **Part 3: Assets Sold or Transferred.** The Company regularly receives credits and/or coupons from Bitmain Technologies Ltd.'s reward and price protection programs. The Company subsequently redeems these credits and/or coupons for new ASIC miner acquisitions or sells them to third parties when they are not able to be utilized by the Company. The Company may recognize other income when the credits and/or coupons are redeemed in noncash acquisitions or sold to third parties.
11. **Part 5: Professional Fees and Expenses.** For purposes of the MORs, bankruptcy professional fees are considered approved if the applicable monthly fee statement has been served and the objection deadline with regard to such monthly fee statement has expired prior to the end date of the MOR period.

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12. **Part 7 Questionnaire**. Pursuant to certain orders of the Bankruptcy Court entered in the Debtors' chapter 11 cases (the "**First Day Orders**"), the Debtors were authorized (but not directed) to pay, among other things, certain prepetition claims of their employees, taxing authorities, insurers, critical vendors, and certain other prepetition creditors. Amounts paid pursuant to the First Day Orders are monitored as to limits provided in the applicable orders of the Bankruptcy Court governing payment of such prepetition obligations, and this report is available to the U.S. Trustee as required.

In the ordinary course of business, the Debtors' tax filings may extend past the normal deadlines and become late in some instances. When this happens, the Debtors arrange to complete the filings and address any related fines and/or penalties. There are no tax filings that are currently late where the Debtors are not also in dialogue with the related taxing authority to become compliant.

All postpetition borrowings since the inception of the case, other than trade credit, are borrowings made under the Initial DIP Facility or the Replacement DIP Facility.

[illegible]

MOR-2: End of August 2023 Balance Sheet

(US \$)	Core Scientific, Inc.	Core Scientific Acquired Mining LLC	Core Scientific Operating Company	Radar Relay, Inc.	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC	Elimination Co ¹
ASSETS												
Cash and Equivalents	1,650,308	141,898	41,146,568	—	—	—	—	—	—	—	—	—
Restricted Cash	20,155,346	—	805,024	—	—	—	—	—	—	—	—	—
Total Cash	21,805,654	141,898	41,951,592	—	—	—	—	—	—	—	—	—
Accounts receivable, net of allowance ¹	—	—	1,447,717	—	—	—	—	—	—	—	—	—
Accounts receivable from related parties	467,184,855	151,035,671	(473,011,494)	1,160,033	—	—	—	—	—	—	—	(146,36)
Deposits for equipment	—	—	100,897	—	—	—	—	—	—	—	—	—
Digital currency assets	—	101,214	703,260	—	—	—	—	—	—	—	—	—
Prepaid expenses and other	—	22,610,400	22,555,503	—	—	—	—	—	—	—	—	(22,60)
Total other current assets	1,835,680,497	(1,128,199,397)	(701,290,764)	12,734	—	—	—	—	—	—	—	—
Total Current Assets	2,324,671,006	(954,310,215)	(1,107,543,289)	1,172,767	—	—	—	—	—	—	—	(168,96)
Property, plant and equipment	—	43,554,921	565,370,886	—	—	—	—	—	—	—	—	(15,61)
Operating lease-right-of-use assets	—	—	19,808,855	—	—	—	—	—	—	—	—	—
Goodwill	—	232,587,379	(167,058,249)	(65,529,130)	—	—	—	—	—	—	—	—
Intangible assets, net	—	—	2,542,228	—	—	—	—	—	—	—	—	—
Other noncurrent assets	2,558,789	(0)	6,731,497	—	—	—	—	—	—	—	—	—
Total Assets	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,364)	—	—	—	—	—	—	—	(184,58)
LIABILITIES, STOCK & EQUITY												
Accounts Payable	—	146,436,696	81,570,312	1,750	—	—	—	—	—	—	—	(146,36)
Accrued expenses and other	199,366	18,136,331	54,393,080	—	—	—	—	—	—	—	—	—
Deferred revenue	—	—	104,003,372	—	—	—	—	—	—	—	—	(38,49)
Derivative warrant liabilities	—	—	—	—	—	—	—	—	—	—	—	—
Operating lease liabilities, current portion	—	—	295,229	—	—	—	—	—	—	—	—	—
Financing lease liabilities, current portion	—	—	26,116,234	—	—	—	—	—	—	—	—	—
Long-term debt, current portion	(559,901,857)	—	716,969,147	—	—	—	—	—	—	—	—	—
Total current liabilities	(559,702,491)	164,573,027	983,347,375	1,750	—	—	—	—	—	—	—	(184,85)
Operating lease liabilities, net of current portion	—	—	14,529,985	—	—	—	—	—	—	—	—	—
Financing lease liabilities, net of current portion	—	—	41,338,777	—	—	—	—	—	—	—	—	—
Long-term debt, net of current portion	568,258,150	—	108,254,839	—	—	—	—	—	—	—	—	—
Other noncurrent liabilities	—	18,084,856	(15,497,087)	(2,587,769)	—	—	—	—	—	—	—	—
Total Liabilities	8,555,659	182,657,883	1,131,973,889	(2,586,019)	—	—	—	—	—	—	—	(184,85)
Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—
Total Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—
Preferred stock	—	—	—	—	—	—	—	—	—	—	—	—
Common stock	37,478	—	—	—	—	—	—	—	—	—	—	—
Additional paid-in capital	1,814,023,126	(15,979,141)	2,887,621	—	—	—	—	—	—	—	—	—
Accumulated deficit	(179,781,838)	(844,893,639)	(1,130,614,212)	(61,770,345)	—	—	—	—	—	—	—	31
Other Comprehensive Income	—	—	—	—	—	—	—	—	—	—	—	—
Cumulative Translation Adjustment	—	46,983	—	—	—	—	—	—	—	—	—	(4)
Total Equity	1,634,278,766	(860,825,798)	(1,127,726,591)	(61,770,345)	—	—	—	—	—	—	—	27
Total Liabilities, Preferred Stock & Equity	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,364)	—	—	—	—	—	—	—	(184,58)

¹ The 'Elimination Co' column addresses the accounting of intercompany balances to enable consolidated reporting in the 'Total' column

MOR-3: 8/1/2023 - 8/31/2023 Profit & Loss

	Core Scientific, Inc.	Core Scientific Acquired Mining LLC	Core Scientific Operating Company	Radar Relay, Inc.	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC
Total Revenue <i>(dollars in thousands)</i>											
Hosting revenue from customers	—	—	8,337,117	—	—	—	—	—	—	—	—
Hosting revenue from related parties	—	—	2,723,619	—	—	—	—	—	—	—	—
Equipment sales to customers	—	—	—	—	—	—	—	—	—	—	—
Equipment sales to related parties	—	—	—	—	—	—	—	—	—	—	—
Digital asset mining income	—	2,323,886	24,559,363	—	—	—	—	—	—	—	—
Network services and defi revenue	—	—	—	—	—	—	—	—	—	—	—
Total Revenue	—	2,323,886	35,620,099	—	—	—	—	—	—	—	—
Cost of revenue	—	(3,435,120)	(33,672,069)	—	—	—	—	—	—	—	—
Gross Profit	—	(1,111,235)	1,948,031	—	—	—	—	—	—	—	—
Gain (loss) on legal settlements	—	—	85,000	—	—	—	—	—	—	—	—
Gain (loss) from sales of digital currency assets	—	14,598	109,197	—	—	—	—	—	—	—	—
Impairments of digital currency assets	—	(27,236)	(273,402)	—	—	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—	—	—	—	—	—
Impairment of property, plant and equipment	—	—	—	—	—	—	—	—	—	—	—
Losses on exchange or disposal of property, plant and equipment	—	—	(27)	—	—	—	—	—	—	—	—
Operating expenses:											
Research and development	—	—	(1,083,293)	—	—	—	—	—	—	—	—
Sales and marketing	—	—	(359,197)	—	—	—	—	—	—	—	—
General and administrative	—	(70,677)	(10,042,606)	—	—	—	—	—	—	—	—
Advisor Fees	—	—	—	—	—	—	—	—	—	—	—
Total operating expenses	—	(70,677)	(11,485,096)	—	—	—	—	—	—	—	—
Operating Income (Loss)	—	(1,194,550)	(9,616,298)	—	—	—	—	—	—	—	—
Non-operating income (expense), net:											
Loss on debt extinguishment	—	—	—	—	—	—	—	—	—	—	—
Interest expense, net	—	—	63,250	—	—	—	—	—	—	—	—
Other non-operating expenses, net	—	—	—	—	—	—	—	—	—	—	—
Reorganization items	—	—	(17,973,376)	—	—	—	—	—	—	—	—
Total Non-operating income (expense), net:	—	—	(17,910,126)	—	—	—	—	—	—	—	—
Income (loss) before income taxes	—	(1,194,550)	(27,526,425)	—	—	—	—	—	—	—	—
Income tax expense	—	—	—	—	—	—	—	—	—	—	—
Net Income (Loss)	—	(1,194,550)	(27,526,425)	—	—	—	—	—	—	—	—

Monthly Operating Report Chapter 11

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Part 1: Cash Receipts and Disbursements

	Current Month	Cumulative
a. Cash balance beginning of month	\$ 0	
b. Total receipts (net of transfers between accounts)	\$ 0	\$ 0
c. Total disbursements (net of transfers between accounts)	\$ 0	\$ 0
d. Cash balance end of month (a+b-c)	\$ 0	
e. Disbursements made by third party for the benefit of the estate	\$ 0	\$ 0
f. Total disbursements for quarterly fee calculation (c+e)	\$ 0	\$ 0

Part 2: Asset and Liability Status

(Not generally applicable to Individual Debtors. See Instructions.)

	Current Month	
a. Accounts receivable (total net of allowance)	\$ 0	
b. Accounts receivable over 90 days outstanding (net of allowance)	\$ 0	
c. Inventory (Book <input checked="" type="checkbox"/> Market <input type="checkbox"/> Other <input type="checkbox"/> (attach explanation))	\$ 0	
d. Total current assets	\$ 0	
e. Total assets	\$ 0	
f. Postpetition payables (excluding taxes)	\$ 0	
g. Postpetition payables past due (excluding taxes)	\$ 0	
h. Postpetition taxes payable	\$ 0	
i. Postpetition taxes past due	\$ 0	
j. Total postpetition debt (f+h)	\$ 0	
k. Prepetition secured debt	\$ 0	
l. Prepetition priority debt	\$ 0	
m. Prepetition unsecured debt	\$ 0	
n. Total liabilities (debt) (j+k+l+m)	\$ 0	
o. Ending equity/net worth (e-n)	\$ 0	

Part 3: Assets Sold or Transferred

	Current Month	Cumulative
a. Total cash sales price for assets sold/transferred outside the ordinary course of business	\$ 0	\$ 0
b. Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$ 0	\$ 0
c. Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$ 0	\$ 0

Part 4: Income Statement (Statement of Operations)

(Not generally applicable to Individual Debtors. See Instructions.)

	Current Month	Cumulative
a. Gross income/sales (net of returns and allowances)	\$ 0	
b. Cost of goods sold (inclusive of depreciation, if applicable)	\$ 0	
c. Gross profit (a-b)	\$ 0	
d. Selling expenses	\$ 0	
e. General and administrative expenses	\$ 0	
f. Other expenses	\$ 0	
g. Depreciation and/or amortization (not included in 4b)	\$ 0	
h. Interest	\$ 0	
i. Taxes (local, state, and federal)	\$ 0	
j. Reorganization items	\$ 0	
k. Profit (loss)	\$ 0	\$ 0

Part 5: Professional Fees and Expenses			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
a.	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>					
	<i>Itemized Breakdown by Firm</i>					
		Firm Name	Role			
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	ii					
	iii					
	iv					
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xcviii						
xcix						
c						
c. All professional fees and expenses (debtor & committees)			\$0	\$0	\$0	\$0

Part 6: Postpetition Taxes

	Current Month	Cumulative
a. Postpetition income taxes accrued (local, state, and federal)	\$0	\$0
b. Postpetition income taxes paid (local, state, and federal)	\$0	\$0
c. Postpetition employer payroll taxes accrued	\$0	\$0
d. Postpetition employer payroll taxes paid	\$0	\$0
e. Postpetition property taxes paid	\$0	\$0
f. Postpetition other taxes accrued (local, state, and federal)	\$0	\$0
g. Postpetition other taxes paid (local, state, and federal)	\$0	\$0

Part 7: Questionnaire - During this reporting period:

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes ☐ No ☒
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes ☐ No ☒
- c. Were any payments made to or on behalf of insiders? Yes ☐ No ☒
- d. Are you current on postpetition tax return filings? Yes ☒ No ☐
- e. Are you current on postpetition estimated tax payments? Yes ☒ No ☐
- f. Were all trust fund taxes remitted on a current basis? Yes ☒ No ☐
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes ☐ No ☒
- h. Were all payments made to or on behalf of professionals approved by the court? Yes ☐ No ☐ N/A ☒
- i. Do you have:
- Worker's compensation insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- Casualty/property insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- General liability insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court? Yes ☒ No ☐
- k. Has a disclosure statement been filed with the court? Yes ☒ No ☐
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☒ No ☐

Part 8: Individual Chapter 11 Debtors (Only)

a. Gross income (receipts) from salary and wages	\$	0
b. Gross income (receipts) from self-employment	\$	0
c. Gross income from all other sources	\$	0
d. Total income in the reporting period (a+b+c)	\$	0
e. Payroll deductions	\$	0
f. Self-employment related expenses	\$	0
g. Living expenses	\$	0
h. All other expenses	\$	0
i. Total expenses in the reporting period (e+f+g+h)	\$	0
j. Difference between total income and total expenses (d-i)	\$	0
k. List the total amount of all postpetition debts that are past due	\$	0
l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
m. If yes, have you made all Domestic Support Obligation payments?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

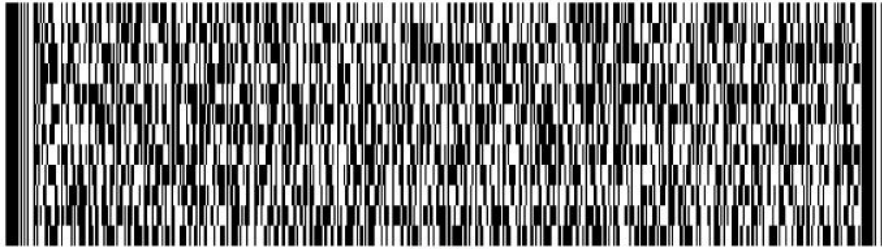
I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

/s/ Michael Bros
 Signature of Responsible Party

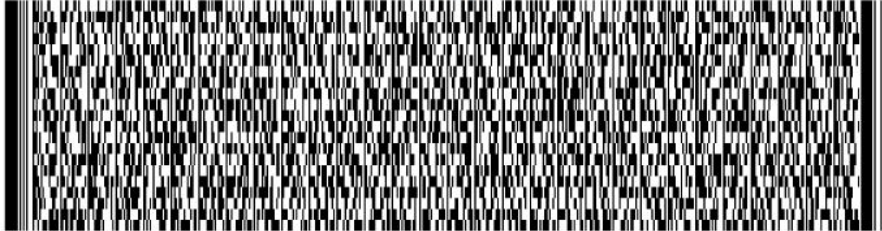
 SVP, Capital Markets and Acquisitions
 Title

Michael Bros
 Printed Name of Responsible Party

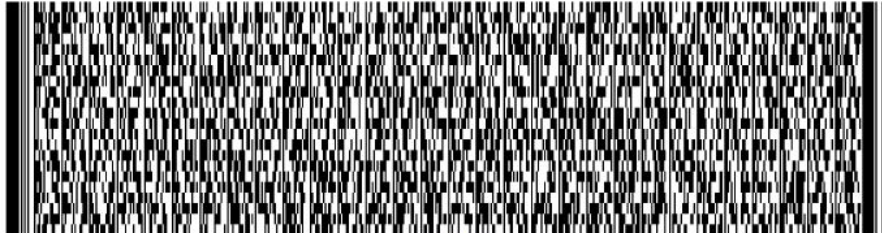
 09/29/2023
 Date



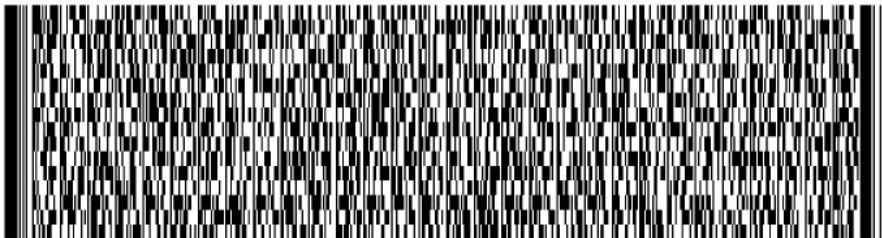
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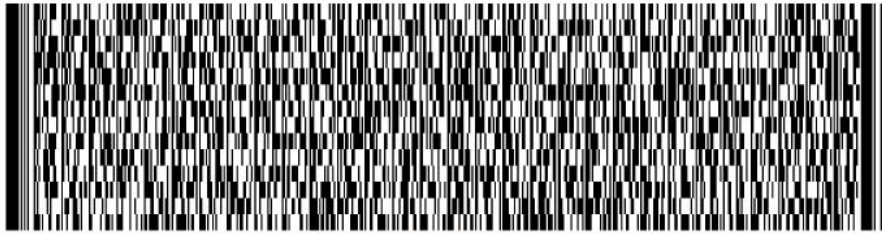
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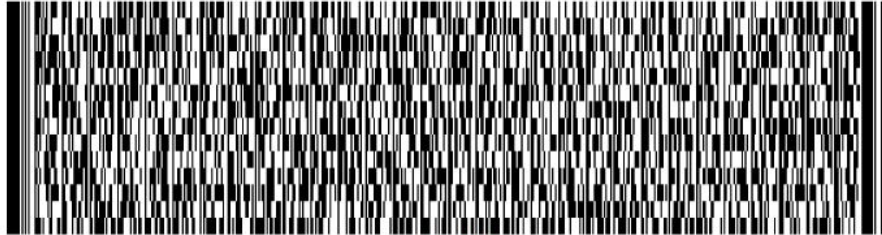
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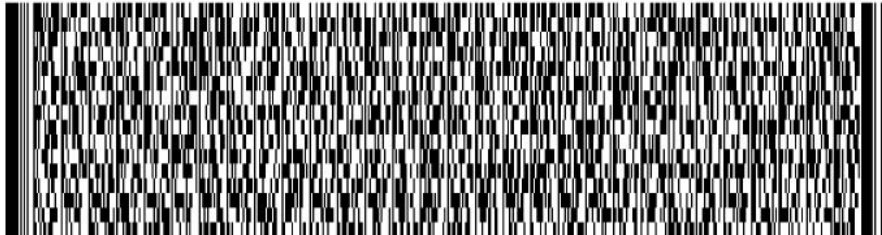
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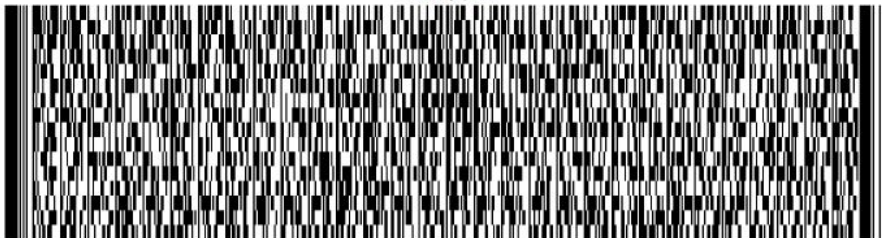
Bankruptcy1to50



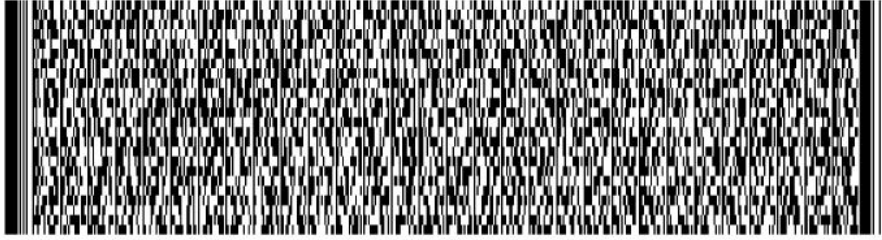
Bankruptcy51to100



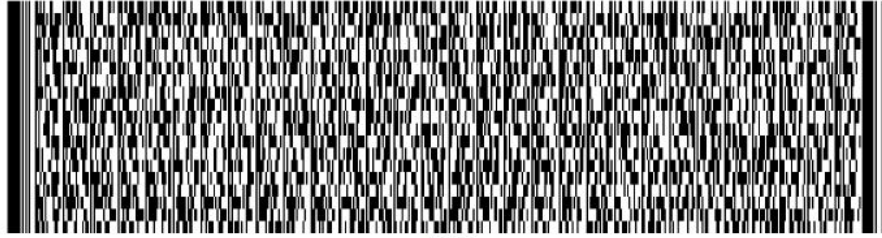
NonBankruptcy1to50



NonBankruptcy51to100



Page three



Page four

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	Chapter 11
	§	
CORE SCIENTIFIC, INC., <i>et al.</i> ,	§	Case No. 22-90341 (DRJ)
	§	
Debtors, ¹	§	(Jointly Administered)

MONTHLY OPERATING REPORT NOTES FOR AUGUST 2023

On December 21, 2022 (the “**Petition Date**”), Core Scientific, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**” or the “**Company**”), each commenced a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors’ chapter 11 cases are being jointly administered for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 1015-1 of the Bankruptcy Local Rules for the United States Bankruptcy Court for the Southern District of Texas (the “**Local Rules**”). On January 9, 2023, the United States Trustee for Region 7 (the “**U.S. Trustee**”) appointed an official committee of unsecured creditors (the “**Creditors’ Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. On March 23, 2023, the U.S. Trustee appointed an official equity committee (the “**Equity Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

The following notes and statements of limitations and disclaimers should be referred to, and referenced in connection with, any review of this Monthly Operating Report (the “**MOR**”).

1. **Introduction.** This MOR is unaudited and does not purport to represent financial statements prepared in accordance with accounting principles generally accepted in the United States (“**GAAP**”), and it is not intended to fully reconcile to the consolidated financial statements prepared by the Debtors. Information contained in this MOR has been derived from the Debtors’ books and records, but does not reflect in all circumstances presentation for GAAP or SEC reporting purposes. Therefore, to comply with their obligations to provide MORs during these chapter 11 cases, the Debtors have prepared this MOR using the best information presently available to them, which has been collected, maintained, and prepared in accordance with their historical accounting practices. Accordingly, this MOR is true and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (6074); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions VII, LLC (3198). The Debtors’ corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

accurate to the best of the Debtors' knowledge, information, and belief, based on currently-available data. The results of operations and financial position contained herein are not necessarily indicative of results that may be expected for any period other than the period beginning on August 1, 2023 and ending August 31, 2023, or for the full year, and may not necessarily reflect the Debtors' future consolidated results of operations and financial position.

2. **Reservation of Rights** This MOR is limited in scope, covers the period beginning on August 1, 2023 and ending August 31, 2023, and has been prepared solely for the purpose of complying with the monthly reporting requirements of the Debtors' chapter 11 cases. The unaudited financial information for this report has been derived from the Debtors' books and records. The information presented herein has not been subject to all procedures that typically would be applied to financial information in accordance with U.S. GAAP. Upon the application of such procedures, the Debtors believe that the financial information could be subject to material change. The information furnished in this MOR includes normal recurring adjustments but does not include all of the adjustments that typically would be made for interim financial information presented in accordance with GAAP.

Given the complexity of the Debtors' business, inadvertent errors or omission may occur. Accordingly, the Debtors hereby reserve all of their rights to dispute the nature, validity, status, enforceability, or executory natures of any claim amount, agreement, representation, or other statement set forth in this MOR. Further, the Debtors reserve the right to amend or supplement this MOR, if necessary, but shall be under no obligation to do so.

3. **Basis of Presentation** Although the Debtors generally prepare their financial statements on a consolidated basis, the MOR has been prepared on an entity-by-entity basis (excluding most intercompany eliminations) for Debtors Core Scientific, Inc., Core Scientific Acquired Mining LLC, Core Scientific Operating Company, Core Scientific Mining LLC, Radar Relay, Inc., Core Scientific Specialty Mining (Oklahoma) LLC, American Property Acquisition, LLC, Starboard Capital LLC, RADAR LLC, American Property Acquisitions I, LLC, and American Property Acquisitions VII, LLC. The financial information contained herein is unaudited, limited in scope, covers a limited time period, and has been prepared solely for the purpose of complying with the monthly reporting requirements for chapter 11 debtors issued by the UST.

The amounts reported in this MOR are as-of August 31, 2023, the end of the Debtors' reporting period. This MOR covers the period beginning August 1, 2023 and ending August 31, 2023.

4. **Accounting Principles** The Debtors maintain their financial records according to GAAP, however the MOR does not purport to represent financial statements prepared in accordance with GAAP, nor are they intended to be fully reconciled with the financial statements of the Debtors.

The Debtors generally prepare financial statements on a consolidated basis. To the extent that there are negative asset balances for an individual Debtor, such as accounts receivable and current assets, they may be due to some intercompany elimination transactions or adjustments in each specific Debtor's books and records.

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5. **Currency.** Unless otherwise indicated, all amounts in the MOR are reflected in U.S. dollars.
6. **Consolidated Entity Accounts Payable and Disbursement Systems.** Cash is received and disbursed by the Debtors as described in the *Emergency Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Continue their Existing Cash Management System, (B) Maintain Existing Business Forms and Intercompany Arrangements, (C) Continue Intercompany Transactions, and (D) Continue Utilizing Employee Credit Cards; and (II) Granting Related Relief* (Docket No. 12) (the “**Cash Management Motion**”) and the Debtors’ receipt and disbursement of cash is consistent with the Debtors’ historical cash management practices. Due to the consolidated cash management reporting system, certain cash payments may be paid out of a legal entity that is different than the legal entity at which the expenses were incurred. Also, certain cash receipts may be received in a different legal entity than the legal entity at which the accounts receivable is recorded. Disbursements attributed to each entity represent the entity on behalf of which payments were made, on a proportional allocated basis, from the consolidated cash management system.
7. **Supporting Documentation.** At the direction of the U.S. Trustee, the following schedules are attached to the MORs: (i) Statement of Cash Receipts and Disbursements; (ii) Balance Sheet; (iii) Income Statement (profit or loss statement); (iv) Schedule of Asset Sales; and (v) Schedule of Payments to Insiders.

Statement of Cash Receipts and Disbursements. Based on guidance received from the Office of the United States Trustee in connection with the completion of UST Form 11-MOR Part 1, Cash Receipts and Disbursements, reported cash receipts and disbursements should exclude intercompany and debtor-to-debtor transactions. As a result, for those debtors with net intercompany cash outflows or inflows during the reporting period, the ending cash balances reported on Form 11-MOR Part 1 may not match the ending cash balances per the Debtors’ bank statements or the Debtors’ books and records. For additional information on ending cash balances per the Debtors’ books and records, see the attached cash balances per MOR-1: Schedule of Cash Receipts and Disbursements.

Balance Sheet. Liabilities Subject to Compromise (“LSTC”): LSTC represent the Debtors’ estimate of prepetition claims to be resolved in connection with the chapter 11 cases. As a result of the chapter 11 filings, the payment of prepetition liabilities are subject to compromise or other treatment under a plan of reorganization. The determination of how such liabilities will ultimately be settled or treated cannot be made until the Court approves a chapter 11 plan of reorganization. Accordingly, the ultimate amount of such liabilities is not determinable at this time. Prepetition liabilities that are subject to compromise under ASC 852 are preliminary and may be subject to, among other things, future adjustments depending on Court actions, further developments with respect to disputed claims, determinations of the secured status of certain claims, the values of any collateral securing such claims, rejection of executory contracts, continued reconciliation or other events.

As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate balance sheets in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate balance sheets for the remaining Debtor entities. Consequently, the balance sheets included in the MOR for these Debtors reflect no balances.

Values in the balance sheet(s) attached hereto represent rounded numbers. Accordingly, subtotals may not agree to the summation of the rounded numbers presented.

Income Statement. As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate income statements in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate income statements for the remaining Debtor entities. Consequently, the income statements included in the MOR for these Debtors reflect no income.

Schedule of Payments to Insiders. This schedule provides additional detail for the period on page 1 of the MOR. For each insider payment made during the reporting period the following information is provided: Recipient; Date of payment or benefit provided; Amount of cash payment or market value of non-cash payment; and Reason for each payment made.

8. **Part 1: Cash Receipts and Disbursements.** Cumulative quarter-to-date for Q3 2023 disbursements are reported in the Cumulative figures in the MOR. Cumulative case to date total disbursements through August 31, 2023 are \$348,255,982.
9. **Part 2: Asset and Liability Status.** Long-term lease liabilities resulting from the Debtors' office / location leases and equipment / fixed asset leases are reported as prepetition unsecured debt. Beginning with the April MOR, the (i) April 2022 \$60 million Bridge Promissory Note with BRF Finance Co, LLC and (ii) April 2022 \$15 million Bridge Promissory Note with B. Riley Commercial Capital, LLC (collectively, the "**Unsecured Bridge Notes**"), are also reported as prepetition unsecured debt, whereas the Unsecured Bridge Notes were inadvertently included in prepetition priority debt on previous monthly operating reports.
10. **Part 3: Assets Sold or Transferred.** The Company regularly receives credits and/or coupons from Bitmain Technologies Ltd.'s reward and price protection programs. The Company subsequently redeems these credits and/or coupons for new ASIC miner acquisitions or sells them to third parties when they are not able to be utilized by the Company. The Company may recognize other income when the credits and/or coupons are redeemed in noncash acquisitions or sold to third parties.
11. **Part 5: Professional Fees and Expenses.** For purposes of the MORs, bankruptcy professional fees are considered approved if the applicable monthly fee statement has been served and the objection deadline with regard to such monthly fee statement has expired prior to the end date of the MOR period.

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12. **Part 7 Questionnaire**. Pursuant to certain orders of the Bankruptcy Court entered in the Debtors' chapter 11 cases (the "**First Day Orders**"), the Debtors were authorized (but not directed) to pay, among other things, certain prepetition claims of their employees, taxing authorities, insurers, critical vendors, and certain other prepetition creditors. Amounts paid pursuant to the First Day Orders are monitored as to limits provided in the applicable orders of the Bankruptcy Court governing payment of such prepetition obligations, and this report is available to the U.S. Trustee as required.

In the ordinary course of business, the Debtors' tax filings may extend past the normal deadlines and become late in some instances. When this happens, the Debtors arrange to complete the filings and address any related fines and/or penalties. There are no tax filings that are currently late where the Debtors are not also in dialogue with the related taxing authority to become compliant.

All postpetition borrowings since the inception of the case, other than trade credit, are borrowings made under the Initial DIP Facility or the Replacement DIP Facility.

[illegible]

MOR-2: End of August 2023 Balance Sheet

	Core Scientific, Inc.	Core Scientific Acquired Mining LLC	Core Scientific Operating Company	Radar Relay, Inc.	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC	Eliminati
<i>(\$)</i>												
ASSETS												
Cash and Equivalents	1,650,308	141,898	41,146,568	—	—	—	—	—	—	—	—	—
Restricted Cash	20,155,346	—	805,024	—	—	—	—	—	—	—	—	—
Total Cash	21,805,654	141,898	41,951,592	—	—	—	—	—	—	—	—	—
Accounts receivable, net of allowance	—	—	1,447,717	—	—	—	—	—	—	—	—	—
Accounts receivable from related parties	467,184,855	151,035,671	(473,011,494)	1,160,033	—	—	—	—	—	—	—	(146,3
Deposits for equipment	—	—	100,897	—	—	—	—	—	—	—	—	—
Digital currency assets	—	101,214	703,260	—	—	—	—	—	—	—	—	—
Prepaid expenses and other	—	22,610,400	22,555,503	—	—	—	—	—	—	—	—	(22,6
Total other current assets	1,835,680,497	(1,128,199,397)	(701,290,764)	12,734	—	—	—	—	—	—	—	—
Total Current Assets	2,324,671,006	(954,310,215)	(1,107,543,289)	1,172,767	—	—	—	—	—	—	—	(168,9
Property, plant and equipment	—	43,554,921	565,370,886	—	—	—	—	—	—	—	—	(15,6
Operating lease-right-of-use assets	—	—	19,808,855	—	—	—	—	—	—	—	—	—
Goodwill	—	232,587,379	(167,058,249)	(65,529,130)	—	—	—	—	—	—	—	—
Intangible assets, net	—	—	2,542,228	—	—	—	—	—	—	—	—	—
Other noncurrent assets	2,558,789	(0)	6,731,497	—	—	—	—	—	—	—	—	—
Total Assets	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,364)	—	—	—	—	—	—	—	(184,5
LIABILITIES, PREFERRED STOCK & EQUITY												
Accounts Payable	—	146,436,696	81,570,312	1,750	—	—	—	—	—	—	—	(146,3
Accrued expenses and other	199,366	18,136,331	54,393,080	—	—	—	—	—	—	—	—	—
Deferred revenue	—	—	104,003,372	—	—	—	—	—	—	—	—	(38,4
Derivative warrant liabilities	—	—	—	—	—	—	—	—	—	—	—	—
Operating lease liabilities, current portion	—	—	295,229	—	—	—	—	—	—	—	—	—
Financing lease liabilities, current portion	—	—	26,116,234	—	—	—	—	—	—	—	—	—
Long-term debt, current portion	(559,901,857)	—	716,969,147	—	—	—	—	—	—	—	—	—
Total current liabilities	(559,702,491)	164,573,027	983,347,375	1,750	—	—	—	—	—	—	—	(184,8
Operating lease liabilities, net of current portion	—	—	14,529,985	—	—	—	—	—	—	—	—	—
Financing lease liabilities, net of current portion	—	—	41,338,777	—	—	—	—	—	—	—	—	—
Long-term debt, net of current portion	568,258,150	—	108,254,839	—	—	—	—	—	—	—	—	—
Other noncurrent liabilities	—	18,084,856	(15,497,087)	(2,587,769)	—	—	—	—	—	—	—	—
Total Liabilities	8,555,659	182,657,883	1,131,973,889	(2,586,019)	—	—	—	—	—	—	—	(184,8
Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—
Total Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—
Preferred stock	—	—	—	—	—	—	—	—	—	—	—	—
Common stock	37,478	—	—	—	—	—	—	—	—	—	—	—
Additional paid-in capital	1,814,023,126	(15,979,141)	2,887,621	—	—	—	—	—	—	—	—	—
Accumulated deficit	(179,781,838)	(844,893,639)	(1,130,614,212)	(61,770,345)	—	—	—	—	—	—	—	3
Other Comprehensive Income	—	—	—	—	—	—	—	—	—	—	—	—
Cumulative Translation Adjustment	—	46,983	—	—	—	—	—	—	—	—	—	(
Total Equity	1,634,278,766	(860,825,798)	(1,127,726,591)	(61,770,345)	—	—	—	—	—	—	—	2
Total Liabilities, Preferred Stock & Equity	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,364)	—	—	—	—	—	—	—	(184,5

¹ The 'Elimination Co' column addresses the accounting of intercompany balances to enable consolidated reporting in the 'Total' column

MOR-3: 8/1/2023 - 8/31/2023 Profit & Loss

	Core Scientific, Inc.	Core Scientific Acquired Mining LLC	Core Scientific Operating Company	Radar Relay, Inc	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC
Total Revenue <i>(dollars in thousands)</i>											
Hosting revenue from customers	—	—	8,337,117	—	—	—	—	—	—	—	—
Hosting revenue from related parties	—	—	2,723,619	—	—	—	—	—	—	—	—
Equipment sales to customers	—	—	—	—	—	—	—	—	—	—	—
Equipment sales to related parties	—	—	—	—	—	—	—	—	—	—	—
Digital asset mining income	—	2,323,886	24,559,363	—	—	—	—	—	—	—	—
Network services and defi revenue	—	—	—	—	—	—	—	—	—	—	—
Total Revenue	—	2,323,886	35,620,099	—	—	—	—	—	—	—	—
Cost of revenue	—	(3,435,120)	(33,672,069)	—	—	—	—	—	—	—	—
Gross Profit	—	(1,111,235)	1,948,031	—	—	—	—	—	—	—	—
Gain (loss) on legal settlements	—	—	85,000	—	—	—	—	—	—	—	—
Gain (loss) from sales of digital currency assets	—	14,598	109,197	—	—	—	—	—	—	—	—
Impairments of digital currency assets	—	(27,236)	(273,402)	—	—	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—	—	—	—	—	—
Impairment of property, plant and equipment	—	—	—	—	—	—	—	—	—	—	—
Losses on exchange or disposal of property, plant and equipment	—	—	(27)	—	—	—	—	—	—	—	—
Operating expenses:											
Research and development	—	—	(1,083,293)	—	—	—	—	—	—	—	—
Sales and marketing	—	—	(359,197)	—	—	—	—	—	—	—	—
General and administrative	—	(70,677)	(10,042,606)	—	—	—	—	—	—	—	—
Advisor Fees	—	—	—	—	—	—	—	—	—	—	—
Total operating expenses	—	(70,677)	(11,485,096)	—	—	—	—	—	—	—	—
Operating Income (Loss)	—	(1,194,550)	(9,616,298)	—	—	—	—	—	—	—	—
Non-operating income (expense), net:											
Loss on debt extinguishment	—	—	—	—	—	—	—	—	—	—	—
Interest expense, net	—	—	63,250	—	—	—	—	—	—	—	—
Other non-operating expenses, net	—	—	—	—	—	—	—	—	—	—	—
Reorganization items	—	—	(17,973,376)	—	—	—	—	—	—	—	—
Total Non-operating income (expense), net:	—	—	(17,910,126)	—	—	—	—	—	—	—	—
Income (loss) before income taxes	—	(1,194,550)	(27,526,425)	—	—	—	—	—	—	—	—
Income tax expense	—	—	—	—	—	—	—	—	—	—	—
Net Income (Loss)	—	(1,194,550)	(27,526,425)	—	—	—	—	—	—	—	—

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON

In Re. Core Scientific Operating Company	§	Case No. 22-90343
	§	
	§	Lead Case No. 22-90341
Debtor(s)	§	

☒ Jointly Administered

Monthly Operating Report

Chapter 11

Reporting Period Ended: 08/31/2023

Petition Date: 12/21/2022

Months Pending: 8

Industry Classification: 3 3 4 1

Reporting Method:

Accrual Basis ☒Cash Basis ☐

Debtor's Full-Time Employees (current):

0

Debtor's Full-Time Employees (as of date of order for relief):

0

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☒ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☐ Accounts receivable aging
- ☐ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☐ Schedule of payments to professionals
- ☒ Schedule of payments to insiders
- ☐ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

/s/ Alfredo R. Pérez

Alfredo R. Pérez

Signature of Responsible Party

Printed Name of Responsible Party

09/29/2023

Date

700 Louisiana Street, Suite 1700, Houston, Texas 77002
 Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

Part 1: Cash Receipts and Disbursements

	Current Month	Cumulative
a. Cash balance beginning of month	\$ 56,868,554	
b. Total receipts (net of transfers between accounts)	\$ 33,450,168	\$308,999,539
c. Total disbursements (net of transfers between accounts)	\$ 39,473,907	\$ 71,661,846
d. Cash balance end of month (a+b-c)	\$ 50,844,815	
e. Disbursements made by third party for the benefit of the estate	\$ 0	\$ 0
f. Total disbursements for quarterly fee calculation (c+e)	\$ 39,473,907	\$ 71,661,846

Part 2: Asset and Liability Status

(Not generally applicable to Individual Debtors. See Instructions.)

	Current Month	
a. Accounts receivable (total net of allowance)	\$ -471,563,777	
b. Accounts receivable over 90 days outstanding (net of allowance)	\$ 0	
c. Inventory (Book <input checked="" type="checkbox"/> Market <input type="checkbox"/> Other <input type="checkbox"/> (attach explanation))	\$ 0	
d. Total current assets	\$-1,107,543,289	
e. Total assets	\$ -680,148,072	
f. Postpetition payables (excluding taxes)	\$ 130,206,729	
g. Postpetition payables past due (excluding taxes)	\$ 0	
h. Postpetition taxes payable	\$ 598,599	
i. Postpetition taxes past due	\$ 0	
j. Total postpetition debt (f+h)	\$ 130,805,328	
k. Prepetition secured debt	\$ 285,245,317	
l. Prepetition priority debt	\$ 4,620,567	
m. Prepetition unsecured debt	\$ 155,340,909	
n. Total liabilities (debt) (j+k+l+m)	\$ 576,012,121	
o. Ending equity/net worth (e-n)	\$-1,256,160,193	

Part 3: Assets Sold or Transferred

	Current Month	Cumulative
a. Total cash sales price for assets sold/transferred outside the ordinary course of business	\$ 0	\$ 3,036,635
b. Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$ 0	\$ 0
c. Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$ 0	\$ 3,036,635

Part 4: Income Statement (Statement of Operations)

(Not generally applicable to Individual Debtors. See Instructions.)

	Current Month	Cumulative
a. Gross income/sales (net of returns and allowances)	\$ 35,620,099	
b. Cost of goods sold (inclusive of depreciation, if applicable)	\$ 33,672,069	
c. Gross profit (a-b)	\$ 1,948,030	
d. Selling expenses	\$ 359,197	
e. General and administrative expenses	\$ 10,042,606	
f. Other expenses	\$ 1,083,293	
g. Depreciation and/or amortization (not included in 4b)	\$ 0	
h. Interest	\$ -63,250	
i. Taxes (local, state, and federal)	\$ 0	
j. Reorganization items	\$ 17,973,376	
k. Profit (loss)	\$ -27,526,425	\$ 5,887,206

Part 5: Professional Fees and Expenses			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
a.	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>		\$ 0	\$212,975	\$ 0	\$212,975
	<i>Itemized Breakdown by Firm</i>					
		Firm Name	Role			
	i	Stretto, Inc	Other	\$ 0	\$212,975	\$ 0
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b.				Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>			\$ 1,185,661	\$ 4,502,404	\$ 377,591	\$ 3,267,569
	<i>Itemized Breakdown by Firm</i>						
		Firm Name	Role				
i		Fishman Stewart PLLC	Local Counsel	\$ 77,537	\$ 223,062	\$ 0	\$ 108,715
ii		Frost Brown Todd Attorneys LL	Other	\$ 5,729	\$ 44,602	\$ 13,427	\$ 38,873
iii		Horne LLP	Other	\$ 725	\$ 11,263	\$ 750	\$ 10,538
iv		Marcum LLP	Other	\$ 164,800	\$ 1,362,259	\$ 216,300	\$ 1,362,259
v		Quinn Emanuel Urquhart & Sul	Other	\$ 556,552	\$ 1,025,848	\$ 0	\$ 250,920
vi		Alston and Bird LLP	Other	\$ 20,047	\$ 224,639	\$ 0	\$ 194,143
vii		Carey Olsen Cayman Limited	Other	\$ 0	\$ 2,239	\$ 0	\$ 2,239
viii		Murphy and Grantland PA	Other	\$ 0	\$ 480	\$ 0	\$ 0
ix		Parker Poe	Other	\$ 0	\$ 2,096	\$ 0	\$ 2,096
x		Morgan Lewis and Bockius LLP	Other	\$ 40,106	\$ 91,420	\$ 0	\$ 51,314
xi		Deloitte & Touche LLP	Other	\$ 267,725	\$ 1,379,975	\$ 86,400	\$ 1,112,250
xii		Ernst and Young US LLP	Other	\$ 0	\$ 9,632	\$ 0	\$ 9,632
xiii		Hall, Estill, Hardwick, Gable, G	Other	\$ 0	\$ 1,777	\$ 0	\$ 1,777
xiv		Andersen Tax LLC	Other	\$ 47,940	\$ 118,614	\$ 56,214	\$ 118,314

xv	Ryan LLC	Other	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500
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c.	All professional fees and expenses (debtor & committees)			\$1,185,661	\$4,715,379	\$377,591	\$3,480,544

Part 6: Postpetition Taxes

	Current Month	Cumulative
a. Postpetition income taxes accrued (local, state, and federal)	\$ 0	\$ 65,977
b. Postpetition income taxes paid (local, state, and federal)	\$ 0	\$ 0
c. Postpetition employer payroll taxes accrued	\$ 27,314	\$ 496,971
d. Postpetition employer payroll taxes paid	\$ 245,762	\$ 1,426,525
e. Postpetition property taxes paid	\$ 0	\$ 17,284
f. Postpetition other taxes accrued (local, state, and federal)	\$ 1,682	\$ -9,119
g. Postpetition other taxes paid (local, state, and federal)	\$ -5,684	\$ -436,290

Part 7: Questionnaire - During this reporting period:

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes ☒ No ☐
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes ☐ No ☒
- c. Were any payments made to or on behalf of insiders? Yes ☒ No ☐
- d. Are you current on postpetition tax return filings? Yes ☐ No ☒
- e. Are you current on postpetition estimated tax payments? Yes ☒ No ☐
- f. Were all trust fund taxes remitted on a current basis? Yes ☒ No ☐
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes ☐ No ☒
- h. Were all payments made to or on behalf of professionals approved by the court? Yes ☒ No ☐ N/A ☐
- i. Do you have: Worker's compensation insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- Casualty/property insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- General liability insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court? Yes ☒ No ☐
- k. Has a disclosure statement been filed with the court? Yes ☒ No ☐
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☒ No ☐

Part 8: Individual Chapter 11 Debtors (Only)

a.	Gross income (receipts) from salary and wages	\$	0
b.	Gross income (receipts) from self-employment	\$	0
c.	Gross income from all other sources	\$	0
d.	Total income in the reporting period (a+b+c)	\$	0
e.	Payroll deductions	\$	0
f.	Self-employment related expenses	\$	0
g.	Living expenses	\$	0
h.	All other expenses	\$	0
i.	Total expenses in the reporting period (e+f+g+h)	\$	0
j.	Difference between total income and total expenses (d-i)	\$	0
k.	List the total amount of all postpetition debts that are past due	\$	0
l.	Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
m.	If yes, have you made all Domestic Support Obligation payments?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

/s/ Michael Bros

Signature of Responsible Party

SVP, Capital Markets and Acquisitions

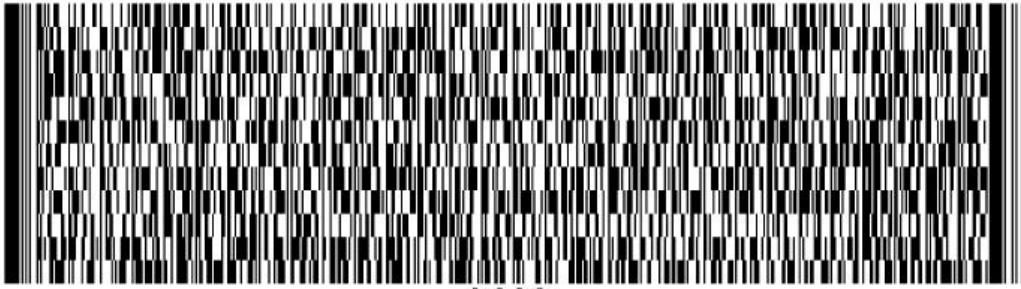
Title

Michael Bros

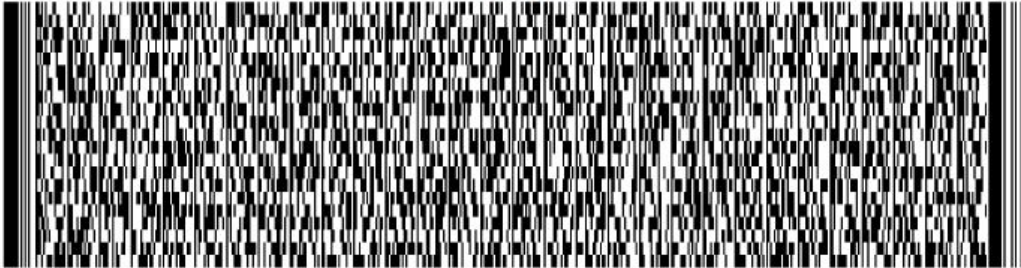
Printed Name of Responsible Party

09/29/2023

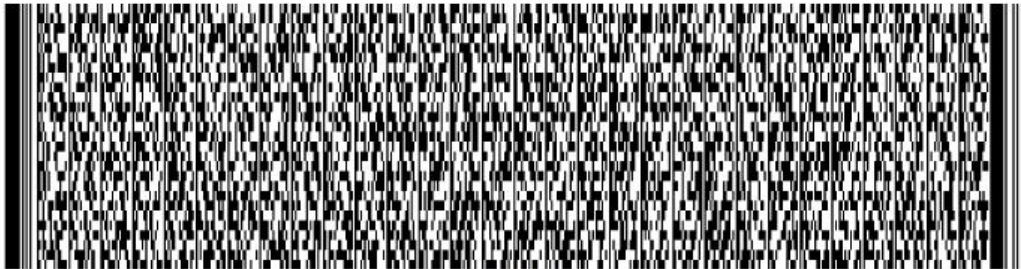
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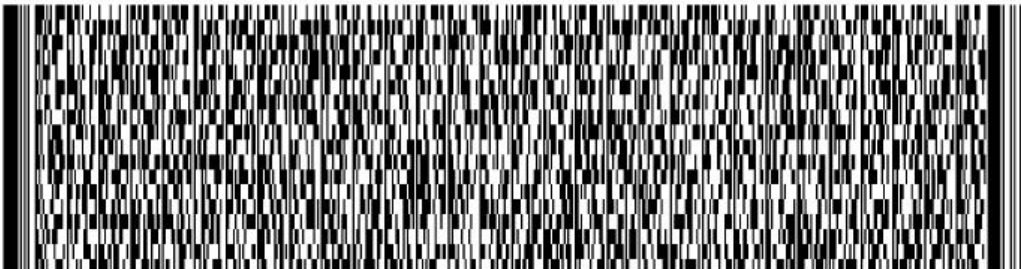
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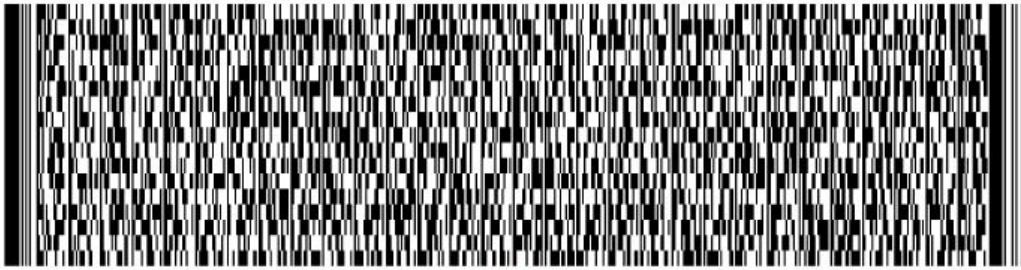
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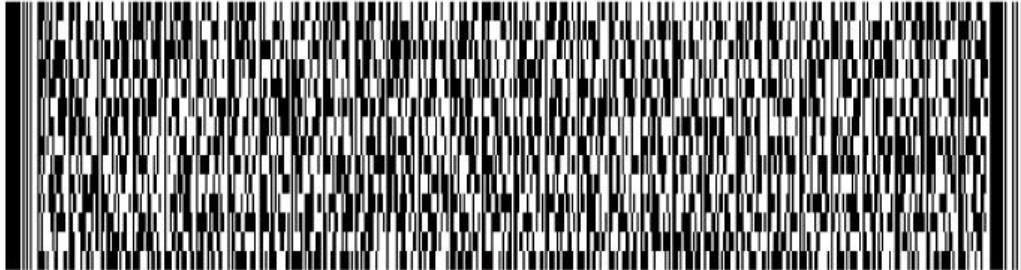
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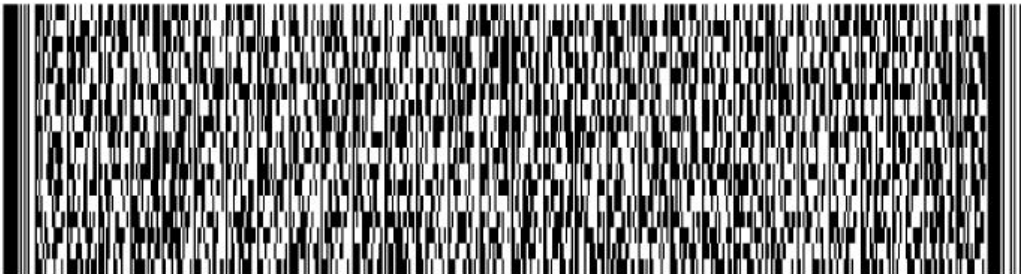


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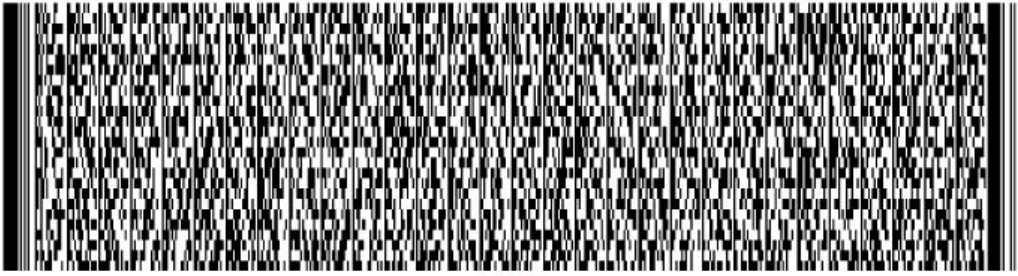


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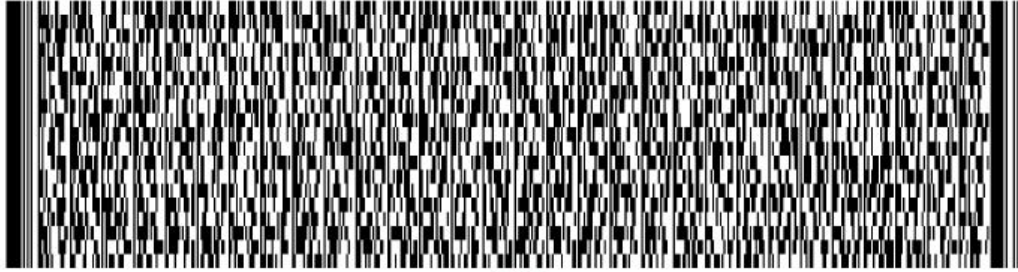
NonBankruptcy1to50



NonBankruptcy51to100



PageThree



PageFour

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	Chapter 11
	§	
CORE SCIENTIFIC, INC., <i>et al.</i> ,	§	Case No. 22-90341 (DRJ)
	§	
Debtors. ¹	§	(Jointly Administered)

MONTHLY OPERATING REPORT NOTES FOR AUGUST 2023

On December 21, 2022 (the “**Petition Date**”), Core Scientific, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**” or the “**Company**”), each commenced a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors’ chapter 11 cases are being jointly administered for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 1015-1 of the Bankruptcy Local Rules for the United States Bankruptcy Court for the Southern District of Texas (the “**Local Rules**”). On January 9, 2023, the United States Trustee for Region 7 (the “**U.S. Trustee**”) appointed an official committee of unsecured creditors (the “**Creditors’ Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. On March 23, 2023, the U.S. Trustee appointed an official equity committee (the “**Equity Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

The following notes and statements of limitations and disclaimers should be referred to, and referenced in connection with, any review of this Monthly Operating Report (the “**MOR**”).

1. **Introduction.** This MOR is unaudited and does not purport to represent financial statements prepared in accordance with accounting principles generally accepted in the United States (“**GAAP**”), and it is not intended to fully reconcile to the consolidated financial statements prepared by the Debtors. Information contained in this MOR has been derived from the Debtors’ books and records, but does not reflect in all circumstances presentation for GAAP or SEC reporting purposes. Therefore, to comply with their obligations to provide MORs during these chapter 11 cases, the Debtors have prepared this MOR using the best information presently available to them, which has been collected, maintained, and prepared in accordance with their historical accounting practices. Accordingly, this MOR is true and

- 1 The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (6074); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions VII, LLC (3198). The Debtors’ corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

accurate to the best of the Debtors' knowledge, information, and belief, based on currently-available data. The results of operations and financial position contained herein are not necessarily indicative of results that may be expected for any period other than the period beginning on August 1, 2023 and ending August 31, 2023, or for the full year, and may not necessarily reflect the Debtors' future consolidated results of operations and financial position.

2. **Reservation of Rights.** This MOR is limited in scope, covers the period beginning on August 1, 2023 and ending August 31, 2023, and has been prepared solely for the purpose of complying with the monthly reporting requirements of the Debtors' chapter 11 cases. The unaudited financial information for this report has been derived from the Debtors' books and records. The information presented herein has not been subject to all procedures that typically would be applied to financial information in accordance with U.S. GAAP. Upon the application of such procedures, the Debtors believe that the financial information could be subject to material change. The information furnished in this MOR includes normal recurring adjustments but does not include all of the adjustments that typically would be made for interim financial information presented in accordance with GAAP.

Given the complexity of the Debtors' business, inadvertent errors or omission may occur. Accordingly, the Debtors hereby reserve all of their rights to dispute the nature, validity, status, enforceability, or executory natures of any claim amount, agreement, representation, or other statement set forth in this MOR. Further, the Debtors reserve the right to amend or supplement this MOR, if necessary, but shall be under no obligation to do so.

3. **Basis of Presentation.** Although the Debtors generally prepare their financial statements on a consolidated basis, the MOR has been prepared on an entity-by-entity basis (excluding most intercompany eliminations) for Debtors Core Scientific, Inc., Core Scientific Acquired Mining LLC, Core Scientific Operating Company, Core Scientific Mining LLC, Radar Relay, Inc., Core Scientific Specialty Mining (Oklahoma) LLC, American Property Acquisition, LLC, Starboard Capital LLC, RADAR LLC, American Property Acquisitions I, LLC, and American Property Acquisitions VII, LLC. The financial information contained herein is unaudited, limited in scope, covers a limited time period, and has been prepared solely for the purpose of complying with the monthly reporting requirements for chapter 11 debtors issued by the UST.

The amounts reported in this MOR are as-of August 31, 2023, the end of the Debtors' reporting period. This MOR covers the period beginning August 1, 2023 and ending August 31, 2023.

4. **Accounting Principles.** The Debtors maintain their financial records according to GAAP, however the MOR does not purport to represent financial statements prepared in accordance with GAAP, nor are they intended to be fully reconciled with the financial statements of the Debtors.

The Debtors generally prepare financial statements on a consolidated basis. To the extent that there are negative asset balances for an individual Debtor, such as accounts receivable and current assets, they may be due to some intercompany elimination transactions or adjustments in each specific Debtor's books and records.

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5. **Currency.** Unless otherwise indicated, all amounts in the MOR are reflected in U.S. dollars.
6. **Consolidated Entity Accounts Payable and Disbursement Systems.** Cash is received and disbursed by the Debtors as described in the *Emergency Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Continue their Existing Cash Management System, (B) Maintain Existing Business Forms and Intercompany Arrangements, (C) Continue Intercompany Transactions, and (D) Continue Utilizing Employee Credit Cards; and (II) Granting Related Relief* (Docket No. 12) (the “**Cash Management Motion**”) and the Debtors’ receipt and disbursement of cash is consistent with the Debtors’ historical cash management practices. Due to the consolidated cash management reporting system, certain cash payments may be paid out of a legal entity that is different than the legal entity at which the expenses were incurred. Also, certain cash receipts may be received in a different legal entity than the legal entity at which the accounts receivable is recorded. Disbursements attributed to each entity represent the entity on behalf of which payments were made, on a proportional allocated basis, from the consolidated cash management system.
7. **Supporting Documentation.** At the direction of the U.S. Trustee, the following schedules are attached to the MORs: (i) Statement of Cash Receipts and Disbursements; (ii) Balance Sheet; (iii) Income Statement (profit or loss statement); (iv) Schedule of Asset Sales; and (v) Schedule of Payments to Insiders.
- Statement of Cash Receipts and Disbursements.** Based on guidance received from the Office of the United States Trustee in connection with the completion of UST Form 11-MOR Part 1, Cash Receipts and Disbursements, reported cash receipts and disbursements should exclude intercompany and debtor-to-debtor transactions. As a result, for those debtors with net intercompany cash outflows or inflows during the reporting period, the ending cash balances reported on Form 11-MOR Part 1 may not match the ending cash balances per the Debtors’ bank statements or the Debtors’ books and records. For additional information on ending cash balances per the Debtors’ books and records, see the attached cash balances per MOR-1: Schedule of Cash Receipts and Disbursements.
- Balance Sheet.** Liabilities Subject to Compromise (“**LSTC**”): LSTC represent the Debtors’ estimate of prepetition claims to be resolved in connection with the chapter 11 cases. As a result of the chapter 11 filings, the payment of prepetition liabilities are subject to compromise or other treatment under a plan of reorganization. The determination of how such liabilities will ultimately be settled or treated cannot be made until the Court approves a chapter 11 plan of reorganization. Accordingly, the ultimate amount of such liabilities is not determinable at this time. Prepetition liabilities that are subject to compromise under ASC 852 are preliminary and may be subject to, among other things, future adjustments depending on Court actions, further developments with respect to disputed claims, determinations of the secured status of certain claims, the values of any collateral securing such claims, rejection of executory contracts, continued reconciliation or other events.

As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate balance sheets in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate balance sheets for the remaining Debtor entities. Consequently, the balance sheets included in the MOR for these Debtors reflect no balances.

Values in the balance sheet(s) attached hereto represent rounded numbers. Accordingly, subtotals may not agree to the summation of the rounded numbers presented.

Income Statement. As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate income statements in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate income statements for the remaining Debtor entities. Consequently, the income statements included in the MOR for these Debtors reflect no income.

Schedule of Payments to Insiders. This schedule provides additional detail for the period on page 1 of the MOR. For each insider payment made during the reporting period the following information is provided: Recipient; Date of payment or benefit provided; Amount of cash payment or market value of non-cash payment; and Reason for each payment made.

8. **Part 1, Cash Receipts and Disbursements.** Cumulative quarter-to-date for Q3 2023 disbursements are reported in the Cumulative figures in the MOR. Cumulative case to date total disbursements through August 31, 2023 are \$348,255,982.
9. **Part 2: Asset and Liability Status.** Long-term lease liabilities resulting from the Debtors' office / location leases and equipment / fixed asset leases are reported as prepetition unsecured debt. Beginning with the April MOR, the (i) April 2022 \$60 million Bridge Promissory Note with BRF Finance Co, LLC and (ii) April 2022 \$15 million Bridge Promissory Note with B. Riley Commercial Capital, LLC (collectively, the "**Unsecured Bridge Notes**"), are also reported as prepetition unsecured debt, whereas the Unsecured Bridge Notes were inadvertently included in prepetition priority debt on previous monthly operating reports.
10. **Part 3, Assets Sold or Transferred.** The Company regularly receives credits and/or coupons from Bitmain Technologies Ltd.'s reward and price protection programs. The Company subsequently redeems these credits and/or coupons for new ASIC miner acquisitions or sells them to third parties when they are not able to be utilized by the Company. The Company may recognize other income when the credits and/or coupons are redeemed in noncash acquisitions or sold to third parties.
11. **Part 5: Professional Fees and Expenses.** For purposes of the MORs, bankruptcy professional fees are considered approved if the applicable monthly fee statement has been served and the objection deadline with regard to such monthly fee statement has expired prior to the end date of the MOR period.

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12. **Part 7 Questionnaire.** Pursuant to certain orders of the Bankruptcy Court entered in the Debtors' chapter 11 cases (the "**First Day Orders**"), the Debtors were authorized (but not directed) to pay, among other things, certain prepetition claims of their employees, taxing authorities, insurers, critical vendors, and certain other prepetition creditors. Amounts paid pursuant to the First Day Orders are monitored as to limits provided in the applicable orders of the Bankruptcy Court governing payment of such prepetition obligations, and this report is available to the U.S. Trustee as required.

In the ordinary course of business, the Debtors' tax filings may extend past the normal deadlines and become late in some instances. When this happens, the Debtors arrange to complete the filings and address any related fines and/or penalties. There are no tax filings that are currently late where the Debtors are not also in dialogue with the related taxing authority to become compliant.

All postpetition borrowings since the inception of the case, other than trade credit, are borrowings made under the Initial DIP Facility or the Replacement DIP Facility.

[illegible]

MOR-2: End of August 2023 Balance Sheet

(US \$)	Core Scientific, Inc.	Core Scientific Acquired Mining LLC	Core Scientific Operating Company	Radar Relay, Inc.	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC	Elimination Co	Total
ASSETS													
Cash and Equivalents	1,650,308	141,898	41,146,568	—	—	—	—	—	—	—	—	—	42,905,774
Restricted Cash	20,155,346	—	805,024	—	—	—	—	—	—	—	—	—	20,960,370
Total Cash	21,805,654	141,898	41,951,592	—	—	—	—	—	—	—	—	—	63,866,144
Accounts receivable, net of allowance	—	—	1,447,717	—	—	—	—	—	—	—	—	—	1,447,717
Accounts receivable from related parties	467,184,855	151,035,671	(473,011,494)	1,160,033	—	—	—	—	—	—	—	(146,360,599)	—
Deposits for equipment	—	—	100,897	—	—	—	—	—	—	—	—	—	100,897
Digital currency assets	—	101,214	703,260	—	—	—	—	—	—	—	—	—	804,474
Prepaid expenses and other	—	22,610,400	22,555,503	—	—	—	—	—	—	—	—	(22,605,090)	22,555,503
Total other current assets	1,835,680,497	(1,128,199,397)	(701,290,764)	12,734	—	—	—	—	—	—	—	—	6,211,772
Total Current Assets	2,324,671,006	(954,310,215)	(1,107,543,289)	1,172,767	—	—	—	—	—	—	—	(168,965,689)	95,020,279
Property, plant and equipment	—	43,554,921	565,370,886	—	—	—	—	—	—	—	—	(15,616,704)	593,309,103
Operating lease-right-of-use assets	—	—	19,808,855	—	—	—	—	—	—	—	—	—	19,808,855
Goodwill	—	232,587,379	(167,058,249)	(65,529,130)	—	—	—	—	—	—	—	—	—
Intangible assets, net	—	—	2,542,228	—	—	—	—	—	—	—	—	—	2,542,228
Other noncurrent assets	2,558,789	(0)	6,731,497	—	—	—	—	—	—	—	—	—	9,290,286
Total Assets	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,364)	—	—	—	—	—	—	—	(184,582,393)	719,918,151
LIABILITIES, PREFERRED STOCK & EQUITY													
Accounts Payable	—	146,436,696	81,570,312	1,750	—	—	—	—	—	—	—	(146,360,599)	81,648,169
Accrued expenses and other	199,366	18,136,331	54,393,080	—	—	—	—	—	—	—	—	—	72,725,777
Deferred revenue	—	—	104,003,372	—	—	—	—	—	—	—	—	(38,493,287)	65,510,085
Derivative warrant liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—
Operating lease liabilities, current portion	—	—	295,229	—	—	—	—	—	—	—	—	—	295,229
Financing lease liabilities, current portion	—	—	26,116,234	—	—	—	—	—	—	—	—	—	26,116,234
Long-term debt, current portion	(559,901,857)	—	716,969,147	—	—	—	—	—	—	—	—	—	157,067,290
Total current liabilities	(559,702,491)	164,573,027	983,347,375	1,750	—	—	—	—	—	—	—	(184,853,886)	403,318,356
Operating lease liabilities, net of current portion	—	—	14,529,985	—	—	—	—	—	—	—	—	—	14,529,985
Financing lease liabilities, net of current portion	—	—	41,338,777	—	—	—	—	—	—	—	—	—	41,338,777
Long-term debt, net of current portion	568,258,150	—	108,254,839	—	—	—	—	—	—	—	—	—	676,513,000
Other noncurrent liabilities	—	18,084,856	(15,497,087)	(2,587,769)	—	—	—	—	—	—	—	—	—
Total Liabilities	8,555,659	182,657,883	1,131,973,889	(2,586,019)	—	—	—	—	—	—	—	(184,853,886)	1,135,747,702
Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—	—
Total Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—	—
Preferred stock	—	—	—	—	—	—	—	—	—	—	—	—	—
Common stock	37,478	—	—	—	—	—	—	—	—	—	—	—	37,478
Additional paid-in capital	1,814,023,126	(15,979,141)	2,887,621	—	—	—	—	—	—	—	—	—	1,800,931,606
Accumulated deficit	(179,781,838)	(844,893,639)	(1,130,614,212)	(61,770,345)	—	—	—	—	—	—	—	318,476	(2,216,701,034)
Other Comprehensive Income	—	—	—	—	—	—	—	—	—	—	—	—	—
Cumulative Translation Adjustment	—	46,983	—	—	—	—	—	—	—	—	—	(46,983)	—
Total Equity	1,634,278,766	(860,825,798)	(1,127,726,591)	(61,770,345)	—	—	—	—	—	—	—	271,494	(415,793,968)
Total Liabilities, Preferred Stock & Equity	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,364)	—	—	—	—	—	—	—	(184,582,393)	719,918,151

¹The 'Elimination Co' column addresses the accounting of intercompany balances to enable consolidated reporting in the 'Total' column

	Core Scientific, Inc.	Core Scientific Mining LLC	Core Scientific Operating Company	Radar Relay, Inc	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC
Total Revenue <i>(dollars in thousands)</i>											
Hosting revenue from customers	—	—	8,337,117	—	—	—	—	—	—	—	—
Hosting revenue from related parties	—	—	2,723,619	—	—	—	—	—	—	—	—
Equipment sales to customers	—	—	—	—	—	—	—	—	—	—	—
Equipment sales to related parties	—	—	—	—	—	—	—	—	—	—	—
Digital asset mining income	—	2,323,886	24,559,363	—	—	—	—	—	—	—	—
Network services and defi revenue	—	—	—	—	—	—	—	—	—	—	—
Total Revenue	—	2,323,886	35,620,099	—	—	—	—	—	—	—	—
Cost of revenue	—	(3,435,120)	(33,672,069)	—	—	—	—	—	—	—	—
Gross Profit	—	(1,111,235)	1,948,031	—	—	—	—	—	—	—	—
Gain (loss) on legal settlements	—	—	85,000	—	—	—	—	—	—	—	—
Gain (loss) from sales of digital currency assets	—	14,598	109,197	—	—	—	—	—	—	—	—
Impairments of digital currency assets	—	(27,236)	(273,402)	—	—	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—	—	—	—	—	—
Impairment of property, plant and equipment	—	—	—	—	—	—	—	—	—	—	—
Losses on exchange or disposal of property, plant and equipment	—	—	(27)	—	—	—	—	—	—	—	—
Operating expenses:											
Research and development	—	—	(1,083,293)	—	—	—	—	—	—	—	—
Sales and marketing	—	—	(359,197)	—	—	—	—	—	—	—	—
General and administrative	—	(70,677)	(10,042,606)	—	—	—	—	—	—	—	—
Advisor Fees	—	—	—	—	—	—	—	—	—	—	—
Total operating expenses	—	(70,677)	(11,485,096)	—	—	—	—	—	—	—	—
Operating Income (Loss)	—	(1,194,550)	(9,616,298)	—	—	—	—	—	—	—	—
Non-operating income (expense), net:											
Loss on debt extinguishment	—	—	—	—	—	—	—	—	—	—	—
Interest expense, net	—	—	63,250	—	—	—	—	—	—	—	—
Other non-operating expenses, net	—	—	—	—	—	—	—	—	—	—	—
Reorganization items	—	—	(17,973,376)	—	—	—	—	—	—	—	—
Total Non-operating income (expense), net:	—	—	(17,910,126)	—	—	—	—	—	—	—	—
Income (loss) before income taxes	—	(1,194,550)	(27,526,425)	—	—	—	—	—	—	—	—
Income tax expense	—	—	—	—	—	—	—	—	—	—	—
Net Income (Loss)	—	(1,194,550)	(27,526,425)	—	—	—	—	—	—	—	—

Core Scientific Operating Company

MOR-5: 8/1/2023 - 8/31/2023 Payments to Insiders

Name	Title	Date	Amount	Description
Mike Levitt	Chairman of the Board	8/4/2023	\$ 2,307.69	Base Salary
Mike Levitt	Chairman of the Board	8/18/2023	\$ 2,307.69	Base Salary
Denise Sterling	Executive Vice President, Chief Financial Officer	8/4/2023	\$11,538.46	Base Salary
Denise Sterling	Executive Vice President, Chief Financial Officer	8/18/2023	\$11,538.46	Base Salary
Darin Feinstein	Board Member	8/4/2023	\$ 2,307.69	Base Salary
Darin Feinstein	Board Member	8/18/2023	\$ 2,307.69	Base Salary
Todd DuChene	Chief Legal Officer	8/4/2023	\$19,230.77	Base Salary
Todd DuChene	Chief Legal Officer	8/18/2023	\$19,230.77	Base Salary
Adam Sullivan	President, Chief Executive Officer	8/4/2023	\$19,230.77	Base Salary
Adam Sullivan	President, Chief Executive Officer	8/18/2023	\$19,230.77	Base Salary
Neal Goldman	Board Member	8/1/2023	\$35,000.00	Board Fee
Matthew Minnis	Board Member	8/21/2023	\$ 3,233.25	Expense Reimbursement

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON

In Re. Core Scientific Acquired Mining LLC

§

Case No. 22-90342

§

§

Lead Case No. 22-90341

Debtor(s)

§

☒ Jointly Administered**Monthly Operating Report**

Chapter 11

Reporting Period Ended: 08/31/2023

Petition Date: 12/21/2022

Months Pending: 8

Industry Classification: 3 3 4 1

Reporting Method:

Accrual Basis ☒Cash Basis ☐

Debtor's Full-Time Employees (current):

0

Debtor's Full-Time Employees (as of date of order for relief):

0

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☒ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☐ Accounts receivable aging
- ☐ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☐ Schedule of payments to professionals
- ☐ Schedule of payments to insiders
- ☐ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

/s/ Alfredo R. Pérez

Signature of Responsible Party

Alfredo R. Pérez

Printed Name of Responsible Party

09/29/2023

Date

700 Louisiana Street, Suite 1700, Houston, Texas 77002

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

Part 1: Cash Receipts and Disbursements

	<u>Current Month</u>	<u>Cumulative</u>
a. Cash balance beginning of month	\$ 323,704	
b. Total receipts (net of transfers between accounts)	\$ 2,238,194	\$21,208,855
c. Total disbursements (net of transfers between accounts)	\$ 3,649,712	\$ 6,548,123
d. Cash balance end of month (a+b-c)	\$ -1,087,814	
e. Disbursements made by third party for the benefit of the estate	\$ 0	\$ 0
f. Total disbursements for quarterly fee calculation (c+e)	\$ 3,649,712	\$ 6,548,123

Part 2: Asset and Liability Status

(Not generally applicable to Individual Debtors. See Instructions.)

	<u>Current Month</u>
a. Accounts receivable (total net of allowance)	\$ 151,035,671
b. Accounts receivable over 90 days outstanding (net of allowance)	\$ 0
c. Inventory (Book <input checked="" type="checkbox"/> Market <input type="checkbox"/> Other <input type="checkbox"/> (attach explanation))	\$ 0
d. Total current assets	\$-954,310,215
e. Total assets	\$-678,167,915
f. Postpetition payables (excluding taxes)	\$ 0
g. Postpetition payables past due (excluding taxes)	\$ 0
h. Postpetition taxes payable	\$ 0
i. Postpetition taxes past due	\$ 0
j. Total postpetition debt (f+h)	\$ 0
k. Prepetition secured debt	\$ 0
l. Prepetition priority debt	\$ 0
m. Prepetition unsecured debt	\$ 0
n. Total liabilities (debt) (j+k+l+m)	\$ 0
o. Ending equity/net worth (e-n)	\$-678,167,915

Part 3: Assets Sold or Transferred

	<u>Current Month</u>	<u>Cumulative</u>
a. Total cash sales price for assets sold/transferred outside the ordinary course of business	\$ 0	\$ 0
b. Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$ 0	\$ 0
c. Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$ 0	\$ 0

Part 4: Income Statement (Statement of Operations)

(Not generally applicable to Individual Debtors. See Instructions.)

	<u>Current Month</u>	<u>Cumulative</u>
a. Gross income/sales (net of returns and allowances)	\$ 2,323,886	
b. Cost of goods sold (inclusive of depreciation, if applicable)	\$ 3,435,120	
c. Gross profit (a-b)	\$ -1,111,234	
d. Selling expenses	\$ 0	
e. General and administrative expenses	\$ 70,677	
f. Other expenses	\$ 0	
g. Depreciation and/or amortization (not included in 4b)	\$ 0	
h. Interest	\$ 0	
i. Taxes (local, state, and federal)	\$ 0	
j. Reorganization items	\$ 0	
k. Profit (loss)	\$ -1,194,550	\$ -6,491,780

Part 5: Professional Fees and Expenses			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
a.	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>					
	<i>Itemized Breakdown by Firm</i>					
		Firm Name Role				
	i					
	ii					
	iii					
	iv					
	v					
	vi					
	vii					
	viii					
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	x					
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	xc iii						
	xc iv						
	xc v						
	xc vi						
	xc vii						
	xc viii						
	xc ix						
	c						
	ci						

b.				Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>						
	<i>Itemized Breakdown by Firm</i>						
		Firm Name	Role				
	i						
	ii						
	iii						
	iv						
	v						
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	c						
c.	All professional fees and expenses (debtor & committees)			\$	0	\$	0
				\$	0	\$	0

Part 6: Postpetition Taxes

	Current Month	Cumulative
a. Postpetition income taxes accrued (local, state, and federal)	\$ 0	\$ 0
b. Postpetition income taxes paid (local, state, and federal)	\$ 0	\$ 0
c. Postpetition employer payroll taxes accrued	\$ 0	\$ 0
d. Postpetition employer payroll taxes paid	\$ 0	\$ 0
e. Postpetition property taxes paid	\$ 0	\$ 0
f. Postpetition other taxes accrued (local, state, and federal)	\$ 0	\$ 0
g. Postpetition other taxes paid (local, state, and federal)	\$ 0	\$ 0

Part 7: Questionnaire - During this reporting period:

a. Were any payments made on prepetition debt? (if yes, see Instructions)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
c. Were any payments made to or on behalf of insiders?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
d. Are you current on postpetition tax return filings?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
e. Are you current on postpetition estimated tax payments?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
f. Were all trust fund taxes remitted on a current basis?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
h. Were all payments made to or on behalf of professionals approved by the court?	Yes <input type="checkbox"/>	No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
i. Do you have: Worker's compensation insurance?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If yes, are your premiums current?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/> N/A <input type="checkbox"/> (if no, see Instructions)
Casualty/property insurance?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If yes, are your premiums current?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/> N/A <input type="checkbox"/> (if no, see Instructions)
General liability insurance?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If yes, are your premiums current?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/> N/A <input type="checkbox"/> (if no, see Instructions)
j. Has a plan of reorganization been filed with the court?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
k. Has a disclosure statement been filed with the court?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Part 8: Individual Chapter 11 Debtors (Only)

a. Gross income (receipts) from salary and wages	\$	0
b. Gross income (receipts) from self-employment	\$	0
c. Gross income from all other sources	\$	0
d. Total income in the reporting period (a+b+c)	\$	0
e. Payroll deductions	\$	0
f. Self-employment related expenses	\$	0
g. Living expenses	\$	0
h. All other expenses	\$	0
i. Total expenses in the reporting period (e+f+g+h)	\$	0
j. Difference between total income and total expenses (d-i)	\$	0
k. List the total amount of all postpetition debts that are past due	\$	0
l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C. § 101(14A)?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
m. If yes, have you made all Domestic Support Obligation payments?	Yes <input type="checkbox"/>	No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

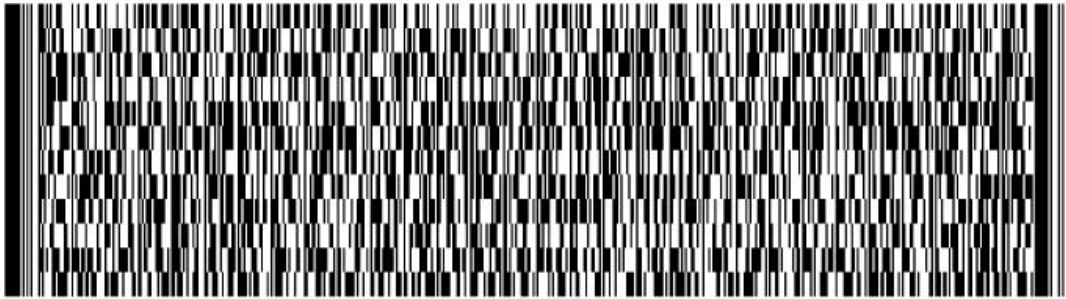
I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

/s/ Michael Bros
Signature of Responsible Party

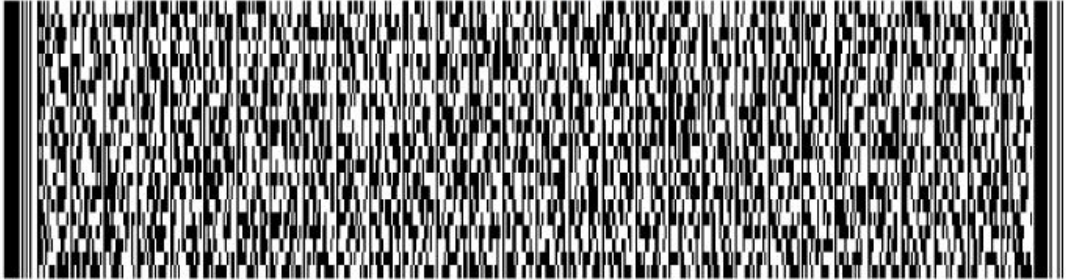
SVP, Capital Markets and Acquisitions
Title

Michael Bros
Printed Name of Responsible Party

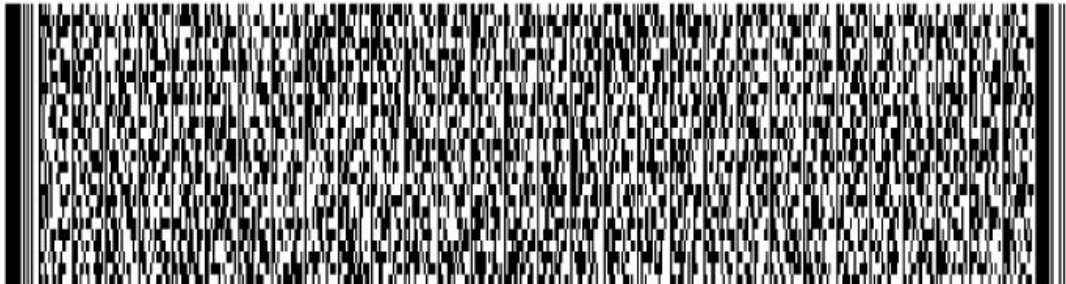
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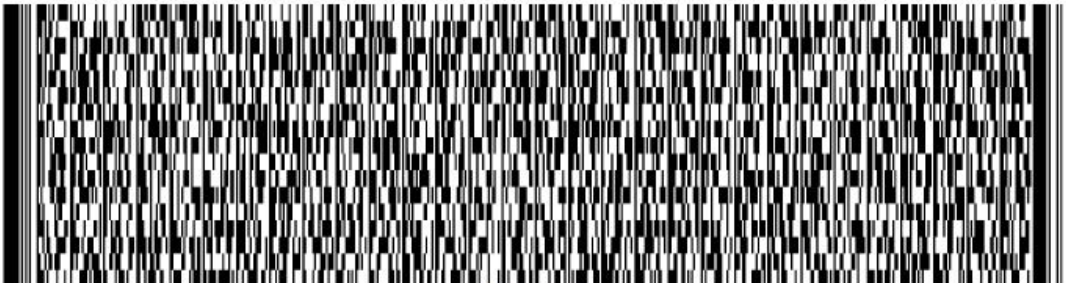
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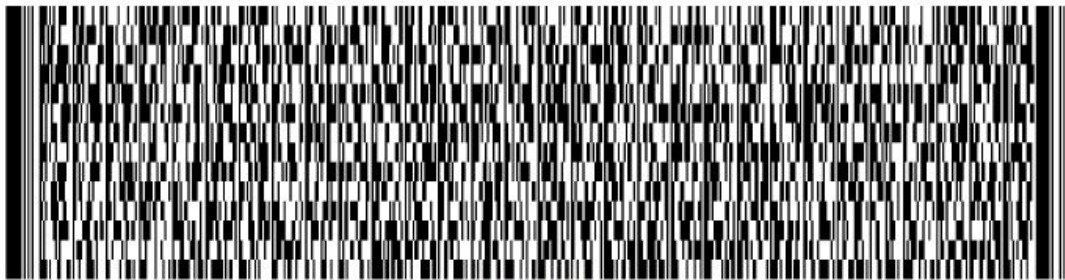
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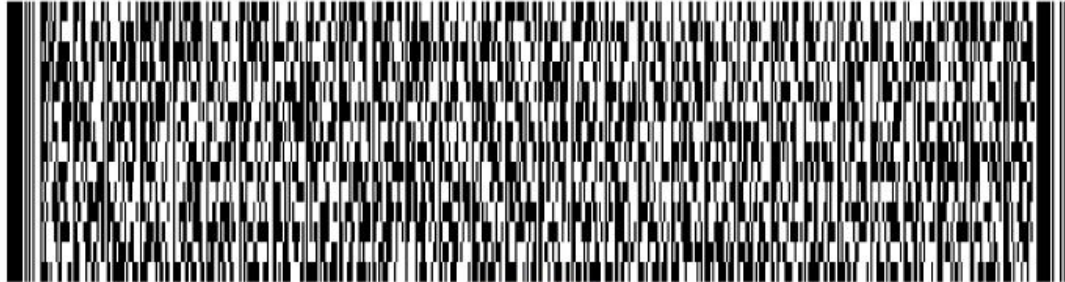
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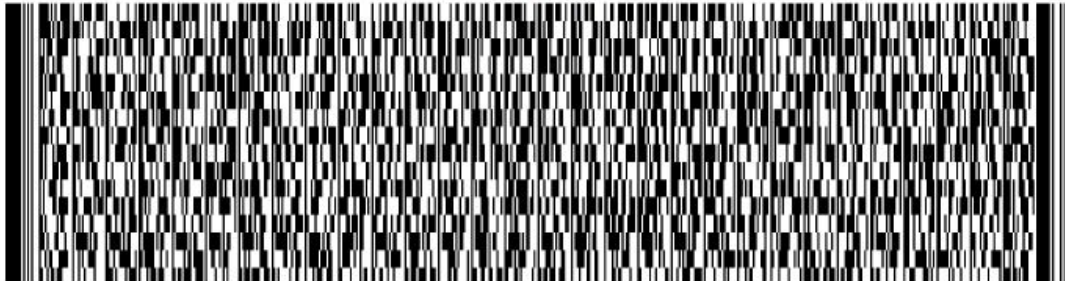
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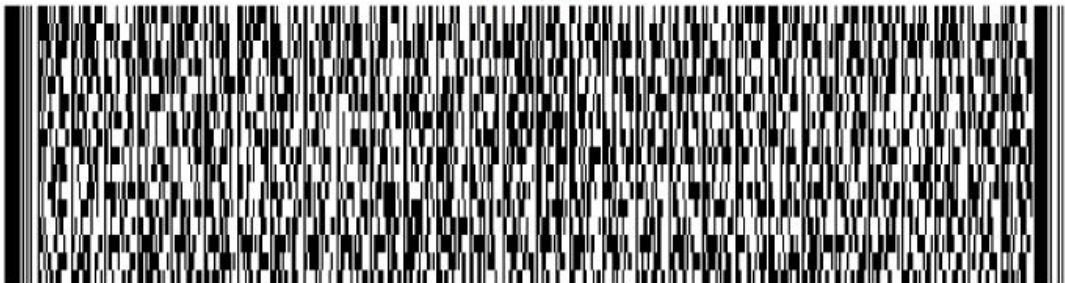
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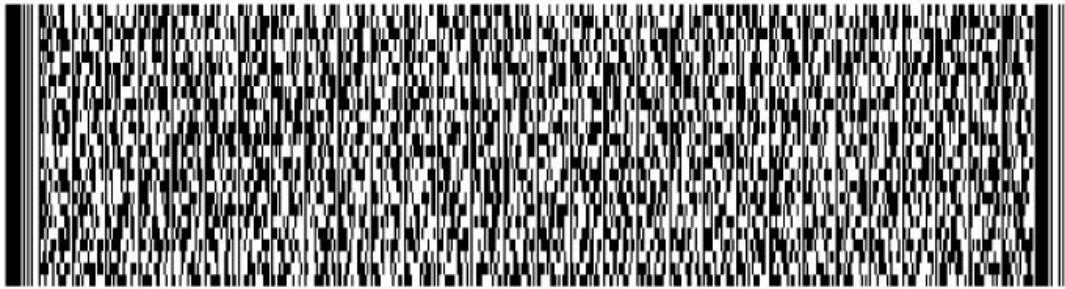
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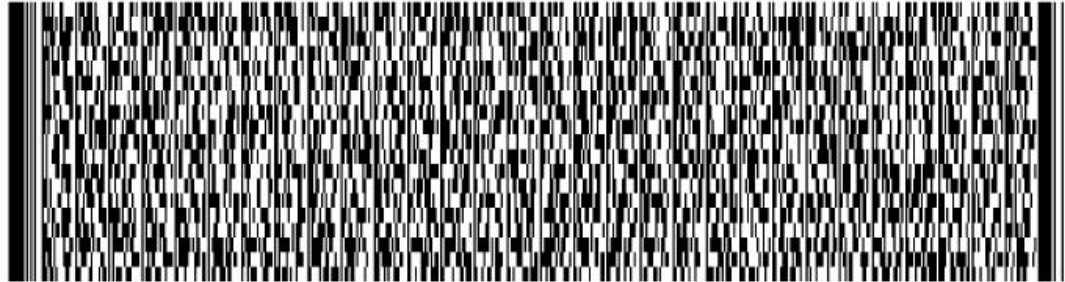
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PageThree



PageFour

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:

CORE SCIENTIFIC, INC., *et al.*,

Debtors.¹

§ Chapter 11
§
§ Case No. 22-90341 (DRJ)
§
§ (Jointly Administered)

MONTHLY OPERATING REPORT NOTES FOR AUGUST 2023

On December 21, 2022 (the “**Petition Date**”), Core Scientific, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**” or the “**Company**”), each commenced a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors’ chapter 11 cases are being jointly administered for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 1015-1 of the Bankruptcy Local Rules for the United States Bankruptcy Court for the Southern District of Texas (the “**Local Rules**”). On January 9, 2023, the United States Trustee for Region 7 (the “**U.S. Trustee**”) appointed an official committee of unsecured creditors (the “**Creditors’ Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. On March 23, 2023, the U.S. Trustee appointed an official equity committee (the “**Equity Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

The following notes and statements of limitations and disclaimers should be referred to, and referenced in connection with, any review of this Monthly Operating Report (the “**MOR**”).

1. **Introduction.** This MOR is unaudited and does not purport to represent financial statements prepared in accordance with accounting principles generally accepted in the United States (“**GAAP**”), and it is not intended to fully reconcile to the consolidated financial statements prepared by the Debtors. Information contained in this MOR has been derived from the Debtors’ books and records, but does not reflect in all circumstances presentation for GAAP or SEC reporting purposes. Therefore, to comply with their obligations to provide MORs during these chapter 11 cases, the Debtors have prepared this MOR using the best information presently available to them, which has been collected, maintained, and prepared in accordance with their historical accounting practices. Accordingly, this MOR is true and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (6074); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions VII, LLC (3198). The Debtors’ corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

accurate to the best of the Debtors' knowledge, information, and belief, based on currently-available data. The results of operations and financial position contained herein are not necessarily indicative of results that may be expected for any period other than the period beginning on August 1, 2023 and ending August 31, 2023, or for the full year, and may not necessarily reflect the Debtors' future consolidated results of operations and financial position.

2. **Reservation of Rights.** This MOR is limited in scope, covers the period beginning on August 1, 2023 and ending August 31, 2023, and has been prepared solely for the purpose of complying with the monthly reporting requirements of the Debtors' chapter 11 cases. The unaudited financial information for this report has been derived from the Debtors' books and records. The information presented herein has not been subject to all procedures that typically would be applied to financial information in accordance with U.S. GAAP. Upon the application of such procedures, the Debtors believe that the financial information could be subject to material change. The information furnished in this MOR includes normal recurring adjustments but does not include all of the adjustments that typically would be made for interim financial information presented in accordance with GAAP.

Given the complexity of the Debtors' business, inadvertent errors or omission may occur. Accordingly, the Debtors hereby reserve all of their rights to dispute the nature, validity, status, enforceability, or executory natures of any claim amount, agreement, representation, or other statement set forth in this MOR. Further, the Debtors reserve the right to amend or supplement this MOR, if necessary, but shall be under no obligation to do so.

3. **Basis of Presentation.** Although the Debtors generally prepare their financial statements on a consolidated basis, the MOR has been prepared on an entity-by-entity basis (excluding most intercompany eliminations) for Debtors Core Scientific, Inc., Core Scientific Acquired Mining LLC, Core Scientific Operating Company, Core Scientific Mining LLC, Radar Relay, Inc., Core Scientific Specialty Mining (Oklahoma) LLC, American Property Acquisition, LLC, Starboard Capital LLC, RADAR LLC, American Property Acquisitions I, LLC, and American Property Acquisitions VII, LLC. The financial information contained herein is unaudited, limited in scope, covers a limited time period, and has been prepared solely for the purpose of complying with the monthly reporting requirements for chapter 11 debtors issued by the UST.

The amounts reported in this MOR are as-of August 31, 2023, the end of the Debtors' reporting period. This MOR covers the period beginning August 1, 2023 and ending August 31, 2023.

4. **Accounting Principles.** The Debtors maintain their financial records according to GAAP, however the MOR does not purport to represent financial statements prepared in accordance with GAAP, nor are they intended to be fully reconciled with the financial statements of the Debtors.

The Debtors generally prepare financial statements on a consolidated basis. To the extent that there are negative asset balances for an individual Debtor, such as accounts receivable and current assets, they may be due to some intercompany elimination transactions or adjustments in each specific Debtor's books and records.

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5. **Currency.** Unless otherwise indicated, all amounts in the MOR are reflected in U.S. dollars.
 6. **Consolidated Entity Accounts Payable and Disbursement Systems.** Cash is received and disbursed by the Debtors as described in the *Emergency Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Continue their Existing Cash Management System, (B) Maintain Existing Business Forms and Intercompany Arrangements, (C) Continue Intercompany Transactions, and (D) Continue Utilizing Employee Credit Cards; and (II) Granting Related Relief* (Docket No. 12) (the “**Cash Management Motion**”) and the Debtors’ receipt and disbursement of cash is consistent with the Debtors’ historical cash management practices. Due to the consolidated cash management reporting system, certain cash payments may be paid out of a legal entity that is different than the legal entity at which the expenses were incurred. Also, certain cash receipts may be received in a different legal entity than the legal entity at which the accounts receivable is recorded. Disbursements attributed to each entity represent the entity on behalf of which payments were made, on a proportional allocated basis, from the consolidated cash management system.
 7. **Supporting Documentation.** At the direction of the U.S. Trustee, the following schedules are attached to the MORs: (i) Statement of Cash Receipts and Disbursements; (ii) Balance Sheet; (iii) Income Statement (profit or loss statement); (iv) Schedule of Asset Sales; and (v) Schedule of Payments to Insiders.

Statement of Cash Receipts and Disbursements. Based on guidance received from the Office of the United States Trustee in connection with the completion of UST Form 11-MOR Part 1, Cash Receipts and Disbursements, reported cash receipts and disbursements should exclude intercompany and debtor-to-debtor transactions. As a result, for those debtors with net intercompany cash outflows or inflows during the reporting period, the ending cash balances reported on Form 11-MOR Part 1 may not match the ending cash balances per the Debtors’ bank statements or the Debtors’ books and records. For additional information on ending cash balances per the Debtors’ books and records, see the attached cash balances per MOR-1: Schedule of Cash Receipts and Disbursements.

Balance Sheet. Liabilities Subject to Compromise (“**LSTC**”): LSTC represent the Debtors’ estimate of prepetition claims to be resolved in connection with the chapter 11 cases. As a result of the chapter 11 filings, the payment of prepetition liabilities are subject to compromise or other treatment under a plan of reorganization. The determination of how such liabilities will ultimately be settled or treated cannot be made until the Court approves a chapter 11 plan of reorganization. Accordingly, the ultimate amount of such liabilities is not determinable at this time. Prepetition liabilities that are subject to compromise under ASC 852 are preliminary and may be subject to, among other things, future adjustments depending on Court actions, further developments with respect to disputed claims, determinations of the secured status of certain claims, the values of any collateral securing such claims, rejection of executory contracts, continued reconciliation or other events.

As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate balance sheets in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate balance sheets for the remaining Debtor entities. Consequently, the balance sheets included in the MOR for these Debtors reflect no balances.

Values in the balance sheet(s) attached hereto represent rounded numbers. Accordingly, subtotals may not agree to the summation of the rounded numbers presented.

Income Statement. As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate income statements in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate income statements for the remaining Debtor entities. Consequently, the income statements included in the MOR for these Debtors reflect no income.

Schedule of Payments to Insiders. This schedule provides additional detail for the period on page 1 of the MOR. For each insider payment made during the reporting period the following information is provided: Recipient; Date of payment or benefit provided; Amount of cash payment or market value of non-cash payment; and Reason for each payment made.

8. **Part 1, Cash Receipts and Disbursements.** Cumulative quarter-to-date for Q3 2023 disbursements are reported in the Cumulative figures in the MOR. Cumulative case to date total disbursements through August 31, 2023 are \$348,255,982.
9. **Part 2: Asset and Liability Status.** Long-term lease liabilities resulting from the Debtors' office / location leases and equipment / fixed asset leases are reported as prepetition unsecured debt. Beginning with the April MOR, the (i) April 2022 \$60 million Bridge Promissory Note with BRF Finance Co, LLC and (ii) April 2022 \$15 million Bridge Promissory Note with B. Riley Commercial Capital, LLC (collectively, the "**Unsecured Bridge Notes**"), are also reported as prepetition unsecured debt, whereas the Unsecured Bridge Notes were inadvertently included in prepetition priority debt on previous monthly operating reports.
10. **Part 3, Assets Sold or Transferred.** The Company regularly receives credits and/or coupons from Bitmain Technologies Ltd.'s reward and price protection programs. The Company subsequently redeems these credits and/or coupons for new ASIC miner acquisitions or sells them to third parties when they are not able to be utilized by the Company. The Company may recognize other income when the credits and/or coupons are redeemed in noncash acquisitions or sold to third parties.
11. **Part 5: Professional Fees and Expenses.** For purposes of the MORs, bankruptcy professional fees are considered approved if the applicable monthly fee statement has been served and the objection deadline with regard to such monthly fee statement has expired prior to the end date of the MOR period.

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12. **Part 7 Questionnaire.** Pursuant to certain orders of the Bankruptcy Court entered in the Debtors' chapter 11 cases (the "**First Day Orders**"), the Debtors were authorized (but not directed) to pay, among other things, certain prepetition claims of their employees, taxing authorities, insurers, critical vendors, and certain other prepetition creditors. Amounts paid pursuant to the First Day Orders are monitored as to limits provided in the applicable orders of the Bankruptcy Court governing payment of such prepetition obligations, and this report is available to the U.S. Trustee as required.

In the ordinary course of business, the Debtors' tax filings may extend past the normal deadlines and become late in some instances. When this happens, the Debtors arrange to complete the filings and address any related fines and/or penalties. There are no tax filings that are currently late where the Debtors are not also in dialogue with the related taxing authority to become compliant.

All postpetition borrowings since the inception of the case, other than trade credit, are borrowings made under the Initial DIP Facility or the Replacement DIP Facility.

[illegible]

MOR-2: End of August 2023 Balance Sheet

(US \$)	Core Scientific, Inc.	Core Scientific Acquired Mining LLC	Core Scientific Operating Company	Radar Relay, Inc.	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC	Elimination Co	Total ¹
ASSETS													
Cash and Equivalents	1,650,308	141,898	41,146,568	—	—	—	—	—	—	—	—	—	42,938,77
Restricted Cash	20,155,346	—	805,024	—	—	—	—	—	—	—	—	—	20,960,37
Total Cash	21,805,654	141,898	41,951,592	—	—	—	—	—	—	—	—	—	63,899,14
Accounts receivable, net of allowance	—	—	1,447,717	—	—	—	—	—	—	—	—	—	1,447,71
Accounts receivable from related parties	467,184,855	151,035,671	(473,011,494)	1,160,033	—	—	—	—	—	—	—	(146,360,599)	8,46
Deposits for equipment	—	—	100,897	—	—	—	—	—	—	—	—	—	100,89
Digital currency assets	—	101,214	703,260	—	—	—	—	—	—	—	—	—	804,47
Prepaid expenses and other	—	22,610,400	22,555,503	—	—	—	—	—	—	—	—	(22,605,090)	22,560,81
Total other current assets	1,835,680,497	(1,128,199,397)	(701,290,764)	12,734	—	—	—	—	—	—	—	—	6,203,07
Total Current Assets	2,324,671,006	(954,310,215)	(1,107,543,289)	1,172,767	—	—	—	—	—	—	—	(168,965,689)	95,024,57
Property, plant and equipment	—	43,554,921	565,370,886	—	—	—	—	—	—	—	—	(15,616,704)	593,309,10
Operating lease-right-of-use assets	—	—	19,808,855	—	—	—	—	—	—	—	—	—	19,808,85
Goodwill	—	232,587,379	(167,058,249)	(65,529,130)	—	—	—	—	—	—	—	—	—
Intangible assets, net	—	—	2,542,228	—	—	—	—	—	—	—	—	—	2,542,22
Other noncurrent assets	2,558,789	(0)	6,731,497	—	—	—	—	—	—	—	—	—	9,290,28
Total Assets	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,364)	—	—	—	—	—	—	—	(184,582,393)	719,975,05
LIABILITIES, PREFERRED STOCK & EQUITY													
Accounts Payable	—	146,436,696	81,570,312	1,750	—	—	—	—	—	—	—	(146,360,599)	81,648,15
Accrued expenses and other	199,366	18,136,331	54,393,080	—	—	—	—	—	—	—	—	—	72,728,77
Deferred revenue	—	—	104,003,372	—	—	—	—	—	—	—	—	(38,493,287)	65,510,08
Derivative warrant liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—
Operating lease liabilities, current portion	—	—	295,229	—	—	—	—	—	—	—	—	—	295,22
Financing lease liabilities, current portion	—	—	26,116,234	—	—	—	—	—	—	—	—	—	26,116,23
Long-term debt, current portion	(559,901,857)	—	716,969,147	—	—	—	—	—	—	—	—	—	157,067,29
Total current liabilities	(559,702,491)	164,573,027	983,347,375	1,750	—	—	—	—	—	—	—	(184,853,886)	403,365,77
Operating lease liabilities, net of current portion	—	—	14,529,985	—	—	—	—	—	—	—	—	—	14,529,98
Financing lease liabilities, net of current portion	—	—	41,338,777	—	—	—	—	—	—	—	—	—	41,338,77
Long-term debt, net of current portion	568,258,150	—	108,254,839	—	—	—	—	—	—	—	—	—	676,512,98
Other noncurrent liabilities	—	18,084,856	(15,497,087)	(2,587,769)	—	—	—	—	—	—	—	—	—
Total Liabilities	8,555,659	182,657,883	1,131,973,889	(2,586,019)	—	—	—	—	—	—	—	(184,853,886)	1,135,747,52
Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—	—
Total Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—	—
Preferred stock	—	—	—	—	—	—	—	—	—	—	—	—	—
Common stock	37,478	—	—	—	—	—	—	—	—	—	—	—	37,47
Additional paid-in capital	1,814,023,126	(15,979,141)	2,887,621	—	—	—	—	—	—	—	—	—	1,800,931,60
Accumulated deficit	(179,781,838)	(844,893,639)	(1,130,614,212)	(61,770,345)	—	—	—	—	—	—	—	318,476	(2,216,741,55)
Other Comprehensive Income	—	—	—	—	—	—	—	—	—	—	—	—	—
Cumulative Translation Adjustment	—	46,983	—	—	—	—	—	—	—	—	—	(46,983)	—
Total Equity	1,634,278,766	(860,825,798)	(1,127,726,591)	(61,770,345)	—	—	—	—	—	—	—	271,494	(415,772,47)
Total Liabilities, Preferred Stock & Equity	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,364)	—	—	—	—	—	—	—	(184,582,393)	719,975,05

¹ The 'Elimination Co' column addresses the accounting of intercompany balances to enable consolidated reporting in the 'Total' column

	Core Scientific, Inc.	Core Scientific Mining LLC	Core Scientific Operating Company	Radar Relay, Inc	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC
Total Revenue <i>(dollars in thousands)</i>											
Hosting revenue from customers	—	—	8,337,117	—	—	—	—	—	—	—	—
Hosting revenue from related parties	—	—	2,723,619	—	—	—	—	—	—	—	—
Equipment sales to customers	—	—	—	—	—	—	—	—	—	—	—
Equipment sales to related parties	—	—	—	—	—	—	—	—	—	—	—
Digital asset mining income	—	2,323,886	24,559,363	—	—	—	—	—	—	—	—
Network services and defi revenue	—	—	—	—	—	—	—	—	—	—	—
Total Revenue	—	2,323,886	35,620,099	—	—	—	—	—	—	—	—
Cost of revenue	—	(3,435,120)	(33,672,069)	—	—	—	—	—	—	—	—
Gross Profit	—	(1,111,235)	1,948,031	—	—	—	—	—	—	—	—
Gain (loss) on legal settlements	—	—	85,000	—	—	—	—	—	—	—	—
Gain (loss) from sales of digital currency assets	—	14,598	109,197	—	—	—	—	—	—	—	—
Impairments of digital currency assets	—	(27,236)	(273,402)	—	—	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—	—	—	—	—	—
Impairment of property, plant and equipment	—	—	—	—	—	—	—	—	—	—	—
Losses on exchange or disposal of property, plant and equipment	—	—	(27)	—	—	—	—	—	—	—	—
Operating expenses:											
Research and development	—	—	(1,083,293)	—	—	—	—	—	—	—	—
Sales and marketing	—	—	(359,197)	—	—	—	—	—	—	—	—
General and administrative	—	(70,677)	(10,042,606)	—	—	—	—	—	—	—	—
Advisor Fees	—	—	—	—	—	—	—	—	—	—	—
Total operating expenses	—	(70,677)	(11,485,096)	—	—	—	—	—	—	—	—
Operating Income (Loss)	—	(1,194,550)	(9,616,298)	—	—	—	—	—	—	—	—
Non-operating income (expense), net:											
Loss on debt extinguishment	—	—	—	—	—	—	—	—	—	—	—
Interest expense, net	—	—	63,250	—	—	—	—	—	—	—	—
Other non-operating expenses, net	—	—	—	—	—	—	—	—	—	—	—
Reorganization items	—	—	(17,973,376)	—	—	—	—	—	—	—	—
Total Non-operating income (expense), net:	—	—	(17,910,126)	—	—	—	—	—	—	—	—
Income (loss) before income taxes	—	(1,194,550)	(27,526,425)	—	—	—	—	—	—	—	—
Income tax expense	—	—	—	—	—	—	—	—	—	—	—
Net Income (Loss)	—	(1,194,550)	(27,526,425)	—	—	—	—	—	—	—	—

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON

In Re. Radar Relay, Inc.	§	Case No. 22-90344
	§	
	§	Lead Case No. 22-90341
Debtor(s)	§	<input checked="" type="checkbox"/> Jointly Administered

Monthly Operating Report

Chapter 11

Reporting Period Ended: 08/31/2023	Petition Date: 12/21/2022
Months Pending: 8	Industry Classification: 3 3 4 1
Reporting Method:	Accrual Basis <input checked="" type="checkbox"/> Cash Basis <input type="checkbox"/>
Debtor's Full-Time Employees (current):	0
Debtor's Full-Time Employees (as of date of order for relief):	0

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☒ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☐ Accounts receivable aging
- ☐ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☐ Schedule of payments to professionals
- ☐ Schedule of payments to insiders
- ☐ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

/s/ Alfredo R. Pérez
Signature of Responsible Party

Alfredo R. Pérez
Printed Name of Responsible Party

09/29/2023
Date

700 Louisiana Street, Suite 1700, Houston, Texas 77002
Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

Part 1: Cash Receipts and Disbursements		Current Month	Cumulative
a.	Cash balance beginning of month	\$ 0	
b.	Total receipts (net of transfers between accounts)	\$ 0	\$ 0
c.	Total disbursements (net of transfers between accounts)	\$ 0	\$ 0
d.	Cash balance end of month (a+b-c)	\$ 0	
e.	Disbursements made by third party for the benefit of the estate	\$ 0	\$ 0
f.	Total disbursements for quarterly fee calculation (c+e)	\$ 0	\$ 0

Part 2: Asset and Liability Status		Current Month	
(Not generally applicable to Individual Debtors. See Instructions.)			
a.	Accounts receivable (total net of allowance)	\$ 1,160,033	
b.	Accounts receivable over 90 days outstanding (net of allowance)	\$ 0	
c.	Inventory (Book <input checked="" type="checkbox"/> Market <input type="checkbox"/> Other <input type="checkbox"/> (attach explanation))	\$ 0	
d.	Total current assets	\$ 1,172,767	
e.	Total assets	\$-64,356,364	
f.	Postpetition payables (excluding taxes)	\$ 0	
g.	Postpetition payables past due (excluding taxes)	\$ 0	
h.	Postpetition taxes payable	\$ 0	
i.	Postpetition taxes past due	\$ 0	
j.	Total postpetition debt (f+h)	\$ 0	
k.	Prepetition secured debt	\$ 0	
l.	Prepetition priority debt	\$ 0	
m.	Prepetition unsecured debt	\$ 0	
n.	Total liabilities (debt) (j+k+l+m)	\$ 0	
o.	Ending equity/net worth (e-n)	\$-64,356,364	

Part 3: Assets Sold or Transferred		Current Month	Cumulative
a.	Total cash sales price for assets sold/transferred outside the ordinary course of business	\$ 0	\$ 0
b.	Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$ 0	\$ 0
c.	Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$ 0	\$ 0

Part 4: Income Statement (Statement of Operations)		Current Month	Cumulative
(Not generally applicable to Individual Debtors. See Instructions.)			
a.	Gross income/sales (net of returns and allowances)	\$ 0	
b.	Cost of goods sold (inclusive of depreciation, if applicable)	\$ 0	
c.	Gross profit (a-b)	\$ 0	
d.	Selling expenses	\$ 0	
e.	General and administrative expenses	\$ 0	
f.	Other expenses	\$ 0	
g.	Depreciation and/or amortization (not included in 4b)	\$ 0	
h.	Interest	\$ 0	
i.	Taxes (local, state, and federal)	\$ 0	
j.	Reorganization items	\$ 0	
k.	Profit (loss)	\$ 0	\$ -53,669

Part 5: Professional Fees and Expenses			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
a.	Debtor's professional fees & expenses (bankruptcy)					
	<i>Aggregate Total</i>					
	<i>Itemized Breakdown by Firm</i>					
		Firm Name	Role			
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	ii					
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b.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (nonbankruptcy)					
	<i>Aggregate Total</i>					
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
i						
ii						
iii						
iv						
v						
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c						
c.	All professional fees and expenses (debtor & committees)		\$0	\$0	\$0	\$0

Part 6: Postpetition Taxes

	Current Month	Cumulative
a. Postpetition income taxes accrued (local, state, and federal)	\$ 0	\$ 0
b. Postpetition income taxes paid (local, state, and federal)	\$ 0	\$ 0
c. Postpetition employer payroll taxes accrued	\$ 0	\$ 0
d. Postpetition employer payroll taxes paid	\$ 0	\$ 0
e. Postpetition property taxes paid	\$ 0	\$ 0
f. Postpetition other taxes accrued (local, state, and federal)	\$ 0	\$ 0
g. Postpetition other taxes paid (local, state, and federal)	\$ 0	\$ 0

Part 7: Questionnaire—During this reporting period:

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes ☐ No ☒
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes ☐ No ☒
- c. Were any payments made to or on behalf of insiders? Yes ☐ No ☒
- d. Are you current on postpetition tax return filings? Yes ☒ No ☐
- e. Are you current on postpetition estimated tax payments? Yes ☒ No ☐
- f. Were all trust fund taxes remitted on a current basis? Yes ☒ No ☐
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes ☐ No ☒
- h. Were all payments made to or on behalf of professionals approved by the court? Yes ☐ No ☐ N/A ☒
- i. Do you have: Worker's compensation insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- Casualty/property insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- General liability insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court? Yes ☒ No ☐
- k. Has a disclosure statement been filed with the court? Yes ☒ No ☐
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☒ No ☐

Part 8: Individual Chapter 11 Debtors (Only)

a. Gross income (receipts) from salary and wages	\$	0
b. Gross income (receipts) from self-employment	\$	0
c. Gross income from all other sources	\$	0
d. Total income in the reporting period (a+b+c)	\$	0
e. Payroll deductions	\$	0
f. Self-employment related expenses	\$	0
g. Living expenses	\$	0
h. All other expenses	\$	0
i. Total expenses in the reporting period (e+f+g+h)	\$	0
j. Difference between total income and total expenses (d-i)	\$	0
k. List the total amount of all postpetition debts that are past due	\$	0
l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
m. If yes, have you made all Domestic Support Obligation payments?	Yes <input type="checkbox"/>	No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: [http:// www.justice.gov/ust/eo/rules_regulations/index.htm](http://www.justice.gov/ust/eo/rules_regulations/index.htm). Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

/s/ Michael Bros

Signature of Responsible Party

Michael Bros

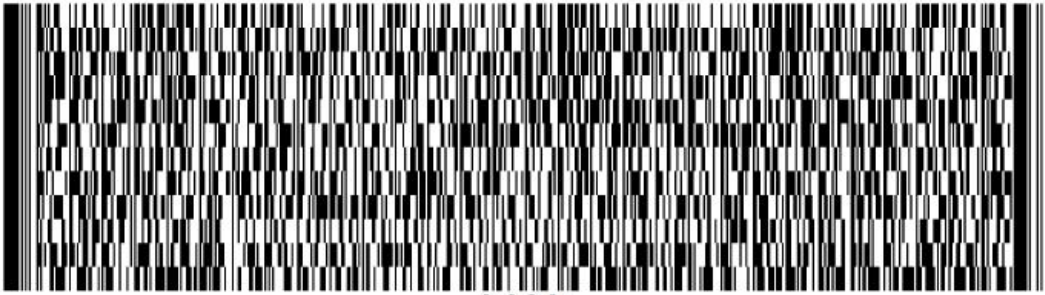
Printed Name of Responsible Party

SVP, Capital Markets and Acquisitions

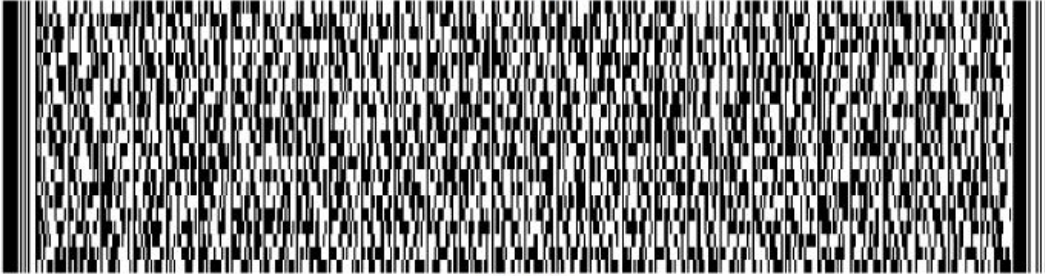
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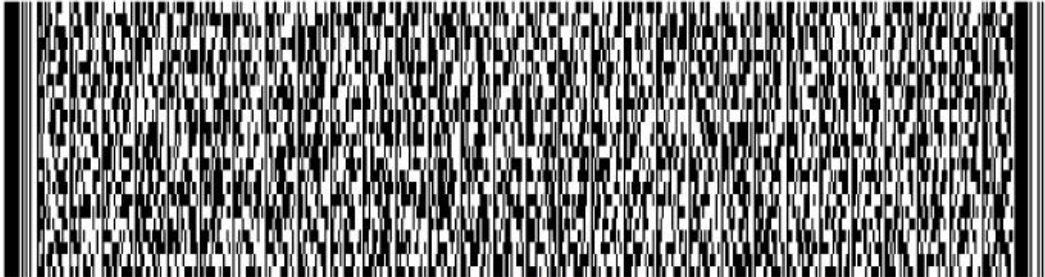
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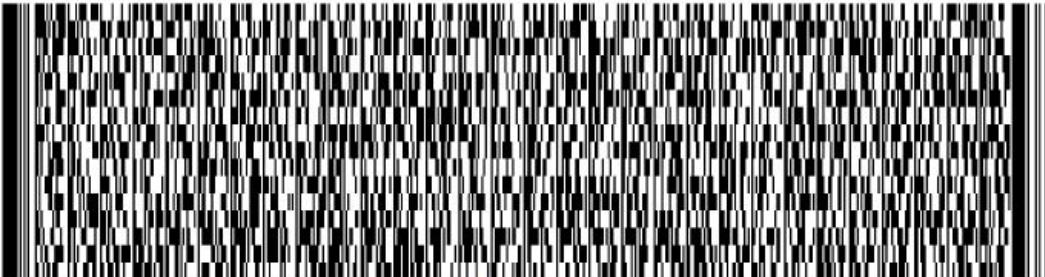
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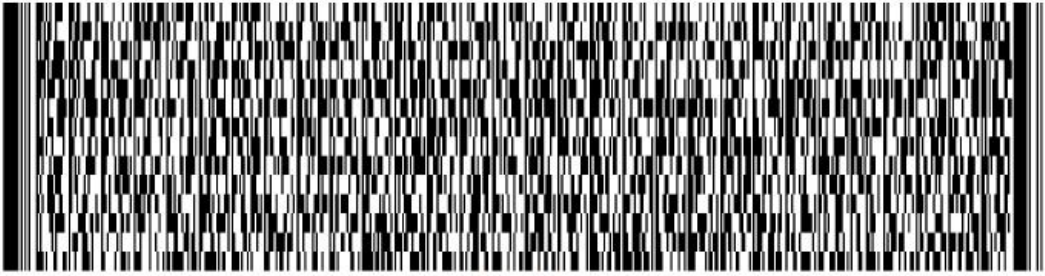
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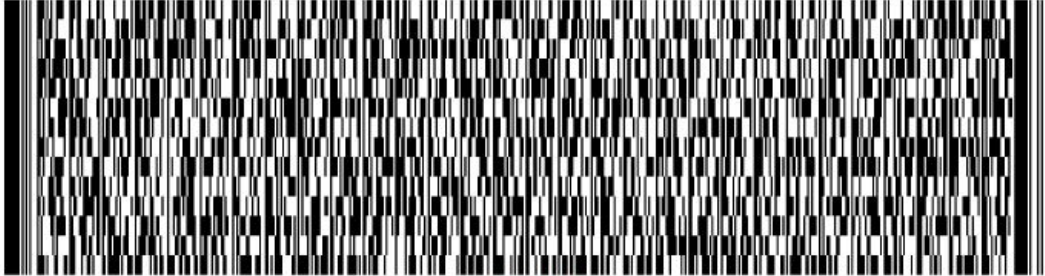
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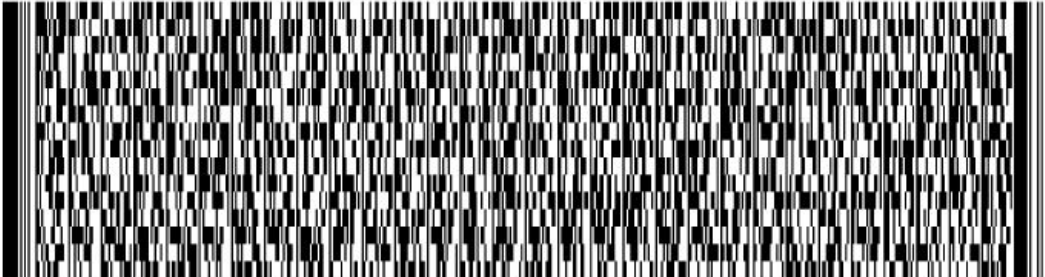
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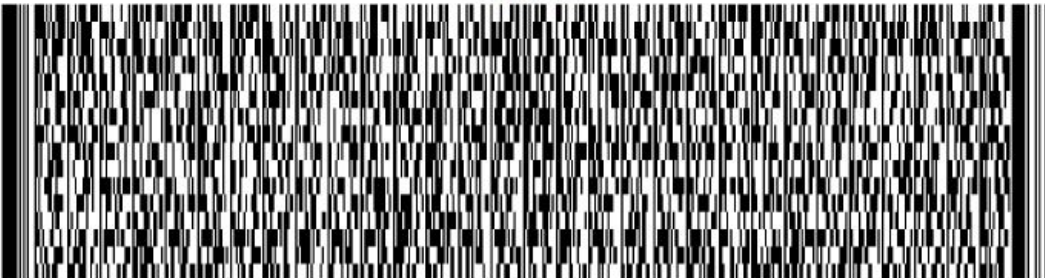
Bankruptcy1to50



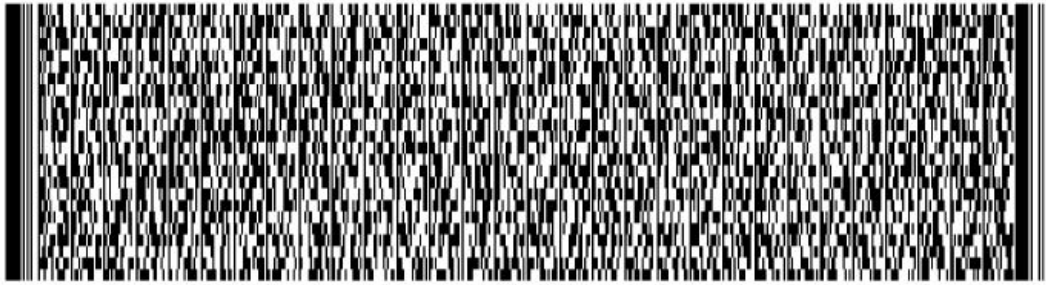
Bankruptcy51to100



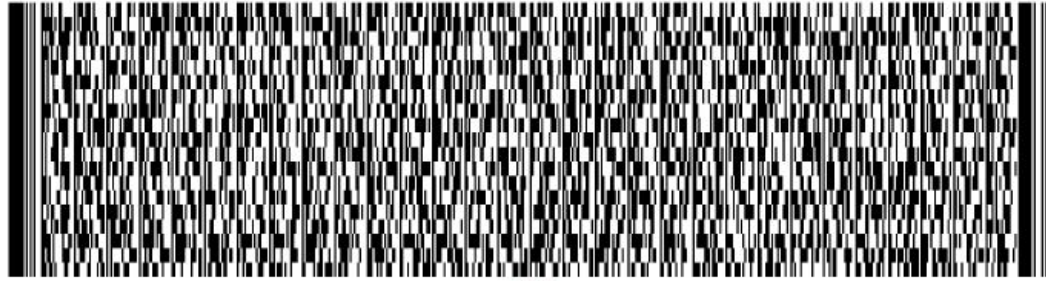
NonBankruptcy1to50



NonBankruptcy51to100



PageThree



PageFour

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§ Chapter 11
	§
CORE SCIENTIFIC, INC., <i>et al.</i> ,	§ Case No. 22-90341 (DRJ)
	§
Debtors. ¹	§ (Jointly Administered)

MONTHLY OPERATING REPORT NOTES FOR AUGUST 2023

On December 21, 2022 (the “**Petition Date**”), Core Scientific, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**” or the “**Company**”), each commenced a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors’ chapter 11 cases are being jointly administered for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 1015-1 of the Bankruptcy Local Rules for the United States Bankruptcy Court for the Southern District of Texas (the “**Local Rules**”). On January 9, 2023, the United States Trustee for Region 7 (the “**U.S. Trustee**”) appointed an official committee of unsecured creditors (the “**Creditors’ Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. On March 23, 2023, the U.S. Trustee appointed an official equity committee (the “**Equity Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

The following notes and statements of limitations and disclaimers should be referred to, and referenced in connection with, any review of this Monthly Operating Report (the “**MOR**”).

1. **Introduction**. This MOR is unaudited and does not purport to represent financial statements prepared in accordance with accounting principles generally accepted in the United States (“**GAAP**”), and it is not intended to fully reconcile to the consolidated financial statements prepared by the Debtors. Information contained in this MOR has been derived from the Debtors’ books and records, but does not reflect in all circumstances presentation for GAAP or SEC reporting purposes. Therefore, to comply with their obligations to provide MORs during these chapter 11 cases, the Debtors have prepared this MOR using the best information presently available to them, which has been collected, maintained, and prepared in accordance with their historical accounting practices. Accordingly, this MOR is true and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (6074); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions VII, LLC (3198). The Debtors’ corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

accurate to the best of the Debtors' knowledge, information, and belief, based on currently-available data. The results of operations and financial position contained herein are not necessarily indicative of results that may be expected for any period other than the period beginning on August 1, 2023 and ending August 31, 2023, or for the full year, and may not necessarily reflect the Debtors' future consolidated results of operations and financial position.

2. **Reservation of Rights.** This MOR is limited in scope, covers the period beginning on August 1, 2023 and ending August 31, 2023, and has been prepared solely for the purpose of complying with the monthly reporting requirements of the Debtors' chapter 11 cases. The unaudited financial information for this report has been derived from the Debtors' books and records. The information presented herein has not been subject to all procedures that typically would be applied to financial information in accordance with U.S. GAAP. Upon the application of such procedures, the Debtors believe that the financial information could be subject to material change. The information furnished in this MOR includes normal recurring adjustments but does not include all of the adjustments that typically would be made for interim financial information presented in accordance with GAAP.

Given the complexity of the Debtors' business, inadvertent errors or omission may occur. Accordingly, the Debtors hereby reserve all of their rights to dispute the nature, validity, status, enforceability, or executory natures of any claim amount, agreement, representation, or other statement set forth in this MOR. Further, the Debtors reserve the right to amend or supplement this MOR, if necessary, but shall be under no obligation to do so.

3. **Basis of Presentation.** Although the Debtors generally prepare their financial statements on a consolidated basis, the MOR has been prepared on an entity-by-entity basis (excluding most intercompany eliminations) for Debtors Core Scientific, Inc., Core Scientific Acquired Mining LLC, Core Scientific Operating Company, Core Scientific Mining LLC, Radar Relay, Inc., Core Scientific Specialty Mining (Oklahoma) LLC, American Property Acquisition, LLC, Starboard Capital LLC, RADAR LLC, American Property Acquisitions I, LLC, and American Property Acquisitions VII, LLC. The financial information contained herein is unaudited, limited in scope, covers a limited time period, and has been prepared solely for the purpose of complying with the monthly reporting requirements for chapter 11 debtors issued by the UST.

The amounts reported in this MOR are as-of August 31, 2023, the end of the Debtors' reporting period. This MOR covers the period beginning August 1, 2023 and ending August 31, 2023.

4. **Accounting Principles.** The Debtors maintain their financial records according to GAAP, however the MOR does not purport to represent financial statements prepared in accordance with GAAP, nor are they intended to be fully reconciled with the financial statements of the Debtors.

The Debtors generally prepare financial statements on a consolidated basis. To the extent that there are negative asset balances for an individual Debtor, such as accounts receivable and current assets, they may be due to some intercompany elimination transactions or adjustments in each specific Debtor's books and records.

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5. **Currency.** Unless otherwise indicated, all amounts in the MOR are reflected in U.S. dollars.
 6. **Consolidated Entity Accounts Payable and Disbursement Systems.** Cash is received and disbursed by the Debtors as described in the *Emergency Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Continue their Existing Cash Management System, (B) Maintain Existing Business Forms and Intercompany Arrangements, (C) Continue Intercompany Transactions, and (D) Continue Utilizing Employee Credit Cards; and (II) Granting Related Relief* (Docket No. 12) (the “**Cash Management Motion**”) and the Debtors’ receipt and disbursement of cash is consistent with the Debtors’ historical cash management practices. Due to the consolidated cash management reporting system, certain cash payments may be paid out of a legal entity that is different than the legal entity at which the expenses were incurred. Also, certain cash receipts may be received in a different legal entity than the legal entity at which the accounts receivable is recorded. Disbursements attributed to each entity represent the entity on behalf of which payments were made, on a proportional allocated basis, from the consolidated cash management system.
 7. **Supporting Documentation.** At the direction of the U.S. Trustee, the following schedules are attached to the MORs: (i) Statement of Cash Receipts and Disbursements; (ii) Balance Sheet; (iii) Income Statement (profit or loss statement); (iv) Schedule of Asset Sales; and (v) Schedule of Payments to Insiders.

Statement of Cash Receipts and Disbursements. Based on guidance received from the Office of the United States Trustee in connection with the completion of UST Form 11-MOR Part 1, Cash Receipts and Disbursements, reported cash receipts and disbursements should exclude intercompany and debtor-to-debtor transactions. As a result, for those debtors with net intercompany cash outflows or inflows during the reporting period, the ending cash balances reported on Form 11-MOR Part 1 may not match the ending cash balances per the Debtors’ bank statements or the Debtors’ books and records. For additional information on ending cash balances per the Debtors’ books and records, see the attached cash balances per MOR-1: Schedule of Cash Receipts and Disbursements.

Balance Sheet. Liabilities Subject to Compromise (“**LSTC**”): LSTC represent the Debtors’ estimate of prepetition claims to be resolved in connection with the chapter 11 cases. As a result of the chapter 11 filings, the payment of prepetition liabilities are subject to compromise or other treatment under a plan of reorganization. The determination of how such liabilities will ultimately be settled or treated cannot be made until the Court approves a chapter 11 plan of reorganization. Accordingly, the ultimate amount of such liabilities is not determinable at this time. Prepetition liabilities that are subject to compromise under ASC 852 are preliminary and may be subject to, among other things, future adjustments depending on Court actions, further developments with respect to disputed claims, determinations of the secured status of certain claims, the values of any collateral securing such claims, rejection of executory contracts, continued reconciliation or other events.

As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate balance sheets in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate balance sheets for the remaining Debtor entities. Consequently, the balance sheets included in the MOR for these Debtors reflect no balances.

Values in the balance sheet(s) attached hereto represent rounded numbers. Accordingly, subtotals may not agree to the summation of the rounded numbers presented.

Income Statement. As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate income statements in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate income statements for the remaining Debtor entities. Consequently, the income statements included in the MOR for these Debtors reflect no income.

Schedule of Payments to Insiders. This schedule provides additional detail for the period on page 1 of the MOR. For each insider payment made during the reporting period the following information is provided: Recipient; Date of payment or benefit provided; Amount of cash payment or market value of non-cash payment; and Reason for each payment made.

8. **Part 1, Cash Receipts and Disbursements.** Cumulative quarter-to-date for Q3 2023 disbursements are reported in the Cumulative figures in the MOR. Cumulative case to date total disbursements through August 31, 2023 are \$348,255,982.
9. **Part 2: Asset and Liability Status.** Long-term lease liabilities resulting from the Debtors' office / location leases and equipment / fixed asset leases are reported as prepetition unsecured debt. Beginning with the April MOR, the (i) April 2022 \$60 million Bridge Promissory Note with BRF Finance Co, LLC and (ii) April 2022 \$15 million Bridge Promissory Note with B. Riley Commercial Capital, LLC (collectively, the "**Unsecured Bridge Notes**"), are also reported as prepetition unsecured debt, whereas the Unsecured Bridge Notes were inadvertently included in prepetition priority debt on previous monthly operating reports.
10. **Part 3, Assets Sold or Transferred.** The Company regularly receives credits and/or coupons from Bitmain Technologies Ltd.'s reward and price protection programs. The Company subsequently redeems these credits and/or coupons for new ASIC miner acquisitions or sells them to third parties when they are not able to be utilized by the Company. The Company may recognize other income when the credits and/or coupons are redeemed in noncash acquisitions or sold to third parties.
11. **Part 5: Professional Fees and Expenses.** For purposes of the MORs, bankruptcy professional fees are considered approved if the applicable monthly fee statement has been served and the objection deadline with regard to such monthly fee statement has expired prior to the end date of the MOR period.

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12. **Part 7 Questionnaire.** Pursuant to certain orders of the Bankruptcy Court entered in the Debtors' chapter 11 cases (the "**First Day Orders**"), the Debtors were authorized (but not directed) to pay, among other things, certain prepetition claims of their employees, taxing authorities, insurers, critical vendors, and certain other prepetition creditors. Amounts paid pursuant to the First Day Orders are monitored as to limits provided in the applicable orders of the Bankruptcy Court governing payment of such prepetition obligations, and this report is available to the U.S. Trustee as required.

In the ordinary course of business, the Debtors' tax filings may extend past the normal deadlines and become late in some instances. When this happens, the Debtors arrange to complete the filings and address any related fines and/or penalties. There are no tax filings that are currently late where the Debtors are not also in dialogue with the related taxing authority to become compliant.

All postpetition borrowings since the inception of the case, other than trade credit, are borrowings made under the Initial DIP Facility or the Replacement DIP Facility.

[illegible]

MOR-2: End of August 2023 Balance Sheet

	Core Scientific, Inc.	Core Scientific Acquired Mining LLC	Core Scientific Operating Company	Radar Relay, Inc.	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC	Elimination Co	Total ¹
(US \$)													
ASSETS													
Cash and Equivalents	1,650,308	141,898	41,146,568	—	—	—	—	—	—	—	—	—	42,938,774
Restricted Cash	20,155,346	—	805,024	—	—	—	—	—	—	—	—	—	20,960,370
Total Cash	21,805,654	141,898	41,951,592	—	—	—	—	—	—	—	—	—	63,899,144
Accounts receivable, net of allowance	—	—	1,447,717	—	—	—	—	—	—	—	—	—	1,447,717
Accounts receivable from related parties	467,184,855	151,035,671	(473,011,494)	1,160,033	—	—	—	—	—	—	—	(146,360,599)	8,476,275
Deposits for equipment	—	—	100,897	—	—	—	—	—	—	—	—	—	100,897
Digital currency assets	—	101,214	703,260	—	—	—	—	—	—	—	—	—	804,474
Prepaid expenses and other	—	22,610,400	22,555,503	—	—	—	—	—	—	—	—	(22,605,090)	22,560,413
Total other current assets	1,835,680,497	(1,128,199,397)	(701,290,764)	12,734	—	—	—	—	—	—	—	—	6,203,490
Total Current Assets	2,324,671,006	(954,310,215)	(1,107,543,289)	1,172,767	—	—	—	—	—	—	—	(168,965,689)	95,024,416
Property, plant and equipment	—	43,554,921	565,370,886	—	—	—	—	—	—	—	—	(15,616,704)	593,309,103
Operating lease right-of-use assets	—	—	19,808,855	—	—	—	—	—	—	—	—	—	19,808,855
Goodwill	—	232,587,379	(167,058,249)	(65,529,130)	—	—	—	—	—	—	—	—	—
Intangible assets, net	—	—	2,542,228	—	—	—	—	—	—	—	—	—	2,542,228
Other noncurrent assets	2,558,789	(0)	6,731,497	—	—	—	—	—	—	—	—	—	9,290,286
Total Assets	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,364)	—	—	—	—	—	—	—	(184,582,393)	719,975,141
LIABILITIES, PREFERRED STOCK & EQUITY													
Accounts Payable	—	146,436,696	81,570,312	1,750	—	—	—	—	—	—	—	(146,360,599)	81,648,169
Accrued expenses and other	199,366	18,136,331	54,393,080	—	—	—	—	—	—	—	—	—	72,728,777
Deferred revenue	—	—	104,003,372	—	—	—	—	—	—	—	—	(38,493,287)	65,510,463
Derivative warrant liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—
Operating lease liabilities, current portion	—	—	295,229	—	—	—	—	—	—	—	—	—	295,229
Financing lease liabilities, current portion	—	—	26,116,234	—	—	—	—	—	—	—	—	—	26,116,234
Long-term debt, current portion	(559,901,857)	—	716,969,147	—	—	—	—	—	—	—	—	—	157,067,290
Total current liabilities	(559,702,491)	164,573,027	983,347,375	1,750	—	—	—	—	—	—	—	(184,853,886)	403,365,146
Operating lease liabilities, net of current portion	—	—	14,529,985	—	—	—	—	—	—	—	—	—	14,529,985
Financing lease liabilities, net of current portion	—	—	41,338,777	—	—	—	—	—	—	—	—	—	41,338,777
Long-term debt, net of current portion	568,258,150	—	108,254,839	—	—	—	—	—	—	—	—	—	676,512,989
Other noncurrent liabilities	—	18,084,856	(15,497,087)	(2,587,769)	—	—	—	—	—	—	—	—	—
Total Liabilities	8,555,659	182,657,883	1,131,973,889	(2,586,019)	—	—	—	—	—	—	—	(184,853,886)	1,135,747,966
Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—	—
Total Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—	—
Preferred stock	—	—	—	—	—	—	—	—	—	—	—	—	—
Common stock	37,478	—	—	—	—	—	—	—	—	—	—	—	37,478
Additional paid-in capital	1,814,023,126	(15,979,141)	2,887,621	—	—	—	—	—	—	—	—	—	1,800,931,606
Accumulated deficit	(179,781,838)	(844,893,639)	(1,130,614,212)	(61,770,345)	—	—	—	—	—	—	—	318,476	(2,216,741,030)
Other Comprehensive Income	—	—	—	—	—	—	—	—	—	—	—	—	—
Cumulative Translation Adjustment	—	46,983	—	—	—	—	—	—	—	—	—	(46,983)	—
Total Equity	1,634,278,766	(860,825,798)	(1,127,726,591)	(61,770,345)	—	—	—	—	—	—	—	271,494	(415,772,964)
Total Liabilities, Preferred Stock & Equity	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,364)	—	—	—	—	—	—	—	(184,582,393)	719,975,141

¹ The 'Elimination Co' column addresses the accounting of intercompany balances to enable consolidated reporting in the 'Total' column

MOR-3: 8/1/2023 - 8/31/2023 Profit & Loss

	Core Scientific, Inc.	Core Scientific Mining LLC	Core Scientific Operating Company	Radar Relay, Inc.	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC
Total Revenue											
<i>(dollars in thousands)</i>											
Hosting revenue from customers	—	—	8,337,117	—	—	—	—	—	—	—	—
Hosting revenue from related parties	—	—	2,723,619	—	—	—	—	—	—	—	—
Equipment sales to customers	—	—	—	—	—	—	—	—	—	—	—
Equipment sales to related parties	—	—	—	—	—	—	—	—	—	—	—
Digital asset mining income	—	2,323,886	24,559,363	—	—	—	—	—	—	—	—
Network services and defi revenue	—	—	—	—	—	—	—	—	—	—	—
Total Revenue	—	2,323,886	35,620,099	—	—	—	—	—	—	—	—
Cost of revenue	—	(3,435,120)	(33,672,069)	—	—	—	—	—	—	—	—
Gross Profit	—	(1,111,235)	1,948,031	—	—	—	—	—	—	—	—
Gain (loss) on legal settlements	—	—	85,000	—	—	—	—	—	—	—	—
Gain (loss) from sales of digital currency assets	—	14,598	109,197	—	—	—	—	—	—	—	—
Impairments of digital currency assets	—	(27,236)	(273,402)	—	—	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—	—	—	—	—	—
Impairment of property, plant and equipment	—	—	—	—	—	—	—	—	—	—	—
Losses on exchange or disposal of property, plant and equipment	—	—	(27)	—	—	—	—	—	—	—	—
Operating expenses:											
Research and development	—	—	(1,083,293)	—	—	—	—	—	—	—	—
Sales and marketing	—	—	(359,197)	—	—	—	—	—	—	—	—
General and administrative	—	(70,677)	(10,042,606)	—	—	—	—	—	—	—	—
Advisor Fees	—	—	—	—	—	—	—	—	—	—	—
Total operating expenses	—	(70,677)	(11,485,096)	—	—	—	—	—	—	—	—
Operating Income (Loss)	—	(1,194,550)	(9,616,298)	—	—	—	—	—	—	—	—
Non-operating income (expense), net:											
Loss on debt extinguishment	—	—	—	—	—	—	—	—	—	—	—
Interest expense, net	—	—	63,250	—	—	—	—	—	—	—	—
Other non-operating expenses, net	—	—	—	—	—	—	—	—	—	—	—
Reorganization items	—	—	(17,973,376)	—	—	—	—	—	—	—	—
Total Non-operating income (expense), net:	—	—	(17,910,126)	—	—	—	—	—	—	—	—
Income (loss) before income taxes	—	(1,194,550)	(27,526,425)	—	—	—	—	—	—	—	—
Income tax expense	—	—	—	—	—	—	—	—	—	—	—
Net Income (Loss)	—	(1,194,550)	(27,526,425)	—	—	—	—	—	—	—	—

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON

In Re. Core Scientific Specialty Mining (Oklahoma) LLC	§	Case No. 22-90345
	§	Lead Case No. 22-90341
Debtor(s)	§	
	§	<input checked="" type="checkbox"/> Jointly Administered

Monthly Operating Report

Chapter 11

Reporting Period Ended: 08/31/2023

Petition Date: 12/21/2022

Months Pending: 8

Industry Classification: 3 3 4 1

Reporting Method:	Accrual Basis <input checked="" type="checkbox"/>	Cash Basis <input type="checkbox"/>
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Debtor's Full-Time Employees (current):	0
---	---

Debtor's Full-Time Employees (as of date of order for relief):	0
--	---

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☒ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☐ Accounts receivable aging
- ☐ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☐ Schedule of payments to professionals
- ☐ Schedule of payments to insiders
- ☐ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

/s/ Alfredo R. Pérez

Signature of Responsible Party

Alfredo R. Pérez

Printed Name of Responsible Party

09/29/2023

Date

700 Louisiana Street, Suite 1700, Houston, Texas 77002

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

Part 1: Cash Receipts and Disbursements

	Current Month	Cumulative
a. Cash balance beginning of month	\$ 0	
b. Total receipts (net of transfers between accounts)	\$ 0	\$ 0
c. Total disbursements (net of transfers between accounts)	\$ 0	\$ 0
d. Cash balance end of month (a+b-c)	\$ 0	
e. Disbursements made by third party for the benefit of the estate	\$ 0	\$ 0
f. Total disbursements for quarterly fee calculation (c+e)	\$ 0	\$ 0

Part 2: Asset and Liability Status

(Not generally applicable to Individual Debtors. See Instructions.)

	Current Month	
a. Accounts receivable (total net of allowance)	\$ 0	
b. Accounts receivable over 90 days outstanding (net of allowance)	\$ 0	
c. Inventory (Book <input checked="" type="checkbox"/> Market <input type="checkbox"/> Other <input type="checkbox"/> (attach explanation))	\$ 0	
d. Total current assets	\$ 0	
e. Total assets	\$ 0	
f. Postpetition payables (excluding taxes)	\$ 0	
g. Postpetition payables past due (excluding taxes)	\$ 0	
h. Postpetition taxes payable	\$ 0	
i. Postpetition taxes past due	\$ 0	
j. Total postpetition debt (f+h)	\$ 0	
k. Prepetition secured debt	\$ 0	
l. Prepetition priority debt	\$ 0	
m. Prepetition unsecured debt	\$ 0	
n. Total liabilities (debt) (j+k+l+m)	\$ 0	
o. Ending equity/net worth (e-n)	\$ 0	

Part 3: Assets Sold or Transferred

	Current Month	Cumulative
a. Total cash sales price for assets sold/transferred outside the ordinary course of business	\$ 0	\$ 0
b. Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$ 0	\$ 0
c. Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$ 0	\$ 0

Part 4: Income Statement (Statement of Operations)

(Not generally applicable to Individual Debtors. See Instructions.)

	Current Month	Cumulative
a. Gross income/sales (net of returns and allowances)	\$ 0	
b. Cost of goods sold (inclusive of depreciation, if applicable)	\$ 0	
c. Gross profit (a-b)	\$ 0	
d. Selling expenses	\$ 0	
e. General and administrative expenses	\$ 0	
f. Other expenses	\$ 0	
g. Depreciation and/or amortization (not included in 4b)	\$ 0	
h. Interest	\$ 0	
i. Taxes (local, state, and federal)	\$ 0	
j. Reorganization items	\$ 0	
k. Profit (loss)	\$ 0	\$ 0

Part 5: Professional Fees and Expenses					
a.				Approved Current Month	Approved Cumulative
	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>				
	<i>Itemized Breakdown by Firm</i>				
	Firm Name	Role			
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b.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>					
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
i						
ii						
iii						
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c.	All professional fees and expenses (debtor & committees)		\$	0	\$	0	\$	0	\$	0

Part 6: Postpetition Taxes

	Current Month	Cumulative
a. Postpetition income taxes accrued (local, state, and federal)	\$ 0	\$ 0
b. Postpetition income taxes paid (local, state, and federal)	\$ 0	\$ 0
c. Postpetition employer payroll taxes accrued	\$ 0	\$ 0
d. Postpetition employer payroll taxes paid	\$ 0	\$ 0
e. Postpetition property taxes paid	\$ 0	\$ 0
f. Postpetition other taxes accrued (local, state, and federal)	\$ 0	\$ 0
g. Postpetition other taxes paid (local, state, and federal)	\$ 0	\$ 0

Part 7: Questionnaire - During this reporting period:

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes ☐ No ☒
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes ☐ No ☒
- c. Were any payments made to or on behalf of insiders? Yes ☐ No ☒
- d. Are you current on postpetition tax return filings? Yes ☒ No ☐
- e. Are you current on postpetition estimated tax payments? Yes ☒ No ☐
- f. Were all trust fund taxes remitted on a current basis? Yes ☒ No ☐
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes ☐ No ☒
- h. Were all payments made to or on behalf of professionals approved by the court? Yes ☐ No ☐ N/A ☒
- i. Do you have: Worker's compensation insurance? Yes ☒ No ☐
 If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
 Casualty/property insurance? Yes ☒ No ☐
 If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
 General liability insurance? Yes ☒ No ☐
 If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court? Yes ☒ No ☐
- k. Has a disclosure statement been filed with the court? Yes ☒ No ☐
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☒ No ☐

Part 8: Individual Chapter 11 Debtors (Only)

a. Gross income (receipts) from salary and wages	\$	0
b. Gross income (receipts) from self-employment	\$	0
c. Gross income from all other sources	\$	0
d. Total income in the reporting period (a+b+c)	\$	0
e. Payroll deductions	\$	0
f. Self-employment related expenses	\$	0
g. Living expenses	\$	0
h. All other expenses	\$	0
i. Total expenses in the reporting period (e+f+g+h)	\$	0
j. Difference between total income and total expenses (d-i)	\$	0
k. List the total amount of all postpetition debts that are past due	\$	0
l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
m. If yes, have you made all Domestic Support Obligation payments?	Yes <input type="checkbox"/>	No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

/s/ Michael Bros

Signature of Responsible Party

Michael Bros

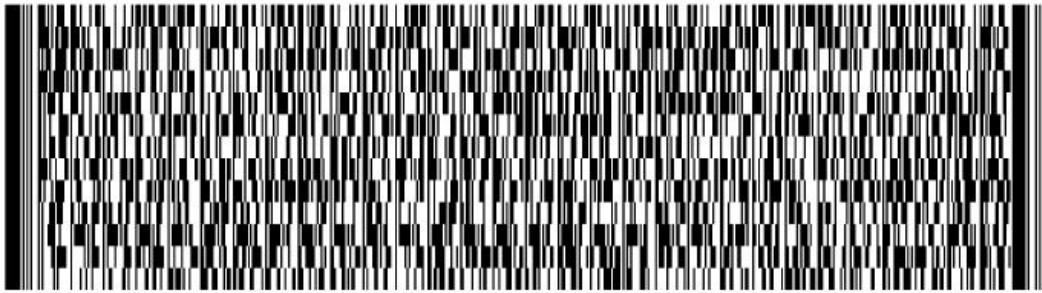
Printed Name of Responsible Party

SVP, Capital Markets and Acquisitions

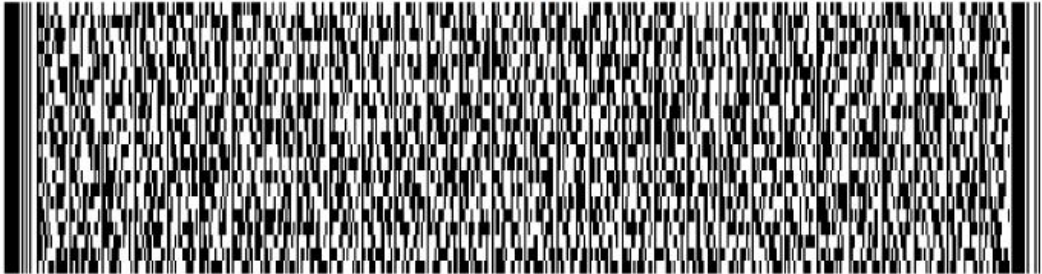
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09/29/2023

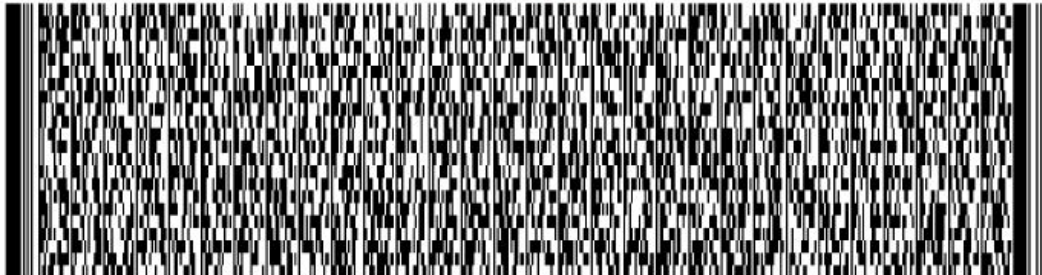
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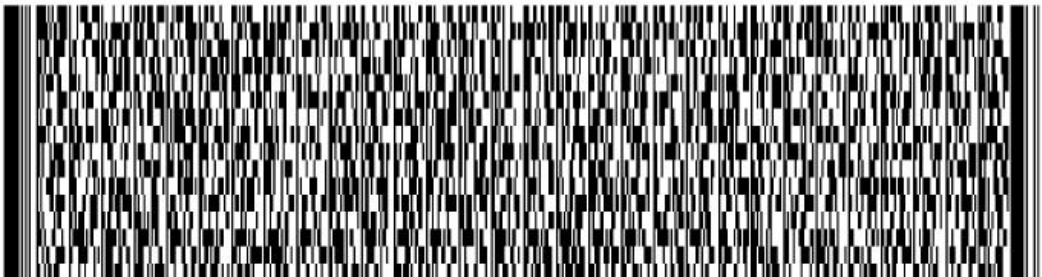
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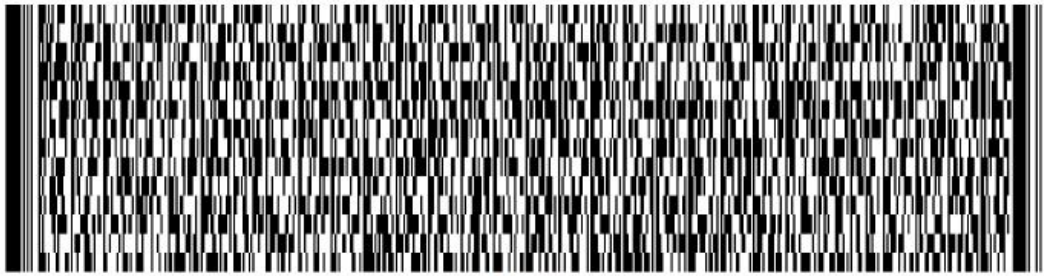
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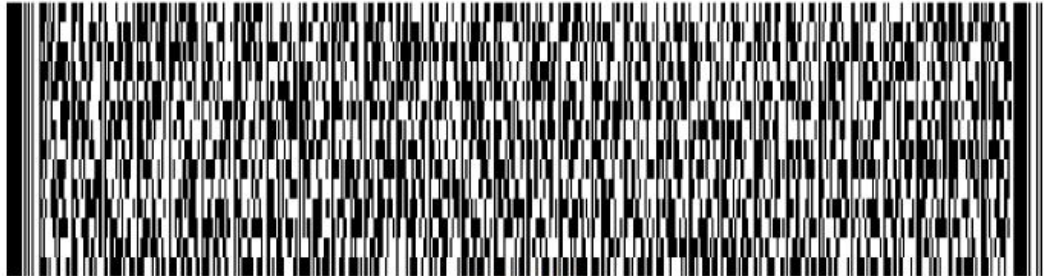
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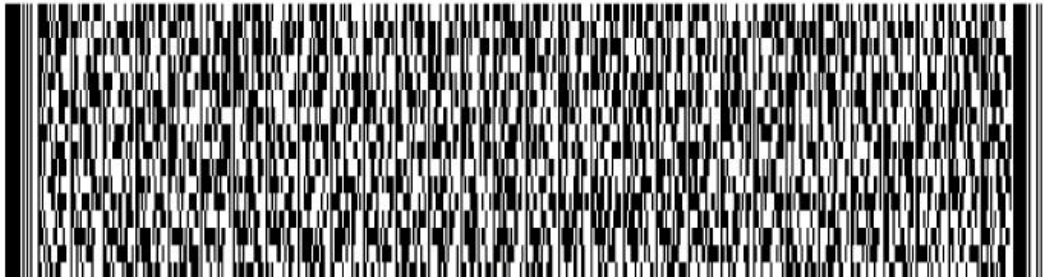
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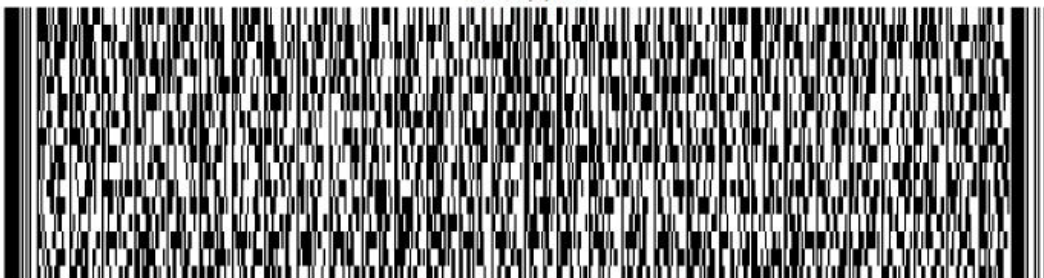
Bankruptcy1to50



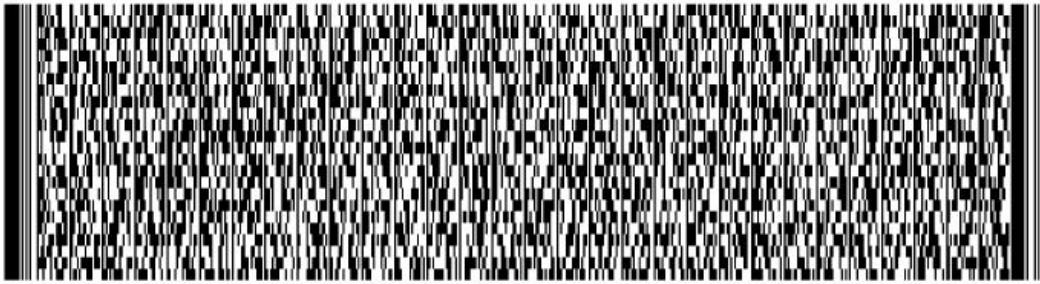
Bankruptcy51to100



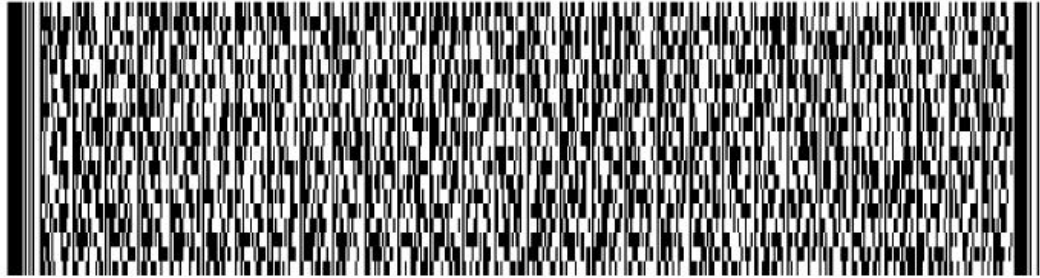
NonBankruptcy1to50



NonBankruptcy51to100



PageThree



PageFour

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:

CORE SCIENTIFIC, INC., *et al.*,

Debtors.¹

§ Chapter 11

§

§ Case No. 22-90341 (DRJ)

§

§ (Jointly Administered)

MONTHLY OPERATING REPORT NOTES FOR AUGUST 2023

On December 21, 2022 (the “**Petition Date**”), Core Scientific, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**” or the “**Company**”), each commenced a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors’ chapter 11 cases are being jointly administered for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 1015-1 of the Bankruptcy Local Rules for the United States Bankruptcy Court for the Southern District of Texas (the “**Local Rules**”). On January 9, 2023, the United States Trustee for Region 7 (the “**U.S. Trustee**”) appointed an official committee of unsecured creditors (the “**Creditors’ Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. On March 23, 2023, the U.S. Trustee appointed an official equity committee (the “**Equity Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

The following notes and statements of limitations and disclaimers should be referred to, and referenced in connection with, any review of this Monthly Operating Report (the “**MOR**”).

1. **Introduction.** This MOR is unaudited and does not purport to represent financial statements prepared in accordance with accounting principles generally accepted in the United States (“**GAAP**”), and it is not intended to fully reconcile to the consolidated financial statements prepared by the Debtors. Information contained in this MOR has been derived from the Debtors’ books and records, but does not reflect in all circumstances presentation for GAAP or SEC reporting purposes. Therefore, to comply with their obligations to provide MORs during these chapter 11 cases, the Debtors have prepared this MOR using the best information presently available to them, which has been collected, maintained, and prepared in accordance with their historical accounting practices. Accordingly, this MOR is true and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (6074); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions VII, LLC (3198). The Debtors’ corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

accurate to the best of the Debtors' knowledge, information, and belief, based on currently-available data. The results of operations and financial position contained herein are not necessarily indicative of results that may be expected for any period other than the period beginning on August 1, 2023 and ending August 31, 2023, or for the full year, and may not necessarily reflect the Debtors' future consolidated results of operations and financial position.

2. **Reservation of Rights.** This MOR is limited in scope, covers the period beginning on August 1, 2023 and ending August 31, 2023, and has been prepared solely for the purpose of complying with the monthly reporting requirements of the Debtors' chapter 11 cases. The unaudited financial information for this report has been derived from the Debtors' books and records. The information presented herein has not been subject to all procedures that typically would be applied to financial information in accordance with U.S. GAAP. Upon the application of such procedures, the Debtors believe that the financial information could be subject to material change. The information furnished in this MOR includes normal recurring adjustments but does not include all of the adjustments that typically would be made for interim financial information presented in accordance with GAAP.

Given the complexity of the Debtors' business, inadvertent errors or omission may occur. Accordingly, the Debtors hereby reserve all of their rights to dispute the nature, validity, status, enforceability, or executory natures of any claim amount, agreement, representation, or other statement set forth in this MOR. Further, the Debtors reserve the right to amend or supplement this MOR, if necessary, but shall be under no obligation to do so.

3. **Basis of Presentation.** Although the Debtors generally prepare their financial statements on a consolidated basis, the MOR has been prepared on an entity-by-entity basis (excluding most intercompany eliminations) for Debtors Core Scientific, Inc., Core Scientific Acquired Mining LLC, Core Scientific Operating Company, Core Scientific Mining LLC, Radar Relay, Inc., Core Scientific Specialty Mining (Oklahoma) LLC, American Property Acquisition, LLC, Starboard Capital LLC, RADAR LLC, American Property Acquisitions I, LLC, and American Property Acquisitions VII, LLC. The financial information contained herein is unaudited, limited in scope, covers a limited time period, and has been prepared solely for the purpose of complying with the monthly reporting requirements for chapter 11 debtors issued by the UST.

The amounts reported in this MOR are as-of August 31, 2023, the end of the Debtors' reporting period. This MOR covers the period beginning August 1, 2023 and ending August 31, 2023.

4. **Accounting Principles.** The Debtors maintain their financial records according to GAAP, however the MOR does not purport to represent financial statements prepared in accordance with GAAP, nor are they intended to be fully reconciled with the financial statements of the Debtors.

The Debtors generally prepare financial statements on a consolidated basis. To the extent that there are negative asset balances for an individual Debtor, such as accounts receivable and current assets, they may be due to some intercompany elimination transactions or adjustments in each specific Debtor's books and records.

-
5. **Currency.** Unless otherwise indicated, all amounts in the MOR are reflected in U.S. dollars.
6. **Consolidated Entity Accounts Payable and Disbursement Systems.** Cash is received and disbursed by the Debtors as described in the *Emergency Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Continue their Existing Cash Management System, (B) Maintain Existing Business Forms and Intercompany Arrangements, (C) Continue Intercompany Transactions, and (D) Continue Utilizing Employee Credit Cards; and (II) Granting Related Relief* (Docket No. 12) (the “**Cash Management Motion**”) and the Debtors’ receipt and disbursement of cash is consistent with the Debtors’ historical cash management practices. Due to the consolidated cash management reporting system, certain cash payments may be paid out of a legal entity that is different than the legal entity at which the expenses were incurred. Also, certain cash receipts may be received in a different legal entity than the legal entity at which the accounts receivable is recorded. Disbursements attributed to each entity represent the entity on behalf of which payments were made, on a proportional allocated basis, from the consolidated cash management system.
7. **Supporting Documentation.** At the direction of the U.S. Trustee, the following schedules are attached to the MORs: (i) Statement of Cash Receipts and Disbursements; (ii) Balance Sheet; (iii) Income Statement (profit or loss statement); (iv) Schedule of Asset Sales; and (v) Schedule of Payments to Insiders.

Statement of Cash Receipts and Disbursements. Based on guidance received from the Office of the United States Trustee in connection with the completion of UST Form 11-MOR Part 1, Cash Receipts and Disbursements, reported cash receipts and disbursements should exclude intercompany and debtor-to-debtor transactions. As a result, for those debtors with net intercompany cash outflows or inflows during the reporting period, the ending cash balances reported on Form 11-MOR Part 1 may not match the ending cash balances per the Debtors’ bank statements or the Debtors’ books and records. For additional information on ending cash balances per the Debtors’ books and records, see the attached cash balances per MOR-1: Schedule of Cash Receipts and Disbursements.

Balance Sheet. Liabilities Subject to Compromise (“**LSTC**”): LSTC represent the Debtors’ estimate of prepetition claims to be resolved in connection with the chapter 11 cases. As a result of the chapter 11 filings, the payment of prepetition liabilities are subject to compromise or other treatment under a plan of reorganization. The determination of how such liabilities will ultimately be settled or treated cannot be made until the Court approves a chapter 11 plan of reorganization. Accordingly, the ultimate amount of such liabilities is not determinable at this time. Prepetition liabilities that are subject to compromise under ASC 852 are preliminary and may be subject to, among other things, future adjustments depending on Court actions, further developments with respect to disputed claims, determinations of the secured status of certain claims, the values of any collateral securing such claims, rejection of executory contracts, continued reconciliation or other events.

As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate balance sheets in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate balance sheets for the remaining Debtor entities. Consequently, the balance sheets included in the MOR for these Debtors reflect no balances.

Values in the balance sheet(s) attached hereto represent rounded numbers. Accordingly, subtotals may not agree to the summation of the rounded numbers presented.

Income Statement. As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate income statements in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate income statements for the remaining Debtor entities. Consequently, the income statements included in the MOR for these Debtors reflect no income.

Schedule of Payments to Insiders. This schedule provides additional detail for the period on page 1 of the MOR. For each insider payment made during the reporting period the following information is provided: Recipient; Date of payment or benefit provided; Amount of cash payment or market value of non-cash payment; and Reason for each payment made.

8. **Part 1, Cash Receipts and Disbursements.** Cumulative quarter-to-date for Q3 2023 disbursements are reported in the Cumulative figures in the MOR. Cumulative case to date total disbursements through August 31, 2023 are \$348,255,982.
9. **Part 2: Asset and Liability Status.** Long-term lease liabilities resulting from the Debtors' office / location leases and equipment / fixed asset leases are reported as prepetition unsecured debt. Beginning with the April MOR, the (i) April 2022 \$60 million Bridge Promissory Note with BRF Finance Co, LLC and (ii) April 2022 \$15 million Bridge Promissory Note with B. Riley Commercial Capital, LLC (collectively, the "Unsecured Bridge Notes"), are also reported as prepetition unsecured debt, whereas the Unsecured Bridge Notes were inadvertently included in prepetition priority debt on previous monthly operating reports.
10. **Part 3, Assets Sold or Transferred.** The Company regularly receives credits and/or coupons from Bitmain Technologies Ltd.'s reward and price protection programs. The Company subsequently redeems these credits and/or coupons for new ASIC miner acquisitions or sells them to third parties when they are not able to be utilized by the Company. The Company may recognize other income when the credits and/or coupons are redeemed in noncash acquisitions or sold to third parties.
11. **Part 5: Professional Fees and Expenses.** For purposes of the MORs, bankruptcy professional fees are considered approved if the applicable monthly fee statement has been served and the objection deadline with regard to such monthly fee statement has expired prior to the end date of the MOR period.

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12. **Part 7 Questionnaire.** Pursuant to certain orders of the Bankruptcy Court entered in the Debtors' chapter 11 cases (the "**First Day Orders**"), the Debtors were authorized (but not directed) to pay, among other things, certain prepetition claims of their employees, taxing authorities, insurers, critical vendors, and certain other prepetition creditors. Amounts paid pursuant to the First Day Orders are monitored as to limits provided in the applicable orders of the Bankruptcy Court governing payment of such prepetition obligations, and this report is available to the U.S. Trustee as required.

In the ordinary course of business, the Debtors' tax filings may extend past the normal deadlines and become late in some instances. When this happens, the Debtors arrange to complete the filings and address any related fines and/or penalties. There are no tax filings that are currently late where the Debtors are not also in dialogue with the related taxing authority to become compliant.

All postpetition borrowings since the inception of the case, other than trade credit, are borrowings made under the Initial DIP Facility or the Replacement DIP Facility.

[illegible]

MOR-2: End of August 2023 Balance Sheet

	Core Scientific, Inc.	Core Scientific Acquired Mining LLC	Core Scientific Operating Company	Radar Relay, Inc.	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC	Elimination Co	Total ¹
(US \$)													
ASSETS													
Cash and Equivalents	1,650,308	141,898	41,146,568	—	—	—	—	—	—	—	—	—	42,938,
Restricted Cash	20,155,346	—	805,024	—	—	—	—	—	—	—	—	—	20,960,
Total Cash	21,805,654	141,898	41,951,592	—	—	—	—	—	—	—	—	—	63,899,
Accounts receivable, net of allowance	—	—	1,447,717	—	—	—	—	—	—	—	—	—	1,447,
Accounts receivable from related parties	467,184,855	151,035,671	(473,011,494)	1,160,033	—	—	—	—	—	—	—	(146,360,599)	8,
Deposits for equipment	—	—	100,897	—	—	—	—	—	—	—	—	—	100,
Digital currency assets	—	101,214	703,260	—	—	—	—	—	—	—	—	—	804,
Prepaid expenses and other	—	22,610,400	22,555,503	—	—	—	—	—	—	—	—	(22,605,090)	22,560,
Total other current assets	1,835,680,497	(1,128,199,397)	(701,290,764)	12,734	—	—	—	—	—	—	—	—	6,203,
Total Current Assets	2,324,671,006	(954,310,215)	(1,107,543,289)	1,172,767	—	—	—	—	—	—	—	(168,965,689)	95,024,
Property, plant and equipment	—	43,554,921	565,370,886	—	—	—	—	—	—	—	—	(15,616,704)	593,309,
Operating lease-right-of-use assets	—	—	19,808,855	—	—	—	—	—	—	—	—	—	19,808,
Goodwill	—	232,587,379	(167,058,249)	(65,529,130)	—	—	—	—	—	—	—	—	—
Intangible assets, net	—	—	2,542,228	—	—	—	—	—	—	—	—	—	2,542,
Other noncurrent assets	2,558,789	(0)	6,731,497	—	—	—	—	—	—	—	—	—	9,290,
Total Assets	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,364)	—	—	—	—	—	—	—	(184,582,393)	719,975,
LIABILITIES, PREFERRED STOCK & EQUITY													
Accounts Payable	—	146,436,696	81,570,312	1,750	—	—	—	—	—	—	—	(146,360,599)	81,648,
Accrued expenses and other	199,366	18,136,331	54,393,080	—	—	—	—	—	—	—	—	—	72,728,
Deferred revenue	—	—	104,003,372	—	—	—	—	—	—	—	—	(38,493,287)	65,510,
Derivative warrant liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—
Operating lease liabilities, current portion	—	—	295,229	—	—	—	—	—	—	—	—	—	295,
Financing lease liabilities, current portion	—	—	26,116,234	—	—	—	—	—	—	—	—	—	26,116,
Long-term debt, current portion	(559,901,857)	—	716,969,147	—	—	—	—	—	—	—	—	—	157,067,
Total current liabilities	(559,702,491)	164,573,027	983,347,375	1,750	—	—	—	—	—	—	—	(184,853,886)	403,365,
Operating lease liabilities, net of current portion	—	—	14,529,985	—	—	—	—	—	—	—	—	—	14,529,
Financing lease liabilities, net of current portion	—	—	41,338,777	—	—	—	—	—	—	—	—	—	41,338,
Long-term debt, net of current portion	568,258,150	—	108,254,839	—	—	—	—	—	—	—	—	—	676,512,
Other noncurrent liabilities	—	18,084,856	(15,497,087)	(2,587,769)	—	—	—	—	—	—	—	—	—
Total Liabilities	8,555,659	182,657,883	1,131,973,889	(2,586,019)	—	—	—	—	—	—	—	(184,853,886)	1,135,747,
Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—	—
Total Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—	—
Preferred stock	—	—	—	—	—	—	—	—	—	—	—	—	—
Common stock	37,478	—	—	—	—	—	—	—	—	—	—	—	37,
Additional paid-in capital	1,814,023,126	(15,979,141)	2,887,621	—	—	—	—	—	—	—	—	—	1,800,931,
Accumulated deficit	(179,781,838)	(844,893,639)	(1,130,614,212)	(61,770,345)	—	—	—	—	—	—	—	318,476	(2,216,741,
Other Comprehensive Income	—	—	—	—	—	—	—	—	—	—	—	—	—
Cumulative Translation Adjustment	—	46,983	—	—	—	—	—	—	—	—	—	(46,983)	—
Total Equity	1,634,278,766	(860,825,798)	(1,127,726,591)	(61,770,345)	—	—	—	—	—	—	—	271,494	(415,772,
Total Liabilities, Preferred Stock & Equity	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,364)	—	—	—	—	—	—	—	(184,582,393)	719,975,

¹ The 'Elimination Co' column addresses the accounting of intercompany balances to enable consolidated reporting in the 'Total' column

MOR-3: 8/1/2023 - 8/31/2023 Profit & Loss

	Core Scientific, Inc.	Core Scientific Acquired Mining LLC	Core Scientific Operating Company	Radar Relay, Inc	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC
Total Revenue											
<i>(dollars in thousands)</i>											
Hosting revenue from customers	—	—	8,337,117	—	—	—	—	—	—	—	—
Hosting revenue from related parties	—	—	2,723,619	—	—	—	—	—	—	—	—
Equipment sales to customers	—	—	—	—	—	—	—	—	—	—	—
Equipment sales to related parties	—	—	—	—	—	—	—	—	—	—	—
Digital asset mining income	—	2,323,886	24,559,363	—	—	—	—	—	—	—	—
Network services and defi revenue	—	—	—	—	—	—	—	—	—	—	—
Total Revenue	—	2,323,886	35,620,099	—	—	—	—	—	—	—	—
Cost of revenue	—	(3,435,120)	(33,672,069)	—	—	—	—	—	—	—	—
Gross Profit	—	(1,111,235)	1,948,031	—	—	—	—	—	—	—	—
Gain (loss) on legal settlements	—	—	85,000	—	—	—	—	—	—	—	—
Gain (loss) from sales of digital currency assets	—	14,598	109,197	—	—	—	—	—	—	—	—
Impairments of digital currency assets	—	(27,236)	(273,402)	—	—	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—	—	—	—	—	—
Impairment of property, plant and equipment	—	—	—	—	—	—	—	—	—	—	—
Losses on exchange or disposal of property, plant and equipment	—	—	(27)	—	—	—	—	—	—	—	—
Operating expenses:											
Research and development	—	—	(1,083,293)	—	—	—	—	—	—	—	—
Sales and marketing	—	—	(359,197)	—	—	—	—	—	—	—	—
General and administrative	—	(70,677)	(10,042,606)	—	—	—	—	—	—	—	—
Advisor Fees	—	—	—	—	—	—	—	—	—	—	—
Total operating expenses	—	(70,677)	(11,485,096)	—	—	—	—	—	—	—	—
Operating Income (Loss)	—	(1,194,550)	(9,616,298)	—	—	—	—	—	—	—	—
Non-operating income (expense), net:											
Loss on debt extinguishment	—	—	—	—	—	—	—	—	—	—	—
Interest expense, net	—	—	63,250	—	—	—	—	—	—	—	—
Other non-operating expenses, net	—	—	—	—	—	—	—	—	—	—	—
Reorganization items	—	—	(17,973,376)	—	—	—	—	—	—	—	—
Total Non-operating income (expense), net:	—	—	(17,910,126)	—	—	—	—	—	—	—	—
Income (loss) before income taxes	—	(1,194,550)	(27,526,425)	—	—	—	—	—	—	—	—
Income tax expense	—	—	—	—	—	—	—	—	—	—	—
Net Income (Loss)	—	(1,194,550)	(27,526,425)	—	—	—	—	—	—	—	—

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON

In Re. American Property Acquisition, LLC

§
§
§
§

Case No. 22-90346

Lead Case No. 22-90341

 Debtor(s)
☒ Jointly Administered**Monthly Operating Report**

Chapter 11

Reporting Period Ended: 08/31/2023

Petition Date: 12/21/2022

Months Pending: 8

Industry Classification: 3 3 4 1

Reporting Method:

Accrual Basis ☒Cash Basis ☐

Debtor's Full-Time Employees (current):

0

Debtor's Full-Time Employees (as of date of order for relief):

0

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☒ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☐ Accounts receivable aging
- ☐ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☐ Schedule of payments to professionals
- ☐ Schedule of payments to insiders
- ☐ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

/s/ Alfredo R. Pérez

Signature of Responsible Party

09/29/2023

Date

Alfredo R. Pérez

Printed Name of Responsible Party

 700 Louisiana Street, Suite 1700, Houston, Texas 77002
 Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

Part 1: Cash Receipts and Disbursements

	Current Month	Cumulative
a. Cash balance beginning of month	\$ 0	
b. Total receipts (net of transfers between accounts)	\$ 0	\$ 0
c. Total disbursements (net of transfers between accounts)	\$ 0	\$ 0
d. Cash balance end of month (a+b-c)	\$ 0	
e. Disbursements made by third party for the benefit of the estate	\$ 0	\$ 0
f. Total disbursements for quarterly fee calculation (c+e)	\$ 0	\$ 0

Part 2: Asset and Liability Status**(Not generally applicable to Individual Debtors. See Instructions.)**

	Current Month	
a. Accounts receivable (total net of allowance)	\$ 0	
b. Accounts receivable over 90 days outstanding (net of allowance)	\$ 0	
c. Inventory (Book <input checked="" type="checkbox"/> Market <input type="checkbox"/> Other <input type="checkbox"/> (attach explanation))	\$ 0	
d. Total current assets	\$ 0	
e. Total assets	\$ 0	
f. Postpetition payables (excluding taxes)	\$ 0	
g. Postpetition payables past due (excluding taxes)	\$ 0	
h. Postpetition taxes payable	\$ 0	
i. Postpetition taxes past due	\$ 0	
j. Total postpetition debt (f+h)	\$ 0	
k. Prepetition secured debt	\$ 0	
l. Prepetition priority debt	\$ 0	
m. Prepetition unsecured debt	\$ 0	
n. Total liabilities (debt) (j+k+l+m)	\$ 0	
o. Ending equity/net worth (e-n)	\$ 0	

Part 3: Assets Sold or Transferred

	Current Month	Cumulative
a. Total cash sales price for assets sold/transferred outside the ordinary course of business	\$ 0	\$ 0
b. Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$ 0	\$ 0
c. Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$ 0	\$ 0

Part 4: Income Statement (Statement of Operations)**(Not generally applicable to Individual Debtors. See Instructions.)**

	Current Month	Cumulative
a. Gross income/sales (net of returns and allowances)	\$ 0	
b. Cost of goods sold (inclusive of depreciation, if applicable)	\$ 0	
c. Gross profit (a-b)	\$ 0	
d. Selling expenses	\$ 0	
e. General and administrative expenses	\$ 0	
f. Other expenses	\$ 0	
g. Depreciation and/or amortization (not included in 4b)	\$ 0	
h. Interest	\$ 0	
i. Taxes (local, state, and federal)	\$ 0	
j. Reorganization items	\$ 0	
k. Profit (loss)	\$ 0	\$ 0

Part 5: Professional Fees and Expenses			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
a.	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>					
	<i>Itemized Breakdown by Firm</i>					
		Firm Name	Role			
	i					
	ii					
	iii					
	iv					
	v					
	vi					
	vii					
	viii					
	ix					
	x					
	xi					
	xii					
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b.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>					
	<i>Itemized Breakdown by Firm</i>					
		Firm Name	Role			
	i					
	ii					
	iii					
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	xcix						
	c						
c.	All professional fees and expenses (debtor & committees)			\$	0	\$	0

Part 6: Postpetition Taxes

	Current Month	Cumulative
a. Postpetition income taxes accrued (local, state, and federal)	\$ 0	\$ 0
b. Postpetition income taxes paid (local, state, and federal)	\$ 0	\$ 0
c. Postpetition employer payroll taxes accrued	\$ 0	\$ 0
d. Postpetition employer payroll taxes paid	\$ 0	\$ 0
e. Postpetition property taxes paid	\$ 0	\$ 0
f. Postpetition other taxes accrued (local, state, and federal)	\$ 0	\$ 0
g. Postpetition other taxes paid (local, state, and federal)	\$ 0	\$ 0

Part 7: Questionnaire - During this reporting period:

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes ☐ No ☒
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes ☐ No ☒
- c. Were any payments made to or on behalf of insiders? Yes ☐ No ☒
- d. Are you current on postpetition tax return filings? Yes ☒ No ☐
- e. Are you current on postpetition estimated tax payments? Yes ☒ No ☐
- f. Were all trust fund taxes remitted on a current basis? Yes ☒ No ☐
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes ☐ No ☒
- h. Were all payments made to or on behalf of professionals approved by the court? Yes ☐ No ☐ N/A ☒
- i. Do you have: Worker's compensation insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- Casualty/property insurance? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- General liability insurance? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court? Yes ☒ No ☐
- k. Has a disclosure statement been filed with the court? Yes ☒ No ☐
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☒ No ☐

Part 8: Individual Chapter 11 Debtors (Only)

a.	Gross income (receipts) from salary and wages	\$ 0
b.	Gross income (receipts) from self-employment	\$ 0
c.	Gross income from all other sources	\$ 0
d.	Total income in the reporting period (a+b+c)	\$ 0
e.	Payroll deductions	\$ 0
f.	Self-employment related expenses	\$ 0
g.	Living expenses	\$ 0
h.	All other expenses	\$ 0
i.	Total expenses in the reporting period (e+f+g+h)	\$ 0
j.	Difference between total income and total expenses (d-i)	\$ 0
k.	List the total amount of all postpetition debts that are past due	\$ 0
l.	Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
m.	If yes, have you made all Domestic Support Obligation payments?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

/s/ Michael Bros

Signature of Responsible Party

Michael Bros

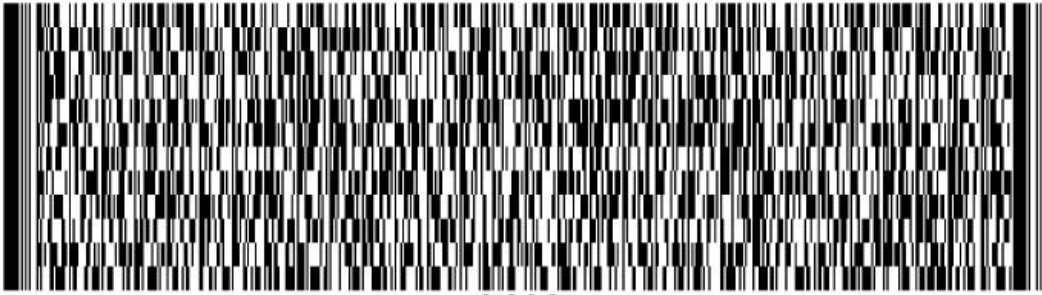
Printed Name of Responsible Party

SVP, Capital Markets and Acquisitions

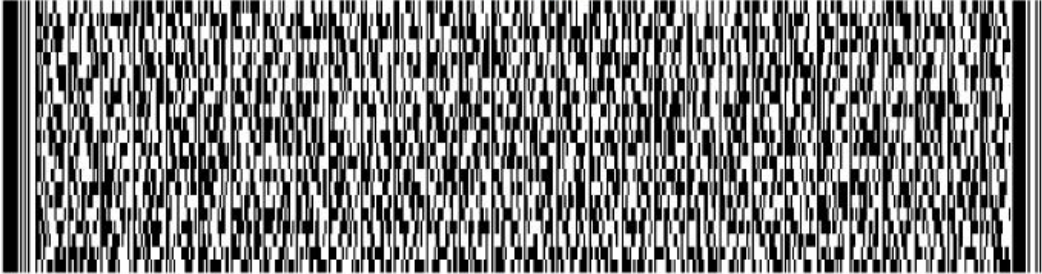
Title

09/29/2023

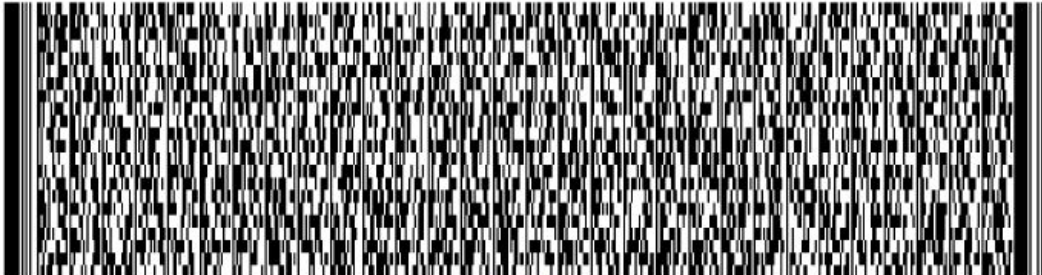
Date



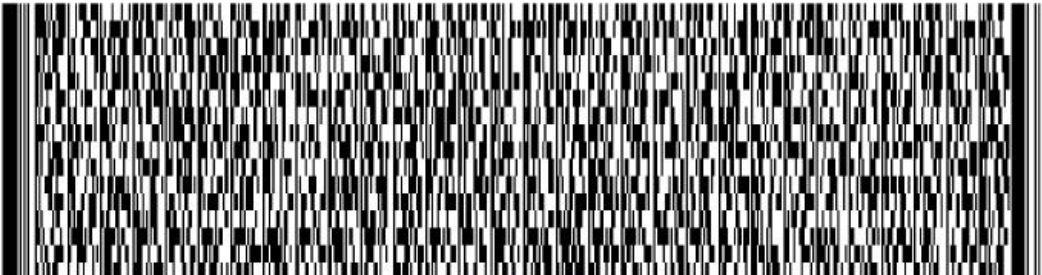
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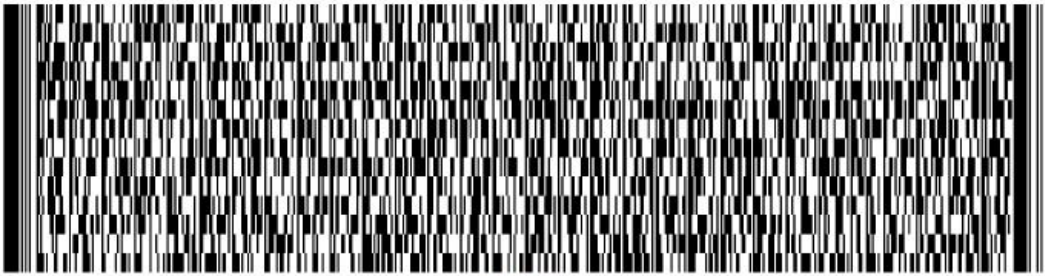
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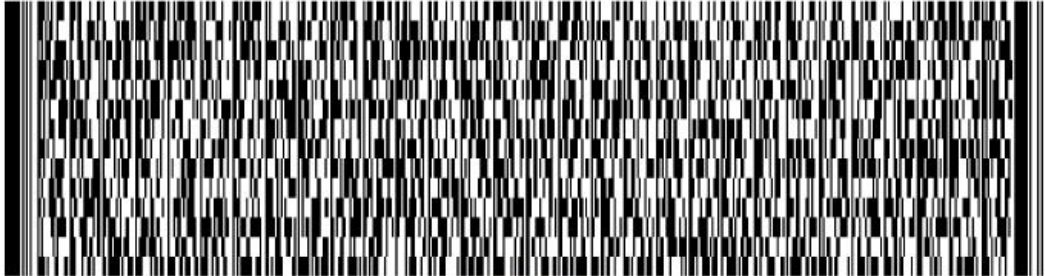
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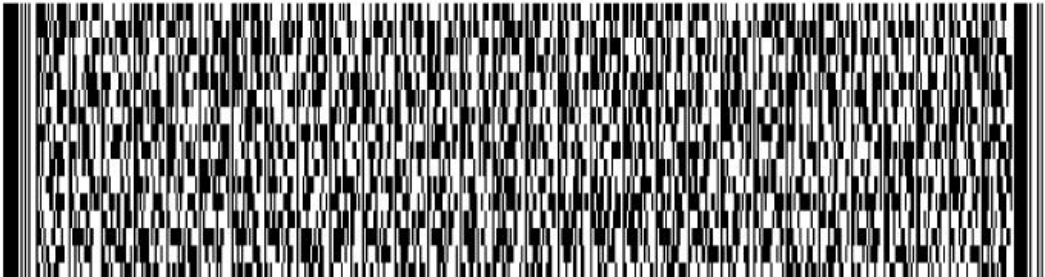
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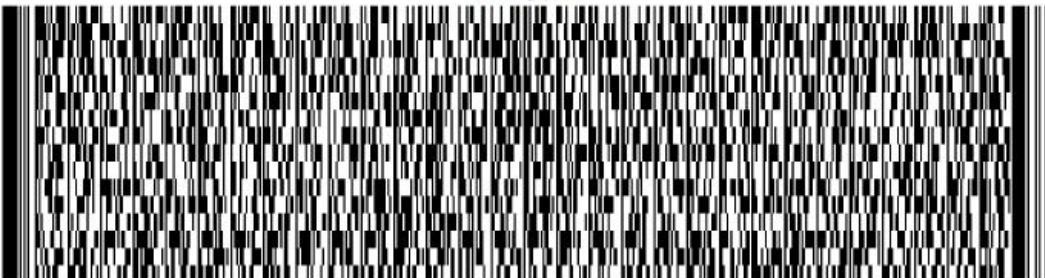
Bankruptcy 1 to 50



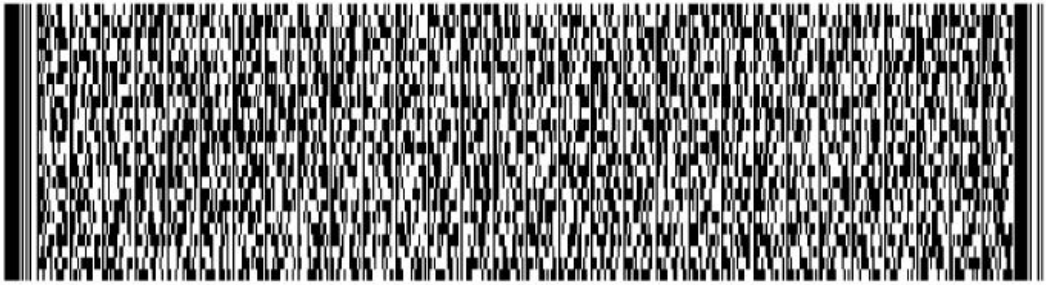
Bankruptcy 51 to 100



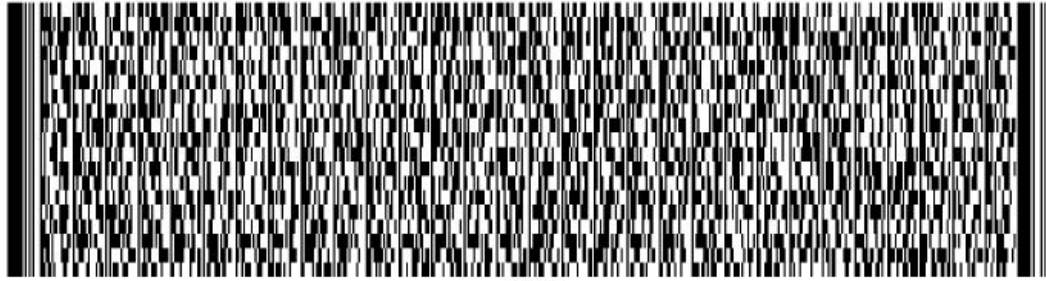
Nonbankruptcy 1 to 50



Nonbankruptcy 51 to 100



PageThree



PageFour

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§ Chapter 11
	§
CORE SCIENTIFIC, INC., <i>et al.</i> ,	§ Case No. 22-90341 (DRJ)
	§
Debtors. ¹	§ (Jointly Administered)

MONTHLY OPERATING REPORT NOTES FOR AUGUST 2023

On December 21, 2022 (the “**Petition Date**”), Core Scientific, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**” or the “**Company**”), each commenced a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors’ chapter 11 cases are being jointly administered for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 1015-1 of the Bankruptcy Local Rules for the United States Bankruptcy Court for the Southern District of Texas (the “**Local Rules**”). On January 9, 2023, the United States Trustee for Region 7 (the “**U.S. Trustee**”) appointed an official committee of unsecured creditors (the “**Creditors’ Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. On March 23, 2023, the U.S. Trustee appointed an official equity committee (the “**Equity Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

The following notes and statements of limitations and disclaimers should be referred to, and referenced in connection with, any review of this Monthly Operating Report (the “**MOR**”).

1. **Introduction**. This MOR is unaudited and does not purport to represent financial statements prepared in accordance with accounting principles generally accepted in the United States (“**GAAP**”), and it is not intended to fully reconcile to the consolidated financial statements prepared by the Debtors. Information contained in this MOR has been derived from the Debtors’ books and records, but does not reflect in all circumstances presentation for GAAP or SEC reporting purposes. Therefore, to comply with their obligations to provide MORs during these chapter 11 cases, the Debtors have prepared this MOR using the best information presently available to them, which has been collected, maintained, and prepared in accordance with their historical accounting practices. Accordingly, this MOR is true and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (6074); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions VII, LLC (3198). The Debtors’ corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

accurate to the best of the Debtors' knowledge, information, and belief, based on currently-available data. The results of operations and financial position contained herein are not necessarily indicative of results that may be expected for any period other than the period beginning on August 1, 2023 and ending August 31, 2023, or for the full year, and may not necessarily reflect the Debtors' future consolidated results of operations and financial position.

2. **Reservation of Rights.** This MOR is limited in scope, covers the period beginning on August 1, 2023 and ending August 31, 2023, and has been prepared solely for the purpose of complying with the monthly reporting requirements of the Debtors' chapter 11 cases. The unaudited financial information for this report has been derived from the Debtors' books and records. The information presented herein has not been subject to all procedures that typically would be applied to financial information in accordance with U.S. GAAP. Upon the application of such procedures, the Debtors believe that the financial information could be subject to material change. The information furnished in this MOR includes normal recurring adjustments but does not include all of the adjustments that typically would be made for interim financial information presented in accordance with GAAP.

Given the complexity of the Debtors' business, inadvertent errors or omission may occur. Accordingly, the Debtors hereby reserve all of their rights to dispute the nature, validity, status, enforceability, or executory natures of any claim amount, agreement, representation, or other statement set forth in this MOR. Further, the Debtors reserve the right to amend or supplement this MOR, if necessary, but shall be under no obligation to do so.

3. **Basis of Presentation.** Although the Debtors generally prepare their financial statements on a consolidated basis, the MOR has been prepared on an entity-by- entity basis (excluding most intercompany eliminations) for Debtors Core Scientific, Inc., Core Scientific Acquired Mining LLC, Core Scientific Operating Company, Core Scientific Mining LLC, Radar Relay, Inc., Core Scientific Specialty Mining (Oklahoma) LLC, American Property Acquisition, LLC, Starboard Capital LLC, RADAR LLC, American Property Acquisitions I, LLC, and American Property Acquisitions VII, LLC. The financial information contained herein is unaudited, limited in scope, covers a limited time period, and has been prepared solely for the purpose of complying with the monthly reporting requirements for chapter 11 debtors issued by the UST.

The amounts reported in this MOR are as-of August 31, 2023, the end of the Debtors' reporting period. This MOR covers the period beginning August 1, 2023 and ending August 31, 2023.

4. **Accounting Principles.** The Debtors maintain their financial records according to GAAP, however the MOR does not purport to represent financial statements prepared in accordance with GAAP, nor are they intended to be fully reconciled with the financial statements of the Debtors.

The Debtors generally prepare financial statements on a consolidated basis. To the extent that there are negative asset balances for an individual Debtor, such as accounts receivable and current assets, they may be due to some intercompany elimination transactions or adjustments in each specific Debtor's books and records.

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5. **Currency.** Unless otherwise indicated, all amounts in the MOR are reflected in U.S. dollars.
 6. **Consolidated Entity Accounts Payable and Disbursement Systems.** Cash is received and disbursed by the Debtors as described in the *Emergency Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Continue their Existing Cash Management System, (B) Maintain Existing Business Forms and Intercompany Arrangements, (C) Continue Intercompany Transactions, and (D) Continue Utilizing Employee Credit Cards; and (II) Granting Related Relief* (Docket No. 12) (the “**Cash Management Motion**”) and the Debtors’ receipt and disbursement of cash is consistent with the Debtors’ historical cash management practices. Due to the consolidated cash management reporting system, certain cash payments may be paid out of a legal entity that is different than the legal entity at which the expenses were incurred. Also, certain cash receipts may be received in a different legal entity than the legal entity at which the accounts receivable is recorded. Disbursements attributed to each entity represent the entity on behalf of which payments were made, on a proportional allocated basis, from the consolidated cash management system.
 7. **Supporting Documentation.** At the direction of the U.S. Trustee, the following schedules are attached to the MORs: (i) Statement of Cash Receipts and Disbursements; (ii) Balance Sheet; (iii) Income Statement (profit or loss statement); (iv) Schedule of Asset Sales; and (v) Schedule of Payments to Insiders.

Statement of Cash Receipts and Disbursements. Based on guidance received from the Office of the United States Trustee in connection with the completion of UST Form 11-MOR Part 1, Cash Receipts and Disbursements, reported cash receipts and disbursements should exclude intercompany and debtor-to-debtor transactions. As a result, for those debtors with net intercompany cash outflows or inflows during the reporting period, the ending cash balances reported on Form 11-MOR Part 1 may not match the ending cash balances per the Debtors’ bank statements or the Debtors’ books and records. For additional information on ending cash balances per the Debtors’ books and records, see the attached cash balances per MOR-1: Schedule of Cash Receipts and Disbursements.

Balance Sheet. Liabilities Subject to Compromise (“**LSTC**”): LSTC represent the Debtors’ estimate of prepetition claims to be resolved in connection with the chapter 11 cases. As a result of the chapter 11 filings, the payment of prepetition liabilities are subject to compromise or other treatment under a plan of reorganization. The determination of how such liabilities will ultimately be settled or treated cannot be made until the Court approves a chapter 11 plan of reorganization. Accordingly, the ultimate amount of such liabilities is not determinable at this time. Prepetition liabilities that are subject to compromise under ASC 852 are preliminary and may be subject to, among other things, future adjustments depending on Court actions, further developments with respect to disputed claims, determinations of the secured status of certain claims, the values of any collateral securing such claims, rejection of executory contracts, continued reconciliation or other events.

As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate balance sheets in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate balance sheets for the remaining Debtor entities. Consequently, the balance sheets included in the MOR for these Debtors reflect no balances.

Values in the balance sheet(s) attached hereto represent rounded numbers. Accordingly, subtotals may not agree to the summation of the rounded numbers presented.

Income Statement. As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate income statements in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate income statements for the remaining Debtor entities. Consequently, the income statements included in the MOR for these Debtors reflect no income.

Schedule of Payments to Insiders. This schedule provides additional detail for the period on page 1 of the MOR. For each insider payment made during the reporting period the following information is provided: Recipient; Date of payment or benefit provided; Amount of cash payment or market value of non-cash payment; and Reason for each payment made.

8. **Part 1, Cash Receipts and Disbursements.** Cumulative quarter-to-date for Q3 2023 disbursements are reported in the Cumulative figures in the MOR. Cumulative case to date total disbursements through August 31, 2023 are \$348,255,982.
9. **Part 2: Asset and Liability Status.** Long-term lease liabilities resulting from the Debtors' office / location leases and equipment / fixed asset leases are reported as prepetition unsecured debt. Beginning with the April MOR, the (i) April 2022 \$60 million Bridge Promissory Note with BRF Finance Co, LLC and (ii) April 2022 \$15 million Bridge Promissory Note with B. Riley Commercial Capital, LLC (collectively, the "**Unsecured Bridge Notes**"), are also reported as prepetition unsecured debt, whereas the Unsecured Bridge Notes were inadvertently included in prepetition priority debt on previous monthly operating reports.
10. **Part 3, Assets Sold or Transferred.** The Company regularly receives credits and/or coupons from Bitmain Technologies Ltd.'s reward and price protection programs. The Company subsequently redeems these credits and/or coupons for new ASIC miner acquisitions or sells them to third parties when they are not able to be utilized by the Company. The Company may recognize other income when the credits and/or coupons are redeemed in noncash acquisitions or sold to third parties.
11. **Part 5: Professional Fees and Expenses.** For purposes of the MORs, bankruptcy professional fees are considered approved if the applicable monthly fee statement has been served and the objection deadline with regard to such monthly fee statement has expired prior to the end date of the MOR period.

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12. **Part 7 Questionnaire.** Pursuant to certain orders of the Bankruptcy Court entered in the Debtors' chapter 11 cases (the "**First Day Orders**"), the Debtors were authorized (but not directed) to pay, among other things, certain prepetition claims of their employees, taxing authorities, insurers, critical vendors, and certain other prepetition creditors. Amounts paid pursuant to the First Day Orders are monitored as to limits provided in the applicable orders of the Bankruptcy Court governing payment of such prepetition obligations, and this report is available to the U.S. Trustee as required.

In the ordinary course of business, the Debtors' tax filings may extend past the normal deadlines and become late in some instances. When this happens, the Debtors arrange to complete the filings and address any related fines and/or penalties. There are no tax filings that are currently late where the Debtors are not also in dialogue with the related taxing authority to become compliant.

All postpetition borrowings since the inception of the case, other than trade credit, are borrowings made under the Initial DIP Facility or the Replacement DIP Facility.

[illegible]

MOR-2: End of August 2023 Balance Sheet

(US \$)	Core Scientific, Inc.	Core Scientific Acquired Mining LLC	Core Scientific Operating Company	Radar Relay, Inc.	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC	Elimination Co	Total ¹
ASSETS													
Cash and Equivalents	1,650,308	141,898	41,146,568	—	—	—	—	—	—	—	—	—	42,938,774
Restricted Cash	20,155,346	—	805,024	—	—	—	—	—	—	—	—	—	20,960,370
Total Cash	21,805,654	141,898	41,951,592	—	—	—	—	—	—	—	—	—	63,899,144
Accounts receivable, net of allowance	—	—	1,447,717	—	—	—	—	—	—	—	—	—	1,447,717
Accounts receivable from related parties	467,184,855	151,035,671	(473,011,494)	1,160,033	—	—	—	—	—	—	—	(146,360,599)	8,378,926
Deposits for equipment	—	—	100,897	—	—	—	—	—	—	—	—	—	100,897
Digital currency assets	—	101,214	703,260	—	—	—	—	—	—	—	—	—	804,474
Prepaid expenses and other	—	22,610,400	22,555,503	—	—	—	—	—	—	—	—	(22,605,090)	22,560,913
Total other current assets	1,835,680,497	(1,128,199,397)	(701,290,764)	12,734	—	—	—	—	—	—	—	—	6,203,180
Total Current Assets	2,324,671,006	(954,310,215)	(1,107,543,289)	1,172,767	—	—	—	—	—	—	—	(168,965,689)	95,024,470
Property, plant and equipment	—	43,554,921	565,370,886	—	—	—	—	—	—	—	—	(15,616,704)	593,309,103
Operating lease-right-of-use assets	—	—	19,808,855	—	—	—	—	—	—	—	—	—	19,808,855
Goodwill	—	232,587,379	(167,058,249)	(65,529,130)	—	—	—	—	—	—	—	—	—
Intangible assets, net	—	—	2,542,228	—	—	—	—	—	—	—	—	—	2,542,228
Other noncurrent assets	2,558,789	(0)	6,731,497	—	—	—	—	—	—	—	—	—	9,290,286
Total Assets	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,634)	—	—	—	—	—	—	—	(184,582,393)	719,975,181
LIABILITIES, PREFERRED STOCK & EQUITY													
Accounts Payable	—	146,436,696	81,570,312	1,750	—	—	—	—	—	—	—	(146,360,599)	81,648,163
Accrued expenses and other	199,366	18,136,331	54,393,080	—	—	—	—	—	—	—	—	—	72,728,777
Deferred revenue	—	—	104,003,372	—	—	—	—	—	—	—	—	(38,493,287)	65,510,465
Derivative warrant liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—
Operating lease liabilities, current portion	—	—	295,229	—	—	—	—	—	—	—	—	—	295,229
Financing lease liabilities, current portion	—	—	26,116,234	—	—	—	—	—	—	—	—	—	26,116,234
Long-term debt, current portion	(559,901,857)	—	716,969,147	—	—	—	—	—	—	—	—	—	157,067,290
Total current liabilities	(559,702,491)	164,573,027	983,347,375	1,750	—	—	—	—	—	—	—	(184,853,886)	403,365,146
Operating lease liabilities, net of current portion	—	—	14,529,985	—	—	—	—	—	—	—	—	—	14,529,985
Financing lease liabilities, net of current portion	—	—	41,338,777	—	—	—	—	—	—	—	—	—	41,338,777
Long-term debt, net of current portion	568,258,150	—	108,254,839	—	—	—	—	—	—	—	—	—	676,512,989
Other noncurrent liabilities	—	18,084,856	(15,497,087)	(2,587,769)	—	—	—	—	—	—	—	—	—
Total Liabilities	8,555,659	182,657,883	1,131,973,889	(2,586,019)	—	—	—	—	—	—	—	(184,853,886)	1,135,747,966
Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—	—
Total Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—	—
Preferred stock	—	—	—	—	—	—	—	—	—	—	—	—	—
Common stock	37,478	—	—	—	—	—	—	—	—	—	—	—	37,478
Additional paid-in capital	1,814,023,126	(15,979,141)	2,887,621	—	—	—	—	—	—	—	—	—	1,800,931,606
Accumulated deficit	(179,781,838)	(844,893,639)	(1,130,614,212)	(61,770,345)	—	—	—	—	—	—	—	318,476	(2,216,741,030)
Other Comprehensive Income	—	—	—	—	—	—	—	—	—	—	—	—	—
Cumulative Translation Adjustment	—	46,983	—	—	—	—	—	—	—	—	—	(46,983)	—
Total Equity	1,634,278,766	(860,825,798)	(1,127,726,591)	(61,770,345)	—	—	—	—	—	—	—	271,494	(415,772,969)
Total Liabilities, Preferred Stock & Equity	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,364)	—	—	—	—	—	—	—	(184,582,393)	719,975,181

¹ The 'Elimination Co' column addresses the accounting of intercompany balances to enable consolidated reporting in the 'Total' column

MOR-3: 8/1/2023 - 8/31/2023 Profit & Loss

	Core Scientific, Inc.	Core Scientific Mining LLC	Core Scientific Operating Company	Radar Relay, Inc.	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC
Total Revenue											
<i>(dollars in thousands)</i>											
Hosting revenue from customers	—	—	8,337,117	—	—	—	—	—	—	—	—
Hosting revenue from related parties	—	—	2,723,619	—	—	—	—	—	—	—	—
Equipment sales to customers	—	—	—	—	—	—	—	—	—	—	—
Equipment sales to related parties	—	—	—	—	—	—	—	—	—	—	—
Digital asset mining income	—	2,323,886	24,559,363	—	—	—	—	—	—	—	—
Network services and defi revenue	—	—	—	—	—	—	—	—	—	—	—
Total Revenue	—	2,323,886	35,620,099	—	—	—	—	—	—	—	—
Cost of revenue	—	(3,435,120)	(33,672,069)	—	—	—	—	—	—	—	—
Gross Profit	—	(1,111,235)	1,948,031	—	—	—	—	—	—	—	—
Gain (loss) on legal settlements	—	—	85,000	—	—	—	—	—	—	—	—
Gain (loss) from sales of digital currency assets	—	14,598	109,197	—	—	—	—	—	—	—	—
Impairments of digital currency assets	—	(27,236)	(273,402)	—	—	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—	—	—	—	—	—
Impairment of property, plant and equipment	—	—	—	—	—	—	—	—	—	—	—
Losses on exchange or disposal of property, plant and equipment	—	—	(27)	—	—	—	—	—	—	—	—
Operating expenses:											
Research and development	—	—	(1,083,293)	—	—	—	—	—	—	—	—
Sales and marketing	—	—	(359,197)	—	—	—	—	—	—	—	—
General and administrative	—	(70,677)	(10,042,606)	—	—	—	—	—	—	—	—
Advisor Fees	—	—	—	—	—	—	—	—	—	—	—
Total operating expenses	—	(70,677)	(11,485,096)	—	—	—	—	—	—	—	—
Operating Income (Loss)	—	(1,194,550)	(9,616,298)	—	—	—	—	—	—	—	—
Non-operating income (expense), net:											
Loss on debt extinguishment	—	—	—	—	—	—	—	—	—	—	—
Interest expense, net	—	—	63,250	—	—	—	—	—	—	—	—
Other non-operating expenses, net	—	—	—	—	—	—	—	—	—	—	—
Reorganization items	—	—	(17,973,376)	—	—	—	—	—	—	—	—
Total Non-operating income (expense), net:	—	—	(17,910,126)	—	—	—	—	—	—	—	—
Income (loss) before income taxes	—	(1,194,550)	(27,526,425)	—	—	—	—	—	—	—	—
Income tax expense	—	—	—	—	—	—	—	—	—	—	—
Net Income (Loss)	—	(1,194,550)	(27,526,425)	—	—	—	—	—	—	—	—

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON

In Re. Starboard Capital LLC

§§§§§

Case No. 22-90347

Lead Case No. 22-90341

☒ Jointly Administered

Debtor(s)

Monthly Operating Report

Chapter 11

Reporting Period Ended: 08/31/2023

Months Pending: 8

Petition Date: 12/21/2022

Industry Classification: 3 3 4 1

Reporting Method:

Accrual Basis ☒

Cash Basis ☐

Debtor's Full-Time Employees (current):

0

Debtor's Full-Time Employees (as of date of order for relief):

0

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☒ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☐ Accounts receivable aging
- ☐ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☐ Schedule of payments to professionals
- ☐ Schedule of payments to insiders
- ☐ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

/s/ Alfredo R. Pérez

Signature of Responsible Party

09/29/2023

Date _____

Alfredo R. Pérez

Printed Name of Responsible Party

700 Louisiana Street, Suite 1700, Houston, Texas 77002

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

Part 1: Cash Receipts and Disbursements

	Current Month	Cumulative
a. Cash balance beginning of month	\$ 0	
b. Total receipts (net of transfers between accounts)	\$ 0	\$ 0
c. Total disbursements (net of transfers between accounts)	\$ 0	\$ 0
d. Cash balance end of month (a+b-c)	\$ 0	
e. Disbursements made by third party for the benefit of the estate	\$ 0	\$ 0
f. Total disbursements for quarterly fee calculation (c+e)	\$ 0	\$ 0

Part 2: Asset and Liability Status

(Not generally applicable to Individual Debtors. See Instructions.)

	Current Month	
a. Accounts receivable (total net of allowance)	\$ 0	
b. Accounts receivable over 90 days outstanding (net of allowance)	\$ 0	
c. Inventory (Book <input checked="" type="checkbox"/> Market <input type="checkbox"/> Other <input type="checkbox"/> (attach explanation))	\$ 0	
d. Total current assets	\$ 0	
e. Total assets	\$ 0	
f. Postpetition payables (excluding taxes)	\$ 0	
g. Postpetition payables past due (excluding taxes)	\$ 0	
h. Postpetition taxes payable	\$ 0	
i. Postpetition taxes past due	\$ 0	
j. Total postpetition debt (f+h)	\$ 0	
k. Prepetition secured debt	\$ 0	
l. Prepetition priority debt	\$ 0	
m. Prepetition unsecured debt	\$ 0	
n. Total liabilities (debt) (j+k+l+m)	\$ 0	
o. Ending equity/net worth (e-n)	\$ 0	

Part 3: Assets Sold or Transferred

	Current Month	Cumulative
a. Total cash sales price for assets sold/transferred outside the ordinary course of business	\$ 0	\$ 0
b. Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$ 0	\$ 0
c. Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$ 0	\$ 0

Part 4: Income Statement (Statement of Operations)

(Not generally applicable to Individual Debtors. See Instructions.)

	Current Month	Cumulative
a. Gross income/sales (net of returns and allowances)	\$ 0	
b. Cost of goods sold (inclusive of depreciation, if applicable)	\$ 0	
c. Gross profit (a-b)	\$ 0	
d. Selling expenses	\$ 0	
e. General and administrative expenses	\$ 0	
f. Other expenses	\$ 0	
g. Depreciation and/or amortization (not included in 4b)	\$ 0	
h. Interest	\$ 0	
i. Taxes (local, state, and federal)	\$ 0	
j. Reorganization items	\$ 0	
k. Profit (loss)	\$ 0	\$ 0

Part 5: Professional Fees and Expenses				Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
a.	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>						
	<i>Itemized Breakdown by Firm</i>						
		Firm Name	Role				
	i						
	ii						
	iii						
	iv						
	v						
	vi						
	vii						
	viii						
	ix						
	x						
	xi						
	xii						
	xiii						
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	lxxxviii					
	lxxxix					
	xc					
	xc i					
	xc ii					
	xc iii					
	xc iv					
	xc v					
	xc vi					
	xc vii					
	xc viii					
	xc ix					
	c					
	ci					

b.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>					
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
	i					
	ii					
	iii					
	iv					
	v					
	vi					
	vii					
	viii					
	ix					
	x					
	xi					
	xii					
	xiii					
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	xciii						
	xciv						
	xcv						
	xcvi						
	xcvii						
	xcviii						
	xcix						
	c						
c.	All professional fees and expenses (debtor & committees)			\$0	\$0	\$0	\$0

Part 6: Postpetition Taxes

	Current Month	Cumulative
a. Postpetition income taxes accrued (local, state, and federal)	\$ 0	\$ 0
b. Postpetition income taxes paid (local, state, and federal)	\$ 0	\$ 0
c. Postpetition employer payroll taxes accrued	\$ 0	\$ 0
d. Postpetition employer payroll taxes paid	\$ 0	\$ 0
e. Postpetition property taxes paid	\$ 0	\$ 0
f. Postpetition other taxes accrued (local, state, and federal)	\$ 0	\$ 0
g. Postpetition other taxes paid (local, state, and federal)	\$ 0	\$ 0

Part 7: Questionnaire - During this reporting period:

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes ☐ No ☒
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes ☐ No ☒
- c. Were any payments made to or on behalf of insiders? Yes ☐ No ☒
- d. Are you current on postpetition tax return filings? Yes ☒ No ☐
- e. Are you current on postpetition estimated tax payments? Yes ☒ No ☐
- f. Were all trust fund taxes remitted on a current basis? Yes ☒ No ☐
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes ☐ No ☒
- h. Were all payments made to or on behalf of professionals approved by the court? Yes ☐ No ☐ N/A ☒
- i. Do you have: Worker's compensation insurance? Yes ☒ No ☐
 If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
 Casualty/property insurance? Yes ☒ No ☐
 If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
 General liability insurance? Yes ☒ No ☐
 If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court? Yes ☒ No ☐
- k. Has a disclosure statement been filed with the court? Yes ☒ No ☐
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☒ No ☐

Part 8: Individual Chapter 11 Debtors (Only)

- | | | |
|--|------------------------------|---|
| a. Gross income (receipts) from salary and wages | \$ | 0 |
| b. Gross income (receipts) from self-employment | \$ | 0 |
| c. Gross income from all other sources | \$ | 0 |
| d. Total income in the reporting period (a+b+c) | \$ | 0 |
| e. Payroll deductions | \$ | 0 |
| f. Self-employment related expenses | \$ | 0 |
| g. Living expenses | \$ | 0 |
| h. All other expenses | \$ | 0 |
| i. Total expenses in the reporting period (e+f+g+h) | \$ | 0 |
| j. Difference between total income and total expenses (d-i) | \$ | 0 |
| k. List the total amount of all postpetition debts that are past due | \$ | 0 |
| l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| m. If yes, have you made all Domestic Support Obligation payments? | Yes <input type="checkbox"/> | No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> |

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

/s/ Michael Bros

Signature of Responsible Party

Michael Bros

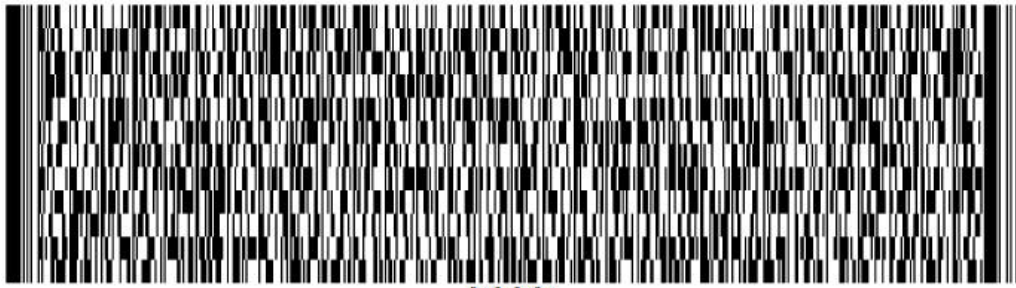
Printed Name of Responsible Party

SVP, Capital Markets and Acquisitions

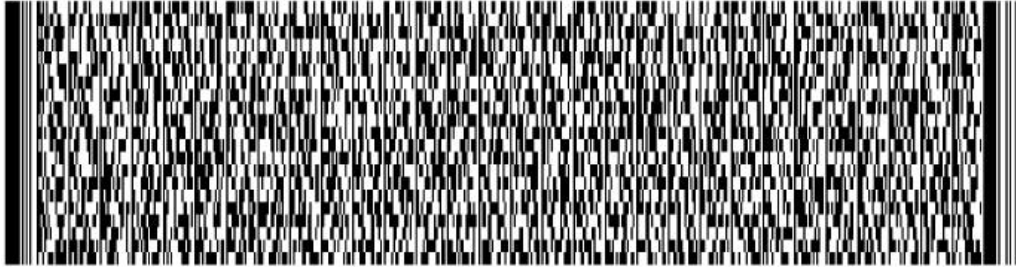
Title

09/29/2023

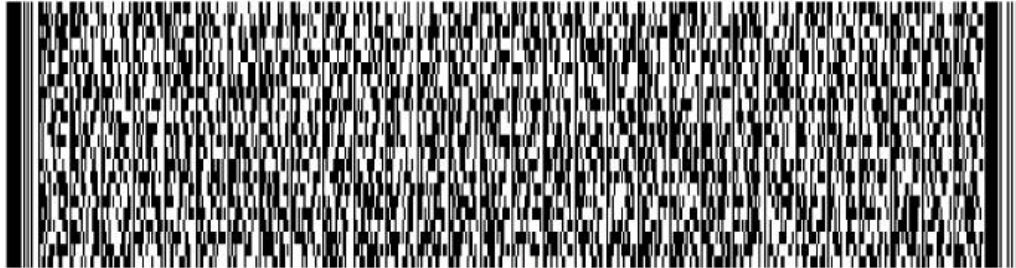
Date



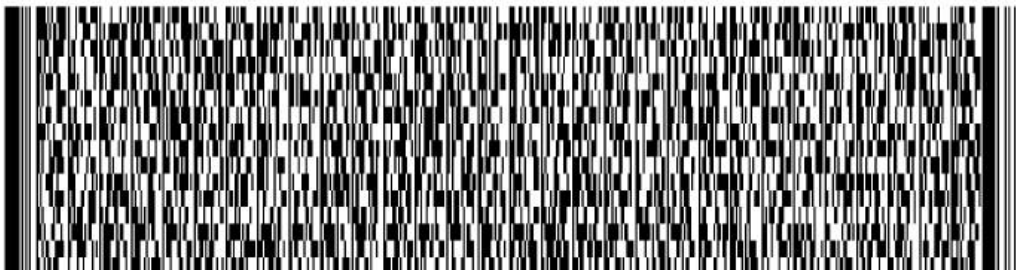
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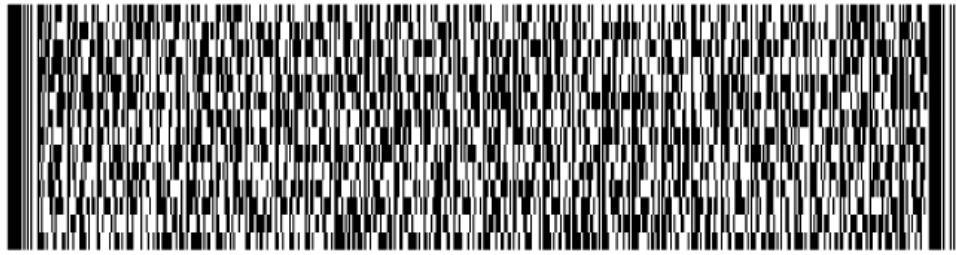
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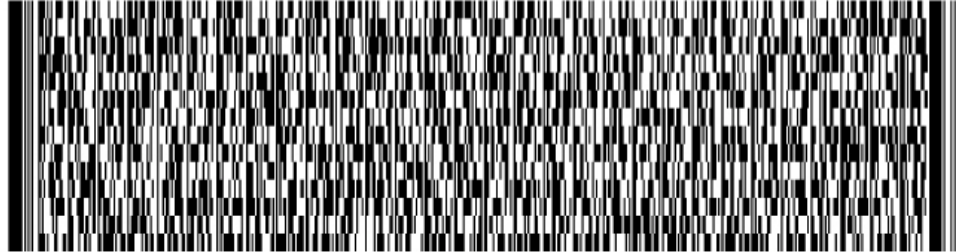
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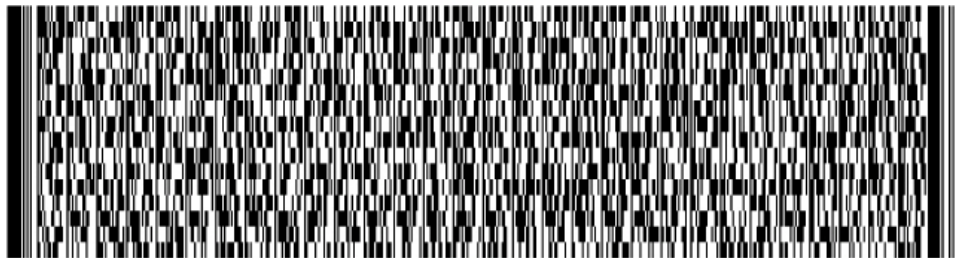
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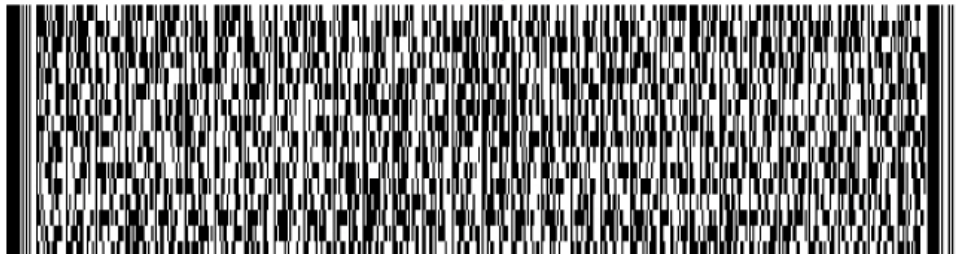
Bankruptcy1to50



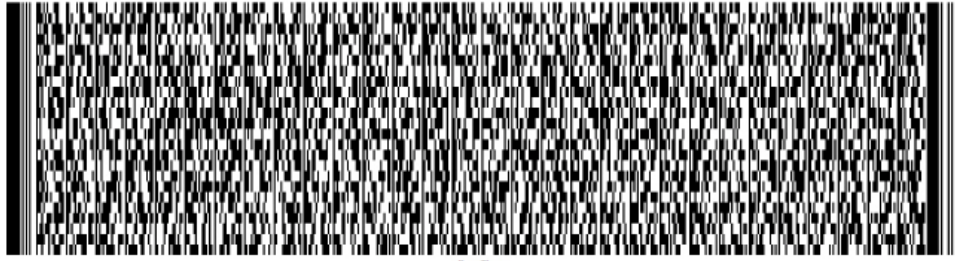
Bankruptcy51to100



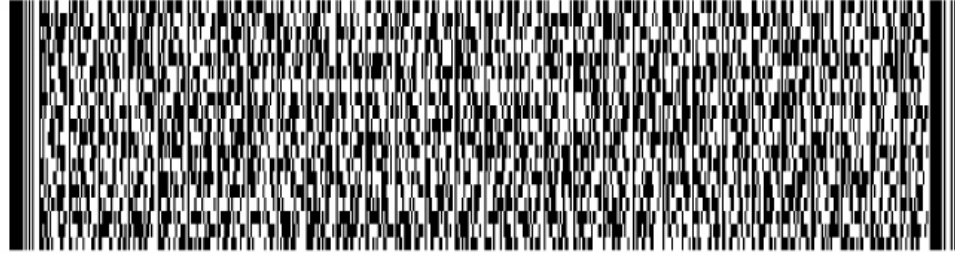
NonBankruptcy1to50



NonBankruptcy51to100



PageThree



Pagefour

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:

CORE SCIENTIFIC, INC., *et al.*,

Debtors.¹

§ Chapter 11

§

§ Case No. 22-90341 (DRJ)

§

§ (Jointly Administered)

MONTHLY OPERATING REPORT NOTES FOR AUGUST 2023

On December 21, 2022 (the “**Petition Date**”), Core Scientific, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**” or the “**Company**”), each commenced a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors’ chapter 11 cases are being jointly administered for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 1015-1 of the Bankruptcy Local Rules for the United States Bankruptcy Court for the Southern District of Texas (the “**Local Rules**”). On January 9, 2023, the United States Trustee for Region 7 (the “**U.S. Trustee**”) appointed an official committee of unsecured creditors (the “**Creditors’ Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. On March 23, 2023, the U.S. Trustee appointed an official equity committee (the “**Equity Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

The following notes and statements of limitations and disclaimers should be referred to, and referenced in connection with, any review of this Monthly Operating Report (the “**MOR**”).

1. **Introduction.** This MOR is unaudited and does not purport to represent financial statements prepared in accordance with accounting principles generally accepted in the United States (“**GAAP**”), and it is not intended to fully reconcile to the consolidated financial statements prepared by the Debtors. Information contained in this MOR has been derived from the Debtors’ books and records, but does not reflect in all circumstances presentation for GAAP or SEC reporting purposes. Therefore, to comply with their obligations to provide MORs during these chapter 11 cases, the Debtors have prepared this MOR using the best information presently available to them, which has been collected, maintained, and prepared in accordance with their historical accounting practices. Accordingly, this MOR is true and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (6074); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions VII, LLC (3198). The Debtors’ corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

accurate to the best of the Debtors' knowledge, information, and belief, based on currently-available data. The results of operations and financial position contained herein are not necessarily indicative of results that may be expected for any period other than the period beginning on August 1, 2023 and ending August 31, 2023, or for the full year, and may not necessarily reflect the Debtors' future consolidated results of operations and financial position.

2. **Reservation of Rights.** This MOR is limited in scope, covers the period beginning on August 1, 2023 and ending August 31, 2023, and has been prepared solely for the purpose of complying with the monthly reporting requirements of the Debtors' chapter 11 cases. The unaudited financial information for this report has been derived from the Debtors' books and records. The information presented herein has not been subject to all procedures that typically would be applied to financial information in accordance with U.S. GAAP. Upon the application of such procedures, the Debtors believe that the financial information could be subject to material change. The information furnished in this MOR includes normal recurring adjustments but does not include all of the adjustments that typically would be made for interim financial information presented in accordance with GAAP.

Given the complexity of the Debtors' business, inadvertent errors or omission may occur. Accordingly, the Debtors hereby reserve all of their rights to dispute the nature, validity, status, enforceability, or executory natures of any claim amount, agreement, representation, or other statement set forth in this MOR. Further, the Debtors reserve the right to amend or supplement this MOR, if necessary, but shall be under no obligation to do so.

3. **Basis of Presentation.** Although the Debtors generally prepare their financial statements on a consolidated basis, the MOR has been prepared on an entity-by-entity basis (excluding most intercompany eliminations) for Debtors Core Scientific, Inc., Core Scientific Acquired Mining LLC, Core Scientific Operating Company, Core Scientific Mining LLC, Radar Relay, Inc., Core Scientific Specialty Mining (Oklahoma) LLC, American Property Acquisition, LLC, Starboard Capital LLC, RADAR LLC, American Property Acquisitions I, LLC, and American Property Acquisitions VII, LLC. The financial information contained herein is unaudited, limited in scope, covers a limited time period, and has been prepared solely for the purpose of complying with the monthly reporting requirements for chapter 11 debtors issued by the UST.

The amounts reported in this MOR are as-of August 31, 2023, the end of the Debtors' reporting period. This MOR covers the period beginning August 1, 2023 and ending August 31, 2023.

4. **Accounting Principles.** The Debtors maintain their financial records according to GAAP, however the MOR does not purport to represent financial statements prepared in accordance with GAAP, nor are they intended to be fully reconciled with the financial statements of the Debtors.

The Debtors generally prepare financial statements on a consolidated basis. To the extent that there are negative asset balances for an individual Debtor, such as accounts receivable and current assets, they may be due to some intercompany elimination transactions or adjustments in each specific Debtor's books and records.

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5. **Currency.** Unless otherwise indicated, all amounts in the MOR are reflected in U.S. dollars.
6. **Consolidated Entity Accounts Payable and Disbursement Systems.** Cash is received and disbursed by the Debtors as described in the *Emergency Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Continue their Existing Cash Management System, (B) Maintain Existing Business Forms and Intercompany Arrangements, (C) Continue Intercompany Transactions, and (D) Continue Utilizing Employee Credit Cards; and (II) Granting Related Relief* (Docket No. 12) (the “**Cash Management Motion**”) and the Debtors’ receipt and disbursement of cash is consistent with the Debtors’ historical cash management practices. Due to the consolidated cash management reporting system, certain cash payments may be paid out of a legal entity that is different than the legal entity at which the expenses were incurred. Also, certain cash receipts may be received in a different legal entity than the legal entity at which the accounts receivable is recorded. Disbursements attributed to each entity represent the entity on behalf of which payments were made, on a proportional allocated basis, from the consolidated cash management system.
7. **Supporting Documentation.** At the direction of the U.S. Trustee, the following schedules are attached to the MORs: (i) Statement of Cash Receipts and Disbursements; (ii) Balance Sheet; (iii) Income Statement (profit or loss statement); (iv) Schedule of Asset Sales; and (v) Schedule of Payments to Insiders.

Statement of Cash Receipts and Disbursements. Based on guidance received from the Office of the United States Trustee in connection with the completion of UST Form 11-MOR Part 1, Cash Receipts and Disbursements, reported cash receipts and disbursements should exclude intercompany and debtor-to-debtor transactions. As a result, for those debtors with net intercompany cash outflows or inflows during the reporting period, the ending cash balances reported on Form 11-MOR Part 1 may not match the ending cash balances per the Debtors’ bank statements or the Debtors’ books and records. For additional information on ending cash balances per the Debtors’ books and records, see the attached cash balances per MOR-1: Schedule of Cash Receipts and Disbursements.

Balance Sheet. Liabilities Subject to Compromise (“**LSTC**”): LSTC represent the Debtors’ estimate of prepetition claims to be resolved in connection with the chapter 11 cases. As a result of the chapter 11 filings, the payment of prepetition liabilities are subject to compromise or other treatment under a plan of reorganization. The determination of how such liabilities will ultimately be settled or treated cannot be made until the Court approves a chapter 11 plan of reorganization. Accordingly, the ultimate amount of such liabilities is not determinable at this time. Prepetition liabilities that are subject to compromise under ASC 852 are preliminary and may be subject to, among other things, future adjustments depending on Court actions, further developments with respect to disputed claims, determinations of the secured status of certain claims, the values of any collateral securing such claims, rejection of executory contracts, continued reconciliation or other events.

As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate balance sheets in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate balance sheets for the remaining Debtor entities. Consequently, the balance sheets included in the MOR for these Debtors reflect no balances.

Values in the balance sheet(s) attached hereto represent rounded numbers. Accordingly, subtotals may not agree to the summation of the rounded numbers presented.

Income Statement. As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate income statements in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate income statements for the remaining Debtor entities. Consequently, the income statements included in the MOR for these Debtors reflect no income.

Schedule of Payments to Insiders. This schedule provides additional detail for the period on page 1 of the MOR. For each insider payment made during the reporting period the following information is provided: Recipient; Date of payment or benefit provided; Amount of cash payment or market value of non-cash payment; and Reason for each payment made.

8. **Part 1: Cash Receipts and Disbursements.** Cumulative quarter-to-date for Q3 2023 disbursements are reported in the Cumulative figures in the MOR. Cumulative case to date total disbursements through August 31, 2023 are \$348,255,982.
9. **Part 2: Asset and Liability Status.** Long-term lease liabilities resulting from the Debtors' office / location leases and equipment / fixed asset leases are reported as prepetition unsecured debt. Beginning with the April MOR, the (i) April 2022 \$60 million Bridge Promissory Note with BRF Finance Co, LLC and (ii) April 2022 \$15 million Bridge Promissory Note with B. Riley Commercial Capital, LLC (collectively, the "**Unsecured Bridge Notes**"), are also reported as prepetition unsecured debt, whereas the Unsecured Bridge Notes were inadvertently included in prepetition priority debt on previous monthly operating reports.
10. **Part 3: Assets Sold or Transferred.** The Company regularly receives credits and/or coupons from Bitmain Technologies Ltd.'s reward and price protection programs. The Company subsequently redeems these credits and/or coupons for new ASIC miner acquisitions or sells them to third parties when they are not able to be utilized by the Company. The Company may recognize other income when the credits and/or coupons are redeemed in noncash acquisitions or sold to third parties.
11. **Part 5: Professional Fees and Expenses.** For purposes of the MORs, bankruptcy professional fees are considered approved if the applicable monthly fee statement has been served and the objection deadline with regard to such monthly fee statement has expired prior to the end date of the MOR period.

-
12. **Part 7 Questionnaire.** Pursuant to certain orders of the Bankruptcy Court entered in the Debtors' chapter 11 cases (the "**First Day Orders**"), the Debtors were authorized (but not directed) to pay, among other things, certain prepetition claims of their employees, taxing authorities, insurers, critical vendors, and certain other prepetition creditors. Amounts paid pursuant to the First Day Orders are monitored as to limits provided in the applicable orders of the Bankruptcy Court governing payment of such prepetition obligations, and this report is available to the U.S. Trustee as required.

In the ordinary course of business, the Debtors' tax filings may extend past the normal deadlines and become late in some instances. When this happens, the Debtors arrange to complete the filings and address any related fines and/or penalties. There are no tax filings that are currently late where the Debtors are not also in dialogue with the related taxing authority to become compliant.

All postpetition borrowings since the inception of the case, other than trade credit, are borrowings made under the Initial DIP Facility or the Replacement DIP Facility.

[illegible]

MOR-2: End of August 2023 Balance Sheet

	Core Scientific, Inc.	Core Scientific Acquired Mining LLC	Core Scientific Operating Company	Radar Relay, Inc.	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC	Elimination Co	Total ¹
(US \$)													
ASSETS													
Cash and Equivalents	1,650,308	141,898	41,146,568	—	—	—	—	—	—	—	—	—	42,938,774
Restricted Cash	20,155,346	—	805,024	—	—	—	—	—	—	—	—	—	20,960,370
Total Cash	21,805,654	141,898	41,951,592	—	—	—	—	—	—	—	—	—	63,899,144
Accounts receivable, net of allowance	—	—	1,447,717	—	—	—	—	—	—	—	—	—	1,447,717
Accounts receivable from related parties	467,184,855	151,035,671	(473,011,494)	1,160,033	—	—	—	—	—	—	—	(146,360,599)	8,464
Deposits for equipment	—	—	100,897	—	—	—	—	—	—	—	—	—	100,897
Digital currency assets	—	101,214	703,260	—	—	—	—	—	—	—	—	—	804,474
Prepaid expenses and other	—	22,610,400	22,555,503	—	—	—	—	—	—	—	—	(22,605,090)	22,560,813
Total other current assets	1,835,680,497	(1,128,199,397)	(701,290,764)	12,734	—	—	—	—	—	—	—	—	6,203,070
Total Current Assets	2,324,671,006	(954,310,215)	(1,107,543,289)	1,172,767	—	—	—	—	—	—	—	(168,965,689)	95,024,579
Property, plant and equipment	—	43,554,921	565,370,886	—	—	—	—	—	—	—	—	(15,616,704)	593,309,103
Operating lease-right-of-use assets	—	—	19,808,855	—	—	—	—	—	—	—	—	—	19,808,855
Goodwill	—	232,587,379	(167,058,249)	(65,529,130)	—	—	—	—	—	—	—	—	0
Intangible assets, net	—	—	2,542,228	—	—	—	—	—	—	—	—	—	2,542,228
Other noncurrent assets	2,558,789	(0)	6,731,497	—	—	—	—	—	—	—	—	—	9,290,286
Total Assets	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,364)	—	—	—	—	—	—	—	(184,582,393)	719,975,051
LIABILITIES, PREFERRED STOCK & EQUITY													
Accounts Payable	—	146,436,696	81,570,312	1,750	—	—	—	—	—	—	—	(146,360,599)	81,648,158
Accrued expenses and other	199,366	18,136,331	54,393,080	—	—	—	—	—	—	—	—	—	72,728,777
Deferred revenue	—	—	104,003,372	—	—	—	—	—	—	—	—	(38,493,287)	65,510,085
Derivative warrant liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—
Operating lease liabilities, current portion	—	—	295,229	—	—	—	—	—	—	—	—	—	295,229
Financing lease liabilities, current portion	—	—	26,116,234	—	—	—	—	—	—	—	—	—	26,116,234
Long-term debt, current portion	(559,901,857)	—	716,969,147	—	—	—	—	—	—	—	—	—	157,067,291
Total current liabilities	(559,702,491)	164,573,027	983,347,375	1,750	—	—	—	—	—	—	—	(184,853,886)	403,365,775
Operating lease liabilities, net of current portion	—	—	14,529,985	—	—	—	—	—	—	—	—	—	14,529,985
Financing lease liabilities, net of current portion	—	—	41,338,777	—	—	—	—	—	—	—	—	—	41,338,777
Long-term debt, net of current portion	568,258,150	—	108,254,839	—	—	—	—	—	—	—	—	—	676,512,988
Other noncurrent liabilities	—	18,084,856	(15,497,087)	(2,587,769)	—	—	—	—	—	—	—	—	—
Total Liabilities	8,555,659	182,657,883	1,131,973,889	(2,586,019)	—	—	—	—	—	—	—	(184,853,886)	1,135,747,525
Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—	—
Total Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—	—
Preferred stock	—	—	—	—	—	—	—	—	—	—	—	—	—
Common stock	37,478	—	—	—	—	—	—	—	—	—	—	—	37,478
Additional paid-in capital	1,814,023,126	(15,979,141)	2,887,621	—	—	—	—	—	—	—	—	—	1,800,931,606
Accumulated deficit	(179,781,838)	(844,893,639)	(1,130,614,212)	(61,770,345)	—	—	—	—	—	—	—	318,476	(2,216,741,558)
Other Comprehensive Income	—	—	—	—	—	—	—	—	—	—	—	—	—
Cumulative Translation Adjustment	—	46,983	—	—	—	—	—	—	—	—	—	(46,983)	—
Total Equity	1,634,278,766	(860,825,798)	(1,127,726,591)	(61,770,345)	—	—	—	—	—	—	—	271,494	(415,772,474)
Total Liabilities, Preferred Stock & Equity	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,364)	—	—	—	—	—	—	—	(184,582,393)	719,975,051

¹ The 'Elimination Co' column addresses the accounting of intercompany balances to enable consolidated reporting in the 'Total' column

MOR-3: 8/1/2023 - 8/31/2023 Profit & Loss

	Core Scientific, Inc.	Core Scientific Acquired Mining LLC	Core Scientific Operating Company	Radar Relay, Inc	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC
Total Revenue											
<i>(dollars in thousands)</i>											
Hosting revenue from customers	—	—	8,337,117	—	—	—	—	—	—	—	—
Hosting revenue from related parties	—	—	2,723,619	—	—	—	—	—	—	—	—
Equipment sales to customers	—	—	—	—	—	—	—	—	—	—	—
Equipment sales to related parties	—	—	—	—	—	—	—	—	—	—	—
Digital asset mining income	—	2,323,886	24,559,363	—	—	—	—	—	—	—	—
Network services and defi revenue	—	—	—	—	—	—	—	—	—	—	—
Total Revenue	—	<u>2,323,886</u>	<u>35,620,099</u>	—	—	—	—	—	—	—	—
Cost of revenue	—	(3,435,120)	(33,672,069)	—	—	—	—	—	—	—	—
Gross Profit	—	<u>(1,111,235)</u>	<u>1,948,031</u>	—	—	—	—	—	—	—	—
Gain (loss) on legal settlements	—	—	85,000	—	—	—	—	—	—	—	—
Gain (loss) from sales of digital currency assets	—	14,598	109,197	—	—	—	—	—	—	—	—
Impairments of digital currency assets	—	(27,236)	(273,402)	—	—	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—	—	—	—	—	—
Impairment of property, plant and equipment	—	—	—	—	—	—	—	—	—	—	—
Losses on exchange or disposal of property, plant and equipment	—	—	(27)	—	—	—	—	—	—	—	—
Operating expenses:											
Research and development	—	—	(1,083,293)	—	—	—	—	—	—	—	—
Sales and marketing	—	—	(359,197)	—	—	—	—	—	—	—	—
General and administrative	—	(70,677)	(10,042,606)	—	—	—	—	—	—	—	—
Advisor Fees	—	—	—	—	—	—	—	—	—	—	—
Total operating expenses	—	<u>(70,677)</u>	<u>(11,485,096)</u>	—	—	—	—	—	—	—	—
Operating Income (Loss)	—	<u>(1,194,550)</u>	<u>(9,616,298)</u>	—	—	—	—	—	—	—	—
Non-operating income (expense), net:											
Loss on debt extinguishment	—	—	—	—	—	—	—	—	—	—	—
Interest expense, net	—	—	63,250	—	—	—	—	—	—	—	—
Other non-operating expenses, net	—	—	—	—	—	—	—	—	—	—	—
Reorganization items	—	—	(17,973,376)	—	—	—	—	—	—	—	—
Total Non-operating income (expense), net:	—	—	<u>(17,910,126)</u>	—	—	—	—	—	—	—	—
Income (loss) before income taxes	—	<u>(1,194,550)</u>	<u>(27,526,425)</u>	—	—	—	—	—	—	—	—
Income tax expense	—	—	—	—	—	—	—	—	—	—	—
Net Income (Loss)	—	<u>(1,194,550)</u>	<u>(27,526,425)</u>	—	—	—	—	—	—	—	—

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON

In Re. RADAR LLC	§	Case No. 22-90348
	§	
Debtor(s)	§	Lead Case No. 22-90341
	§	<input checked="" type="checkbox"/> Jointly Administered

Monthly Operating Report

Chapter 11

Reporting Period Ended: 08/31/2023	Petition Date: 12/21/2022
Months Pending: 8	Industry Classification: 3 3 4 1
Reporting Method:	Accrual Basis <input checked="" type="checkbox"/> Cash Basis <input type="checkbox"/>
Debtor's Full-Time Employees (current):	0
Debtor's Full-Time Employees (as of date of order for relief):	0

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☒ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☐ Accounts receivable aging
- ☐ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☐ Schedule of payments to professionals
- ☐ Schedule of payments to insiders
- ☐ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

/s/ Alfredo R. Pérez

Signature of Responsible Party

09/29/2023

Date

Alfredo R. Pérez

Printed Name of Responsible Party

700 Louisiana Street, Suite 1700, Houston, Texas 77002

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

Part 1: Cash Receipts and Disbursements

	<u>Current Month</u>	<u>Cumulative</u>
a. Cash balance beginning of month	\$ 0	
b. Total receipts (net of transfers between accounts)	\$ 0	\$ 0
c. Total disbursements (net of transfers between accounts)	\$ 0	\$ 0
d. Cash balance end of month (a+b-c)	\$ 0	
e. Disbursements made by third party for the benefit of the estate	\$ 0	\$ 0
f. Total disbursements for quarterly fee calculation (c+e)	\$ 0	\$ 0

Part 2: Asset and Liability Status

(Not generally applicable to Individual Debtors. See Instructions.)

	<u>Current Month</u>	
a. Accounts receivable (total net of allowance)	\$ 0	
b. Accounts receivable over 90 days outstanding (net of allowance)	\$ 0	
c. Inventory (Book <input checked="" type="checkbox"/> Market <input type="checkbox"/> Other <input type="checkbox"/> (attach explanation))	\$ 0	
d. Total current assets	\$ 0	
e. Total assets	\$ 0	
f. Postpetition payables (excluding taxes)	\$ 0	
g. Postpetition payables past due (excluding taxes)	\$ 0	
h. Postpetition taxes payable	\$ 0	
i. Postpetition taxes past due	\$ 0	
j. Total postpetition debt (f+h)	\$ 0	
k. Prepetition secured debt	\$ 0	
l. Prepetition priority debt	\$ 0	
m. Prepetition unsecured debt	\$ 0	
n. Total liabilities (debt) (j+k+l+m)	\$ 0	
o. Ending equity/net worth (e-n)	\$ 0	

Part 3: Assets Sold or Transferred

	<u>Current Month</u>	<u>Cumulative</u>
a. Total cash sales price for assets sold/transferred outside the ordinary course of business	\$ 0	\$ 0
b. Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$ 0	\$ 0
c. Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$ 0	\$ 0

Part 4: Income Statement (Statement of Operations)

(Not generally applicable to Individual Debtors. See Instructions.)

	<u>Current Month</u>	<u>Cumulative</u>
a. Gross income/sales (net of returns and allowances)	\$ 0	
b. Cost of goods sold (inclusive of depreciation, if applicable)	\$ 0	
c. Gross profit (a-b)	\$ 0	
d. Selling expenses	\$ 0	
e. General and administrative expenses	\$ 0	
f. Other expenses	\$ 0	
g. Depreciation and/or amortization (not included in 4b)	\$ 0	
h. Interest	\$ 0	
i. Taxes (local, state, and federal)	\$ 0	
j. Reorganization items	\$ 0	
k. Profit (loss)	\$ 0	\$ 0

Part 5: Professional Fees and Expenses			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
a.	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>					
	<i>Itemized Breakdown by Firm</i>					
		Firm Name	Role			
	i					
	ii					
	iii					
	iv					
	v					
	vi					
	vii					
	viii					
	ix					
	x					
	xi					
	xii					
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	xc ii					
	xc iii					
	xc iv					
	xc v					
	xc vi					
	xc vii					
	xc viii					
	xc ix					
	c					
	ci					

b.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>					
	<i>Itemized Breakdown by Firm</i>					
		Firm Name Role				
	i					
	ii					
	iii					
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xc viii						
xc ix						
c						
c. All professional fees and expenses (debtor & committees)			\$0	\$0	\$0	\$0

Part 6: Postpetition Taxes

	Current Month	Cumulative
a. Postpetition income taxes accrued (local, state, and federal)	\$ 0	\$ 0
b. Postpetition income taxes paid (local, state, and federal)	\$ 0	\$ 0
c. Postpetition employer payroll taxes accrued	\$ 0	\$ 0
d. Postpetition employer payroll taxes paid	\$ 0	\$ 0
e. Postpetition property taxes paid	\$ 0	\$ 0
f. Postpetition other taxes accrued (local, state, and federal)	\$ 0	\$ 0
g. Postpetition other taxes paid (local, state, and federal)	\$ 0	\$ 0

Part 7: Questionnaire - During this reporting period:

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes ☐ No ☒
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes ☐ No ☒
- c. Were any payments made to or on behalf of insiders? Yes ☐ No ☒
- d. Are you current on postpetition tax return filings? Yes ☒ No ☐
- e. Are you current on postpetition estimated tax payments? Yes ☒ No ☐
- f. Were all trust fund taxes remitted on a current basis? Yes ☒ No ☐
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes ☐ No ☒
- h. Were all payments made to or on behalf of professionals approved by the court? Yes ☐ No ☐ N/A ☒
- i. Do you have: Worker's compensation insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- Casualty/property insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- General liability insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court? Yes ☒ No ☐
- k. Has a disclosure statement been filed with the court? Yes ☒ No ☐
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☒ No ☐

Part 8: Individual Chapter 11 Debtors (Only)

a. Gross income (receipts) from salary and wages	\$	0
b. Gross income (receipts) from self-employment	\$	0
c. Gross income from all other sources	\$	0
d. Total income in the reporting period (a+b+c)	\$	0
e. Payroll deductions	\$	0
f. Self-employment related expenses	\$	0
g. Living expenses	\$	0
h. All other expenses	\$	0
i. Total expenses in the reporting period (e+f+g+h)	\$	0
j. Difference between total income and total expenses (d-i)	\$	0
k. List the total amount of all postpetition debts that are past due	\$	0
l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C. § 101(14A)?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
m. If yes, have you made all Domestic Support Obligation payments?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

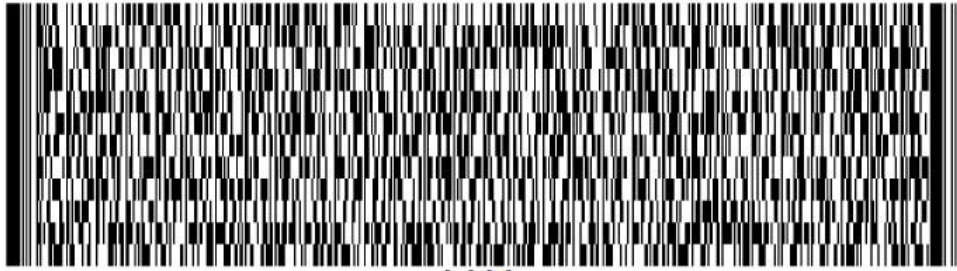
I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

/s/ Michael Bros
Signature of Responsible Party

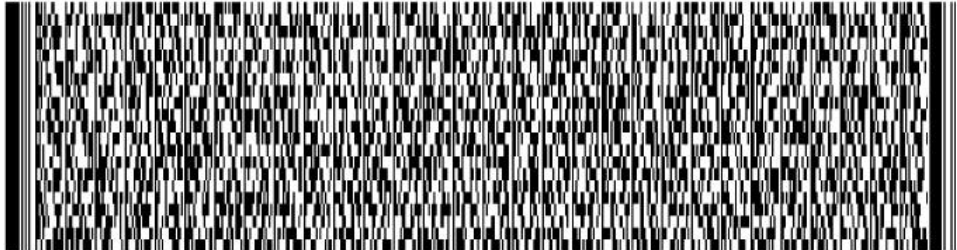
SVP, Capital Markets and Acquisitions
Title

Michael Bros
Printed Name of Responsible Party

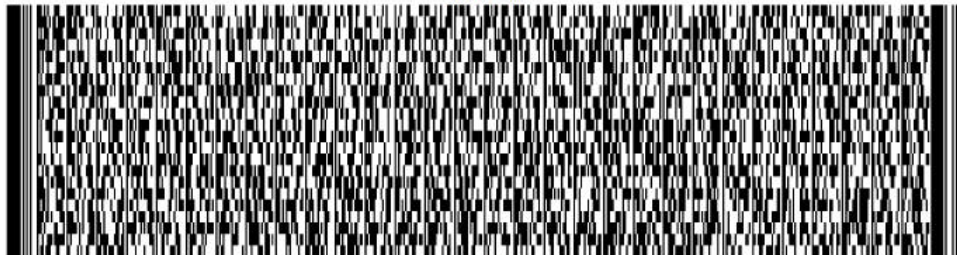
09/29/2023
Date



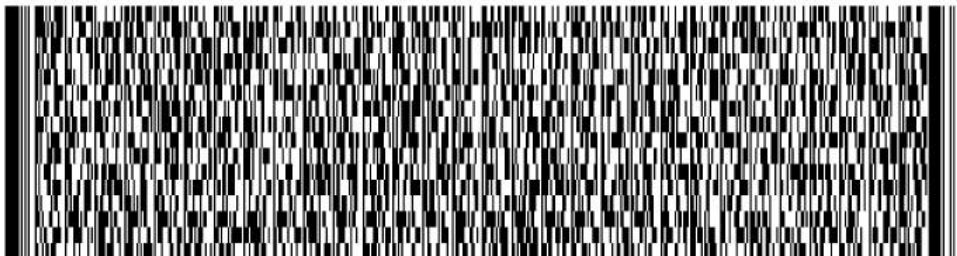
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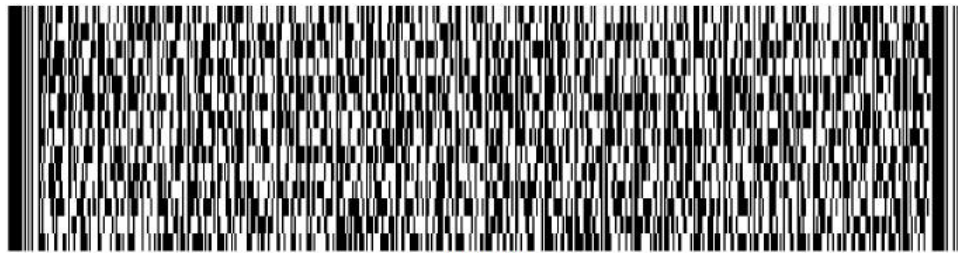
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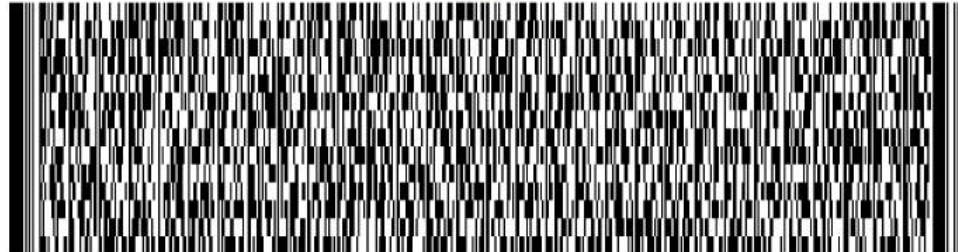
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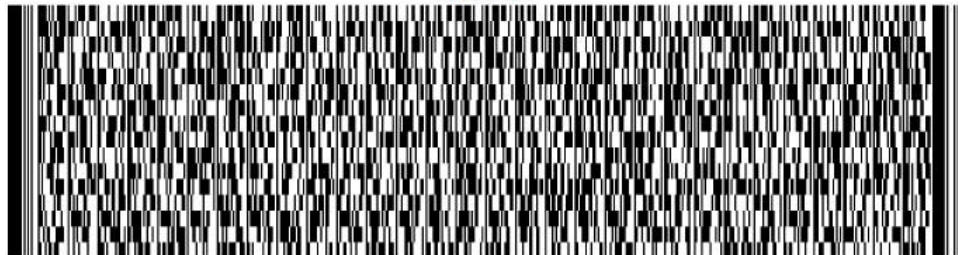
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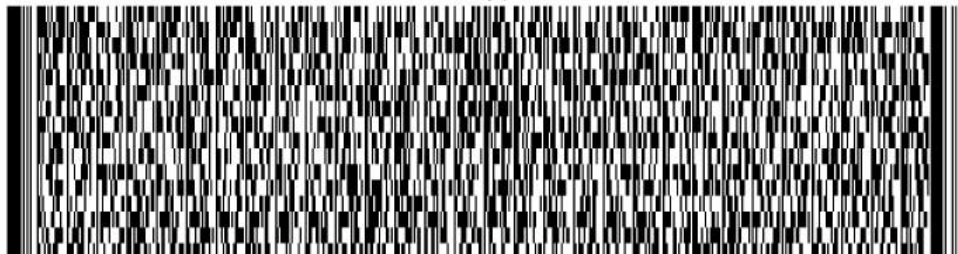
Bankruptcy (to 50)



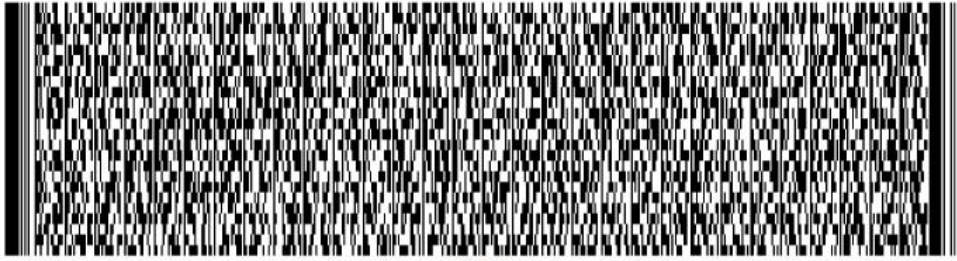
Bankruptcy (to 100)



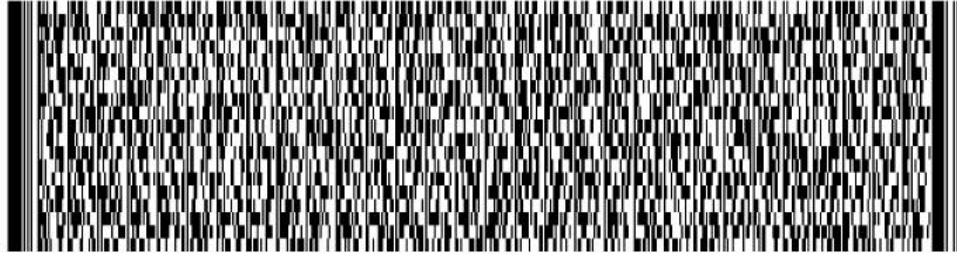
Nonbankruptcy (to 50)



Nonbankruptcy (to 100)



PageThree



PageFour

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	Chapter 11
	§	
CORE SCIENTIFIC, INC., <i>et al.</i> ,	§	Case No. 22-90341 (DRJ)
	§	
Debtors. ¹	§	(Jointly Administered)

MONTHLY OPERATING REPORT NOTES FOR AUGUST 2023

On December 21, 2022 (the “**Petition Date**”), Core Scientific, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**” or the “**Company**”), each commenced a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors’ chapter 11 cases are being jointly administered for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 1015-1 of the Bankruptcy Local Rules for the United States Bankruptcy Court for the Southern District of Texas (the “**Local Rules**”). On January 9, 2023, the United States Trustee for Region 7 (the “**U.S. Trustee**”) appointed an official committee of unsecured creditors (the “**Creditors’ Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. On March 23, 2023, the U.S. Trustee appointed an official equity committee (the “**Equity Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

The following notes and statements of limitations and disclaimers should be referred to, and referenced in connection with, any review of this Monthly Operating Report (the “**MOR**”).

1. **Introduction.** This MOR is unaudited and does not purport to represent financial statements prepared in accordance with accounting principles generally accepted in the United States (“**GAAP**”), and it is not intended to fully reconcile to the consolidated financial statements prepared by the Debtors. Information contained in this MOR has been derived from the Debtors’ books and records, but does not reflect in all circumstances presentation for GAAP or SEC reporting purposes. Therefore, to comply with their obligations to provide MORs during these chapter 11 cases, the Debtors have prepared this MOR using the best information presently available to them, which has been collected, maintained, and prepared in accordance with their historical accounting practices. Accordingly, this MOR is true and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (6074); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions VII, LLC (3198). The Debtors’ corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

accurate to the best of the Debtors' knowledge, information, and belief, based on currently-available data. The results of operations and financial position contained herein are not necessarily indicative of results that may be expected for any period other than the period beginning on August 1, 2023 and ending August 31, 2023, or for the full year, and may not necessarily reflect the Debtors' future consolidated results of operations and financial position.

2. **Reservation of Rights.** This MOR is limited in scope, covers the period beginning on August 1, 2023 and ending August 31, 2023, and has been prepared solely for the purpose of complying with the monthly reporting requirements of the Debtors' chapter 11 cases. The unaudited financial information for this report has been derived from the Debtors' books and records. The information presented herein has not been subject to all procedures that typically would be applied to financial information in accordance with U.S. GAAP. Upon the application of such procedures, the Debtors believe that the financial information could be subject to material change. The information furnished in this MOR includes normal recurring adjustments but does not include all of the adjustments that typically would be made for interim financial information presented in accordance with GAAP.

Given the complexity of the Debtors' business, inadvertent errors or omission may occur. Accordingly, the Debtors hereby reserve all of their rights to dispute the nature, validity, status, enforceability, or executory natures of any claim amount, agreement, representation, or other statement set forth in this MOR. Further, the Debtors reserve the right to amend or supplement this MOR, if necessary, but shall be under no obligation to do so.

3. **Basis of Presentation.** Although the Debtors generally prepare their financial statements on a consolidated basis, the MOR has been prepared on an entity-by-entity basis (excluding most intercompany eliminations) for Debtors Core Scientific, Inc., Core Scientific Acquired Mining LLC, Core Scientific Operating Company, Core Scientific Mining LLC, Radar Relay, Inc., Core Scientific Specialty Mining (Oklahoma) LLC, American Property Acquisition, LLC, Starboard Capital LLC, RADAR LLC, American Property Acquisitions I, LLC, and American Property Acquisitions VII, LLC. The financial information contained herein is unaudited, limited in scope, covers a limited time period, and has been prepared solely for the purpose of complying with the monthly reporting requirements for chapter 11 debtors issued by the UST.

The amounts reported in this MOR are as-of August 31, 2023, the end of the Debtors' reporting period. This MOR covers the period beginning August 1, 2023 and ending August 31, 2023.

4. **Accounting Principles.** The Debtors maintain their financial records according to GAAP, however the MOR does not purport to represent financial statements prepared in accordance with GAAP, nor are they intended to be fully reconciled with the financial statements of the Debtors.

The Debtors generally prepare financial statements on a consolidated basis. To the extent that there are negative asset balances for an individual Debtor, such as accounts receivable and current assets, they may be due to some intercompany elimination transactions or adjustments in each specific Debtor's books and records.

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5. **Currency.** Unless otherwise indicated, all amounts in the MOR are reflected in U.S. dollars.
6. **Consolidated Entity Accounts Payable and Disbursement Systems.** Cash is received and disbursed by the Debtors as described in the *Emergency Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Continue their Existing Cash Management System, (B) Maintain Existing Business Forms and Intercompany Arrangements, (C) Continue Intercompany Transactions, and (D) Continue Utilizing Employee Credit Cards; and (II) Granting Related Relief* (Docket No. 12) (the “**Cash Management Motion**”) and the Debtors’ receipt and disbursement of cash is consistent with the Debtors’ historical cash management practices. Due to the consolidated cash management reporting system, certain cash payments may be paid out of a legal entity that is different than the legal entity at which the expenses were incurred. Also, certain cash receipts may be received in a different legal entity than the legal entity at which the accounts receivable is recorded. Disbursements attributed to each entity represent the entity on behalf of which payments were made, on a proportional allocated basis, from the consolidated cash management system.
7. **Supporting Documentation.** At the direction of the U.S. Trustee, the following schedules are attached to the MORs: (i) Statement of Cash Receipts and Disbursements; (ii) Balance Sheet; (iii) Income Statement (profit or loss statement); (iv) Schedule of Asset Sales; and (v) Schedule of Payments to Insiders.

Statement of Cash Receipts and Disbursements. Based on guidance received from the Office of the United States Trustee in connection with the completion of UST Form 11-MOR Part 1, Cash Receipts and Disbursements, reported cash receipts and disbursements should exclude intercompany and debtor-to-debtor transactions. As a result, for those debtors with net intercompany cash outflows or inflows during the reporting period, the ending cash balances reported on Form 11-MOR Part 1 may not match the ending cash balances per the Debtors’ bank statements or the Debtors’ books and records. For additional information on ending cash balances per the Debtors’ books and records, see the attached cash balances per MOR-1: Schedule of Cash Receipts and Disbursements.

Balance Sheet. Liabilities Subject to Compromise (“**LSTC**”): LSTC represent the Debtors’ estimate of prepetition claims to be resolved in connection with the chapter 11 cases. As a result of the chapter 11 filings, the payment of prepetition liabilities are subject to compromise or other treatment under a plan of reorganization. The determination of how such liabilities will ultimately be settled or treated cannot be made until the Court approves a chapter 11 plan of reorganization. Accordingly, the ultimate amount of such liabilities is not determinable at this time. Prepetition liabilities that are subject to compromise under ASC 852 are preliminary and may be subject to, among other things, future adjustments depending on Court actions, further developments with respect to disputed claims, determinations of the secured status of certain claims, the values of any collateral securing such claims, rejection of executory contracts, continued reconciliation or other events.

As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate balance sheets in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate balance sheets for the remaining Debtor entities. Consequently, the balance sheets included in the MOR for these Debtors reflect no balances.

Values in the balance sheet(s) attached hereto represent rounded numbers. Accordingly, subtotals may not agree to the summation of the rounded numbers presented.

Income Statement. As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate income statements in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate income statements for the remaining Debtor entities. Consequently, the income statements included in the MOR for these Debtors reflect no income.

Schedule of Payments to Insiders. This schedule provides additional detail for the period on page 1 of the MOR. For each insider payment made during the reporting period the following information is provided: Recipient; Date of payment or benefit provided; Amount of cash payment or market value of non-cash payment; and Reason for each payment made.

8. **Part 1, Cash Receipts and Disbursements.** Cumulative quarter-to-date for Q3 2023 disbursements are reported in the Cumulative figures in the MOR. Cumulative case to date total disbursements through August 31, 2023 are \$348,255,982.
9. **Part 2: Asset and Liability Status.** Long-term lease liabilities resulting from the Debtors' office / location leases and equipment / fixed asset leases are reported as prepetition unsecured debt. Beginning with the April MOR, the (i) April 2022 \$60 million Bridge Promissory Note with BRF Finance Co, LLC and (ii) April 2022 \$15 million Bridge Promissory Note with B. Riley Commercial Capital, LLC (collectively, the "Unsecured Bridge Notes"), are also reported as prepetition unsecured debt, whereas the Unsecured Bridge Notes were inadvertently included in prepetition priority debt on previous monthly operating reports.
10. **Part 3, Assets Sold or Transferred.** The Company regularly receives credits and/or coupons from Bitmain Technologies Ltd.'s reward and price protection programs. The Company subsequently redeems these credits and/or coupons for new ASIC miner acquisitions or sells them to third parties when they are not able to be utilized by the Company. The Company may recognize other income when the credits and/or coupons are redeemed in noncash acquisitions or sold to third parties.
11. **Part 5: Professional Fees and Expenses.** For purposes of the MORs, bankruptcy professional fees are considered approved if the applicable monthly fee statement has been served and the objection deadline with regard to such monthly fee statement has expired prior to the end date of the MOR period.

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12. **Part 7 Questionnaire**. Pursuant to certain orders of the Bankruptcy Court entered in the Debtors' chapter 11 cases (the "**First Day Orders**"), the Debtors were authorized (but not directed) to pay, among other things, certain prepetition claims of their employees, taxing authorities, insurers, critical vendors, and certain other prepetition creditors. Amounts paid pursuant to the First Day Orders are monitored as to limits provided in the applicable orders of the Bankruptcy Court governing payment of such prepetition obligations, and this report is available to the U.S. Trustee as required.

In the ordinary course of business, the Debtors' tax filings may extend past the normal deadlines and become late in some instances. When this happens, the Debtors arrange to complete the filings and address any related fines and/or penalties. There are no tax filings that are currently late where the Debtors are not also in dialogue with the related taxing authority to become compliant.

All postpetition borrowings since the inception of the case, other than trade credit, are borrowings made under the Initial DIP Facility or the Replacement DIP Facility.

[illegible]

MOR-2: End of August 2023 Balance Sheet

(US \$)	Core Scientific, Inc.	Core Scientific Acquired Mining LLC	Core Scientific Operating Company	Radar Relay, Inc.	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC	Elimination Co
ASSETS												
Cash and Equivalents	1,650,308	141,898	41,146,568	—	—	—	—	—	—	—	—	—
Restricted Cash	20,155,346	—	805,024	—	—	—	—	—	—	—	—	—
Total Cash	21,805,654	141,898	41,951,592	—	—	—	—	—	—	—	—	—
Accounts receivable, net of allowance	—	—	1,447,717	—	—	—	—	—	—	—	—	—
Accounts receivable from related parties	467,184,855	151,035,671	(473,011,494)	1,160,033	—	—	—	—	—	—	—	(146,360,599)
Deposits for equipment	—	—	100,897	—	—	—	—	—	—	—	—	—
Digital currency assets	—	101,214	703,260	—	—	—	—	—	—	—	—	—
Prepaid expenses and other	—	22,610,400	22,555,503	—	—	—	—	—	—	—	—	(22,605,090)
Total other current assets	1,835,680,497	(1,128,199,397)	(701,290,764)	12,734	—	—	—	—	—	—	—	—
Total Current Assets	2,324,671,006	(954,310,215)	(1,107,543,289)	1,172,767	—	—	—	—	—	—	—	(168,965,689)
Property, plant and equipment	—	43,554,921	565,370,886	—	—	—	—	—	—	—	—	(15,616,704)
Operating lease-right-of-use assets	—	—	19,808,855	—	—	—	—	—	—	—	—	—
Goodwill	—	232,587,379	(167,058,249)	(65,529,130)	—	—	—	—	—	—	—	—
Intangible assets, net	—	—	2,542,228	—	—	—	—	—	—	—	—	—
Other noncurrent assets	2,558,789	(0)	6,731,497	—	—	—	—	—	—	—	—	—
Total Assets	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,364)	—	—	—	—	—	—	—	(184,582,393)
LIABILITIES, PREFERRED STOCK & EQUITY												
Accounts Payable	—	146,436,696	81,570,312	1,750	—	—	—	—	—	—	—	(146,360,599)
Accrued expenses and other	199,366	18,136,331	54,393,080	—	—	—	—	—	—	—	—	—
Deferred revenue	—	—	104,003,372	—	—	—	—	—	—	—	—	(38,493,287)
Derivative warrant liabilities	—	—	—	—	—	—	—	—	—	—	—	—
Operating lease liabilities, current portion	—	—	295,229	—	—	—	—	—	—	—	—	—
Financing lease liabilities, current portion	—	—	26,116,234	—	—	—	—	—	—	—	—	—
Long-term debt, current portion	(559,901,857)	—	716,969,147	—	—	—	—	—	—	—	—	—
Total current liabilities	(559,702,491)	164,573,027	983,347,375	1,750	—	—	—	—	—	—	—	(184,853,886)
Operating lease liabilities, net of current portion	—	—	14,529,985	—	—	—	—	—	—	—	—	—
Financing lease liabilities, net of current portion	—	—	41,338,777	—	—	—	—	—	—	—	—	—
Long-term debt, net of current portion	568,258,150	—	108,254,839	—	—	—	—	—	—	—	—	—
Other noncurrent liabilities	—	18,084,856	(15,497,087)	(2,587,769)	—	—	—	—	—	—	—	—
Total Liabilities	8,555,659	182,657,883	1,131,973,889	(2,586,019)	—	—	—	—	—	—	—	(184,853,886)
Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—
Total Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—
Preferred stock	—	—	—	—	—	—	—	—	—	—	—	—
Common stock	37,478	—	—	—	—	—	—	—	—	—	—	—
Additional paid-in capital	1,814,023,126	(15,979,141)	2,887,621	—	—	—	—	—	—	—	—	—
Accumulated deficit	(179,781,838)	(844,893,639)	(1,130,614,212)	(61,770,345)	—	—	—	—	—	—	—	318,476
Other Comprehensive Income	—	—	—	—	—	—	—	—	—	—	—	—
Cumulative Translation Adjustment	—	46,983	—	—	—	—	—	—	—	—	—	(46,983)
Total Equity	1,634,278,766	(860,825,798)	(1,127,726,591)	(61,770,345)	—	—	—	—	—	—	—	271,494
Total Liabilities, Preferred Stock & Equity	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,364)	—	—	—	—	—	—	—	(184,582,393)

¹ The 'Elimination Co' column addresses the accounting of intercompany balances to enable consolidated reporting in the 'Total' column

	Core Scientific, Inc.	Core Scientific Acquired Mining LLC	Core Scientific Operating Company	Radar Relay, Inc	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC
Total Revenue <i>(dollars in thousands)</i>											
Hosting revenue from customers	—	—	8,337,117	—	—	—	—	—	—	—	—
Hosting revenue from related parties	—	—	2,723,619	—	—	—	—	—	—	—	—
Equipment sales to customers	—	—	—	—	—	—	—	—	—	—	—
Equipment sales to related parties	—	—	—	—	—	—	—	—	—	—	—
Digital asset mining income	—	2,323,886	24,559,363	—	—	—	—	—	—	—	—
Network services and defi revenue	—	—	—	—	—	—	—	—	—	—	—
Total Revenue	—	2,323,886	35,620,099	—	—	—	—	—	—	—	—
Cost of revenue	—	(3,435,120)	(33,672,069)	—	—	—	—	—	—	—	—
Gross Profit	—	(1,111,235)	1,948,031	—	—	—	—	—	—	—	—
Gain (loss) on legal settlements	—	—	85,000	—	—	—	—	—	—	—	—
Gain (loss) from sales of digital currency assets	—	14,598	109,197	—	—	—	—	—	—	—	—
Impairments of digital currency assets	—	(27,236)	(273,402)	—	—	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—	—	—	—	—	—
Impairment of property, plant and equipment	—	—	—	—	—	—	—	—	—	—	—
Losses on exchange or disposal of property, plant and equipment	—	—	(27)	—	—	—	—	—	—	—	—
Operating expenses:											
Research and development	—	—	(1,083,293)	—	—	—	—	—	—	—	—
Sales and marketing	—	—	(359,197)	—	—	—	—	—	—	—	—
General and administrative	—	(70,677)	(10,042,606)	—	—	—	—	—	—	—	—
Advisor Fees	—	—	—	—	—	—	—	—	—	—	—
Total operating expenses	—	(70,677)	(11,485,096)	—	—	—	—	—	—	—	—
Operating Income (Loss)	—	(1,194,550)	(9,616,298)	—	—	—	—	—	—	—	—
Non-operating income (expense), net:											
Loss on debt extinguishment	—	—	—	—	—	—	—	—	—	—	—
Interest expense, net	—	—	63,250	—	—	—	—	—	—	—	—
Other non-operating expenses, net	—	—	—	—	—	—	—	—	—	—	—
Reorganization items	—	—	(17,973,376)	—	—	—	—	—	—	—	—
Total Non-operating income (expense), net:	—	—	(17,910,126)	—	—	—	—	—	—	—	—
Income (loss) before income taxes	—	(1,194,550)	(27,526,425)	—	—	—	—	—	—	—	—
Income tax expense	—	—	—	—	—	—	—	—	—	—	—
Net Income (Loss)	—	(1,194,550)	(27,526,425)	—	—	—	—	—	—	—	—

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON

In Re. American Property Acquisitions I, LLC

§
§
§
§

Case No. 22-90349

Lead Case No. 22-90341

☒ Jointly AdministeredDebtor(s)**Monthly Operating Report**

Chapter 11

Reporting Period Ended: 08/31/2023

Petition Date: 12/21/2022

Months Pending: 8

Industry Classification: 3 3 4 1

Reporting Method:

Accrual Basis ☒Cash Basis ☐

Debtor's Full-Time Employees (current):

0

Debtor's Full-Time Employees (as of date of order for relief):

0

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☒ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☐ Accounts receivable aging
- ☐ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☐ Schedule of payments to professionals
- ☐ Schedule of payments to insiders
- ☐ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

/s/ Alfredo R. Pérez

Signature of Responsible Party

Alfredo R. Pérez

Printed Name of Responsible Party

09/29/2023

Date

700 Louisiana Street, Suite 1700, Houston, Texas 77002

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

Part 1: Cash Receipts and Disbursements

	Current Month	Cumulative
a. Cash balance beginning of month	\$ 0	
b. Total receipts (net of transfers between accounts)	\$ 0	\$ 0
c. Total disbursements (net of transfers between accounts)	\$ 0	\$ 0
d. Cash balance end of month (a+b-c)	\$ 0	
e. Disbursements made by third party for the benefit of the estate	\$ 0	\$ 0
f. Total disbursements for quarterly fee calculation (c+e)	\$ 0	\$ 0

Part 2: Asset and Liability Status

(Not generally applicable to Individual Debtors. See Instructions.)

	Current Month	
a. Accounts receivable (total net of allowance)	\$ 0	
b. Accounts receivable over 90 days outstanding (net of allowance)	\$ 0	
c. Inventory (Book <input checked="" type="checkbox"/> Market <input type="checkbox"/> Other <input type="checkbox"/> (attach explanation))	\$ 0	
d. Total current assets	\$ 0	
e. Total assets	\$ 0	
f. Postpetition payables (excluding taxes)	\$ 0	
g. Postpetition payables past due (excluding taxes)	\$ 0	
h. Postpetition taxes payable	\$ 0	
i. Postpetition taxes past due	\$ 0	
j. Total postpetition debt (f+h)	\$ 0	
k. Prepetition secured debt	\$ 0	
l. Prepetition priority debt	\$ 0	
m. Prepetition unsecured debt	\$ 0	
n. Total liabilities (debt) (j+k+l+m)	\$ 0	
o. Ending equity/net worth (e-n)	\$ 0	

Part 3: Assets Sold or Transferred

	Current Month	Cumulative
a. Total cash sales price for assets sold/transferred outside the ordinary course of business	\$ 0	\$ 0
b. Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$ 0	\$ 0
c. Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$ 0	\$ 0

Part 4: Income Statement (Statement of Operations)

(Not generally applicable to Individual Debtors. See Instructions.)

	Current Month	Cumulative
a. Gross income/sales (net of returns and allowances)	\$ 0	
b. Cost of goods sold (inclusive of depreciation, if applicable)	\$ 0	
c. Gross profit (a-b)	\$ 0	
d. Selling expenses	\$ 0	
e. General and administrative expenses	\$ 0	
f. Other expenses	\$ 0	
g. Depreciation and/or amortization (not included in 4b)	\$ 0	
h. Interest	\$ 0	
i. Taxes (local, state, and federal)	\$ 0	
j. Reorganization items	\$ 0	
k. Profit (loss)	\$ 0	\$ 0

Part 5: Professional Fees and Expenses				Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
a.	Debtor's professional fees & expenses (bankruptcy)						
	<i>Aggregate Total</i>						
	<i>Itemized Breakdown by Firm</i>						
	Firm Name	Role					
	i						
	ii						
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b.				Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>						
	<i>Itemized Breakdown by Firm</i>						
	Firm Name	Role					
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c.	All professional fees and expenses (debtor & committees)			\$0	\$0	\$0	\$0

Part 6: Postpetition Taxes

		Current Month	Cumulative
a.	Postpetition income taxes accrued (local, state, and federal)	\$ 0	\$ 0
b.	Postpetition income taxes paid (local, state, and federal)	\$ 0	\$ 0
c.	Postpetition employer payroll taxes accrued	\$ 0	\$ 0
d.	Postpetition employer payroll taxes paid	\$ 0	\$ 0
e.	Postpetition property taxes paid	\$ 0	\$ 0
f.	Postpetition other taxes accrued (local, state, and federal)	\$ 0	\$ 0
g.	Postpetition other taxes paid (local, state, and federal)	\$ 0	\$ 0

Part 7: Questionnaire - During this reporting period:

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes ☐ No ☒
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes ☐ No ☒
- c. Were any payments made to or on behalf of insiders? Yes ☐ No ☒
- d. Are you current on postpetition tax return filings? Yes ☒ No ☐
- e. Are you current on postpetition estimated tax payments? Yes ☒ No ☐
- f. Were all trust fund taxes remitted on a current basis? Yes ☒ No ☐
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes ☐ No ☒
- h. Were all payments made to or on behalf of professionals approved by the court? Yes ☐ No ☐ N/A ☒
- i. Do you have: Worker's compensation insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- Casualty/property insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- General liability insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court? Yes ☒ No ☐
- k. Has a disclosure statement been filed with the court? Yes ☒ No ☐
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☒ No ☐

Part 8: Individual Chapter 11 Debtors (Only)

a. Gross income (receipts) from salary and wages	\$	0
b. Gross income (receipts) from self-employment	\$	0
c. Gross income from all other sources	\$	0
d. Total income in the reporting period (a+b+c)	\$	0
e. Payroll deductions	\$	0
f. Self-employment related expenses	\$	0
g. Living expenses	\$	0
h. All other expenses	\$	0
i. Total expenses in the reporting period (e+f+g+h)	\$	0
j. Difference between total income and total expenses (d-i)	\$	0
k. List the total amount of all postpetition debts that are past due	\$	0
l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
m. If yes, have you made all Domestic Support Obligation payments?	Yes <input type="checkbox"/>	No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

/s/ Michael Bros

Signature of Responsible Party

SVP, Capital Markets and Acquisitions

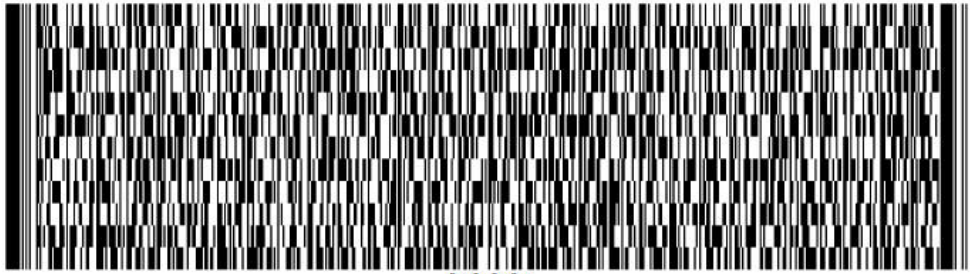
Title

Michael Bros

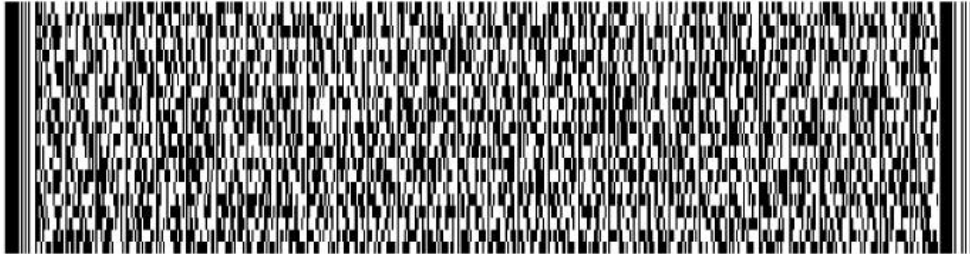
Printed Name of Responsible Party

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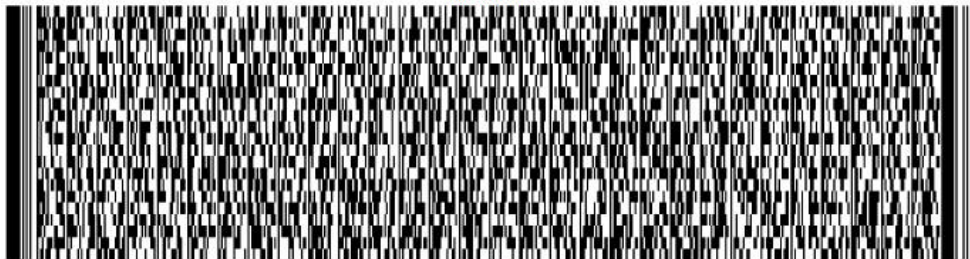
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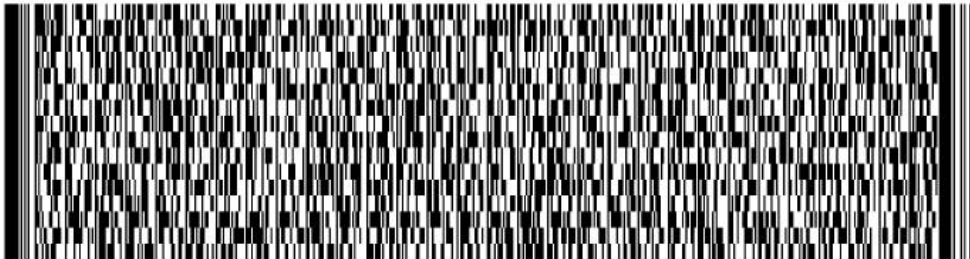
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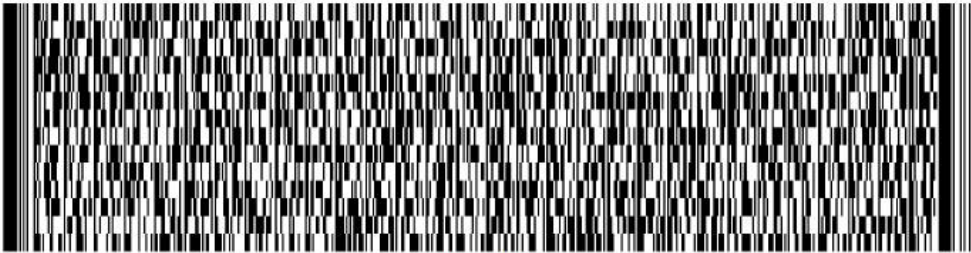
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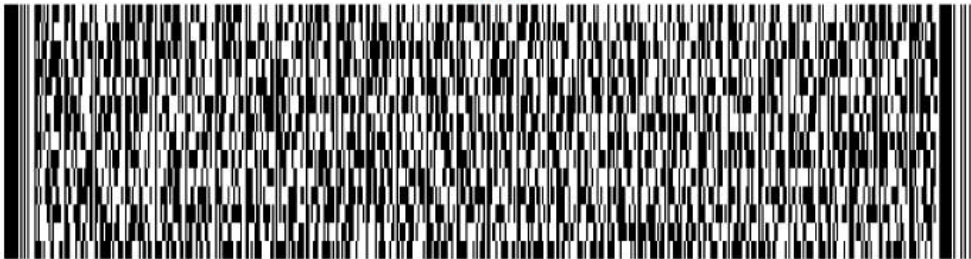
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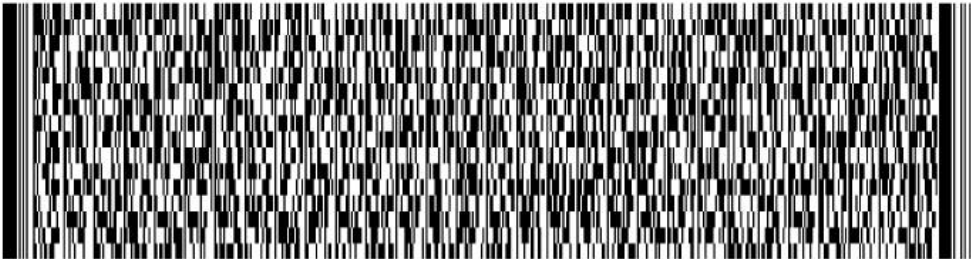
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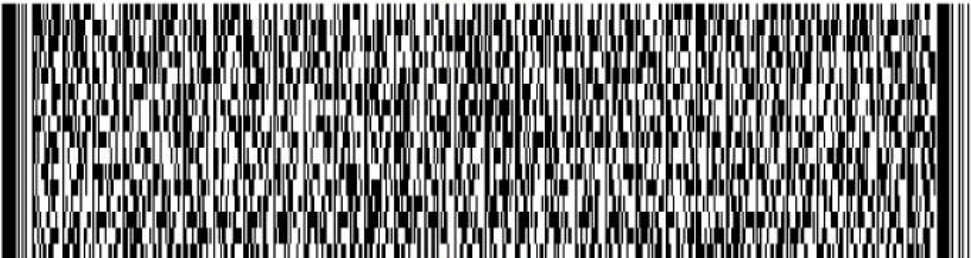
Bankruptcy 1 to 50



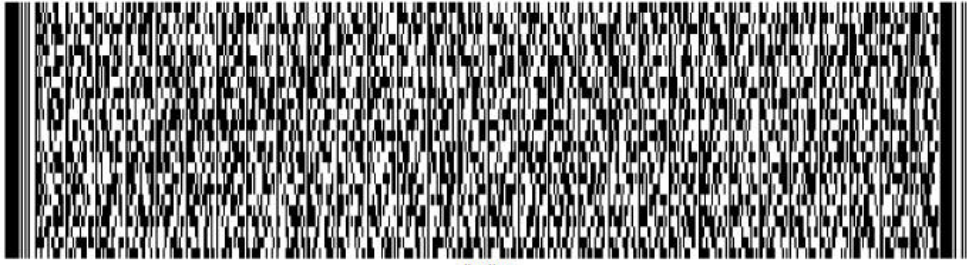
Bankruptcy 51 to 100



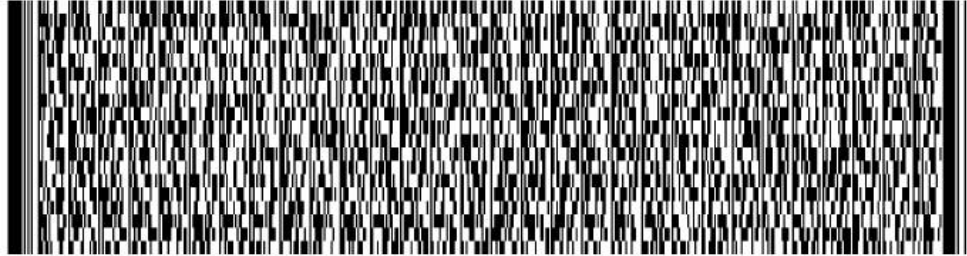
Nonbankruptcy 1 to 50



Nonbankruptcy 51 to 100



Page three



Page four

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:

CORE SCIENTIFIC, INC., et al.,

Debtors.¹

§ Chapter 11
§
§ Case No. 22-90341 (DRJ)
§
§ (Jointly Administered)

MONTHLY OPERATING REPORT NOTES FOR AUGUST 2023

On December 21, 2022 (the “**Petition Date**”), Core Scientific, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**” or the “**Company**”), each commenced a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors’ chapter 11 cases are being jointly administered for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 1015-1 of the Bankruptcy Local Rules for the United States Bankruptcy Court for the Southern District of Texas (the “**Local Rules**”). On January 9, 2023, the United States Trustee for Region 7 (the “**U.S. Trustee**”) appointed an official committee of unsecured creditors (the “**Creditors’ Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. On March 23, 2023, the U.S. Trustee appointed an official equity committee (the “**Equity Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

The following notes and statements of limitations and disclaimers should be referred to, and referenced in connection with, any review of this Monthly Operating Report (the “**MOR**”).

1. **Introduction.** This MOR is unaudited and does not purport to represent financial statements prepared in accordance with accounting principles generally accepted in the United States (“**GAAP**”), and it is not intended to fully reconcile to the consolidated financial statements prepared by the Debtors. Information contained in this MOR has been derived from the Debtors’ books and records, but does not reflect in all circumstances presentation for GAAP or SEC reporting purposes. Therefore, to comply with their obligations to provide MORs during these chapter 11 cases, the Debtors have prepared this MOR using the best information presently available to them, which has been collected, maintained, and prepared in accordance with their historical accounting practices. Accordingly, this MOR is true and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (6074); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions VII, LLC (3198). The Debtors’ corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

accurate to the best of the Debtors' knowledge, information, and belief, based on currently-available data. The results of operations and financial position contained herein are not necessarily indicative of results that may be expected for any period other than the period beginning on August 1, 2023 and ending August 31, 2023, or for the full year, and may not necessarily reflect the Debtors' future consolidated results of operations and financial position.

2. **Reservation of Rights.** This MOR is limited in scope, covers the period beginning on August 1, 2023 and ending August 31, 2023, and has been prepared solely for the purpose of complying with the monthly reporting requirements of the Debtors' chapter 11 cases. The unaudited financial information for this report has been derived from the Debtors' books and records. The information presented herein has not been subject to all procedures that typically would be applied to financial information in accordance with U.S. GAAP. Upon the application of such procedures, the Debtors believe that the financial information could be subject to material change. The information furnished in this MOR includes normal recurring adjustments but does not include all of the adjustments that typically would be made for interim financial information presented in accordance with GAAP.

Given the complexity of the Debtors' business, inadvertent errors or omission may occur. Accordingly, the Debtors hereby reserve all of their rights to dispute the nature, validity, status, enforceability, or executory natures of any claim amount, agreement, representation, or other statement set forth in this MOR. Further, the Debtors reserve the right to amend or supplement this MOR, if necessary, but shall be under no obligation to do so.

3. **Basis of Presentation.** Although the Debtors generally prepare their financial statements on a consolidated basis, the MOR has been prepared on an entity-by-entity basis (excluding most intercompany eliminations) for Debtors Core Scientific, Inc., Core Scientific Acquired Mining LLC, Core Scientific Operating Company, Core Scientific Mining LLC, Radar Relay, Inc., Core Scientific Specialty Mining (Oklahoma) LLC, American Property Acquisition, LLC, Starboard Capital LLC, RADAR LLC, American Property Acquisitions I, LLC, and American Property Acquisitions VII, LLC. The financial information contained herein is unaudited, limited in scope, covers a limited time period, and has been prepared solely for the purpose of complying with the monthly reporting requirements for chapter 11 debtors issued by the UST.

The amounts reported in this MOR are as-of August 31, 2023, the end of the Debtors' reporting period. This MOR covers the period beginning August 1, 2023 and ending August 31, 2023.

4. **Accounting Principles.** The Debtors maintain their financial records according to GAAP, however the MOR does not purport to represent financial statements prepared in accordance with GAAP, nor are they intended to be fully reconciled with the financial statements of the Debtors.

The Debtors generally prepare financial statements on a consolidated basis. To the extent that there are negative asset balances for an individual Debtor, such as accounts receivable and current assets, they may be due to some intercompany elimination transactions or adjustments in each specific Debtor's books and records.

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5. **Currency.** Unless otherwise indicated, all amounts in the MOR are reflected in U.S. dollars.
6. **Consolidated Entity Accounts Payable and Disbursement Systems.** Cash is received and disbursed by the Debtors as described in the *Emergency Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Continue their Existing Cash Management System, (B) Maintain Existing Business Forms and Intercompany Arrangements, (C) Continue Intercompany Transactions, and (D) Continue Utilizing Employee Credit Cards; and (II) Granting Related Relief* (Docket No. 12) (the “**Cash Management Motion**”) and the Debtors’ receipt and disbursement of cash is consistent with the Debtors’ historical cash management practices. Due to the consolidated cash management reporting system, certain cash payments may be paid out of a legal entity that is different than the legal entity at which the expenses were incurred. Also, certain cash receipts may be received in a different legal entity than the legal entity at which the accounts receivable is recorded. Disbursements attributed to each entity represent the entity on behalf of which payments were made, on a proportional allocated basis, from the consolidated cash management system.
7. **Supporting Documentation.** At the direction of the U.S. Trustee, the following schedules are attached to the MORs: (i) Statement of Cash Receipts and Disbursements; (ii) Balance Sheet; (iii) Income Statement (profit or loss statement); (iv) Schedule of Asset Sales; and (v) Schedule of Payments to Insiders.

Statement of Cash Receipts and Disbursements. Based on guidance received from the Office of the United States Trustee in connection with the completion of UST Form 11-MOR Part 1, Cash Receipts and Disbursements, reported cash receipts and disbursements should exclude intercompany and debtor-to-debtor transactions. As a result, for those debtors with net intercompany cash outflows or inflows during the reporting period, the ending cash balances reported on Form 11-MOR Part 1 may not match the ending cash balances per the Debtors’ bank statements or the Debtors’ books and records. For additional information on ending cash balances per the Debtors’ books and records, see the attached cash balances per MOR-1: Schedule of Cash Receipts and Disbursements.

Balance Sheet. Liabilities Subject to Compromise (“LSTC”): LSTC represent the Debtors’ estimate of prepetition claims to be resolved in connection with the chapter 11 cases. As a result of the chapter 11 filings, the payment of prepetition liabilities are subject to compromise or other treatment under a plan of reorganization. The determination of how such liabilities will ultimately be settled or treated cannot be made until the Court approves a chapter 11 plan of reorganization. Accordingly, the ultimate amount of such liabilities is not determinable at this time. Prepetition liabilities that are subject to compromise under ASC 852 are preliminary and may be subject to, among other things, future adjustments depending on Court actions, further developments with respect to disputed claims, determinations of the secured status of certain claims, the values of any collateral securing such claims, rejection of executory contracts, continued reconciliation or other events.

As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate balance sheets in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate balance sheets for the remaining Debtor entities. Consequently, the balance sheets included in the MOR for these Debtors reflect no balances.

Values in the balance sheet(s) attached hereto represent rounded numbers. Accordingly, subtotals may not agree to the summation of the rounded numbers presented.

Income Statement. As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate income statements in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate income statements for the remaining Debtor entities. Consequently, the income statements included in the MOR for these Debtors reflect no income.

Schedule of Payments to Insiders. This schedule provides additional detail for the period on page 1 of the MOR. For each insider payment made during the reporting period the following information is provided: Recipient; Date of payment or benefit provided; Amount of cash payment or market value of non-cash payment; and Reason for each payment made.

8. **Part 1: Cash Receipts and Disbursements.** Cumulative quarter-to-date for Q3 2023 disbursements are reported in the Cumulative figures in the MOR. Cumulative case to date total disbursements through August 31, 2023 are \$348,255,982.
9. **Part 2: Asset and Liability Status.** Long-term lease liabilities resulting from the Debtors' office / location leases and equipment / fixed asset leases are reported as prepetition unsecured debt. Beginning with the April MOR, the (i) April 2022 \$60 million Bridge Promissory Note with BRF Finance Co, LLC and (ii) April 2022 \$15 million Bridge Promissory Note with B. Riley Commercial Capital, LLC (collectively, the "**Unsecured Bridge Notes**"), are also reported as prepetition unsecured debt, whereas the Unsecured Bridge Notes were inadvertently included in prepetition priority debt on previous monthly operating reports.
10. **Part 3: Assets Sold or Transferred.** The Company regularly receives credits and/or coupons from Bitmain Technologies Ltd.'s reward and price protection programs. The Company subsequently redeems these credits and/or coupons for new ASIC miner acquisitions or sells them to third parties when they are not able to be utilized by the Company. The Company may recognize other income when the credits and/or coupons are redeemed in noncash acquisitions or sold to third parties.
11. **Part 5: Professional Fees and Expenses.** For purposes of the MORs, bankruptcy professional fees are considered approved if the applicable monthly fee statement has been served and the objection deadline with regard to such monthly fee statement has expired prior to the end date of the MOR period.

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12. **Part 7 Questionnaire**. Pursuant to certain orders of the Bankruptcy Court entered in the Debtors' chapter 11 cases (the "**First Day Orders**"), the Debtors were authorized (but not directed) to pay, among other things, certain prepetition claims of their employees, taxing authorities, insurers, critical vendors, and certain other prepetition creditors. Amounts paid pursuant to the First Day Orders are monitored as to limits provided in the applicable orders of the Bankruptcy Court governing payment of such prepetition obligations, and this report is available to the U.S. Trustee as required.

In the ordinary course of business, the Debtors' tax filings may extend past the normal deadlines and become late in some instances. When this happens, the Debtors arrange to complete the filings and address any related fines and/or penalties. There are no tax filings that are currently late where the Debtors are not also in dialogue with the related taxing authority to become compliant.

All postpetition borrowings since the inception of the case, other than trade credit, are borrowings made under the Initial DIP Facility or the Replacement DIP Facility.

[illegible]

MOR-2: End of August 2023 Balance Sheet

	Core Scientific, Inc.	Core Scientific Acquired Mining LLC	Core Scientific Operating Company	Radar Relay, Inc.	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC	Elimination Co
(US \$)												
ASSETS												
Cash and Equivalents	1,650,308	141,898	41,146,568	—	—	—	—	—	—	—	—	—
Restricted Cash	20,155,346	—	805,024	—	—	—	—	—	—	—	—	—
Total Cash	21,805,654	141,898	41,951,592	—	—	—	—	—	—	—	—	—
Accounts receivable, net of allowance	—	—	1,447,717	—	—	—	—	—	—	—	—	—
Accounts receivable from related parties	467,184,855	151,035,671	(473,011,494)	1,160,033	—	—	—	—	—	—	—	(146,360,599)
Deposits for equipment	—	—	100,897	—	—	—	—	—	—	—	—	—
Digital currency assets	—	101,214	703,260	—	—	—	—	—	—	—	—	—
Prepaid expenses and other	—	22,610,400	22,555,503	—	—	—	—	—	—	—	—	(22,605,090)
Total other current assets	1,835,680,497	(1,128,199,397)	(701,290,764)	12,734	—	—	—	—	—	—	—	—
Total Current Assets	2,324,671,006	(954,310,215)	(1,107,543,289)	1,172,767	—	—	—	—	—	—	—	(168,965,689)
Property, plant and equipment	—	43,554,921	565,370,886	—	—	—	—	—	—	—	—	(15,616,704)
Operating lease-right-of-use assets	—	—	19,808,855	—	—	—	—	—	—	—	—	—
Goodwill	—	232,587,379	(167,058,249)	(65,529,130)	—	—	—	—	—	—	—	—
Intangible assets, net	—	—	2,542,228	—	—	—	—	—	—	—	—	—
Other noncurrent assets	2,558,789	(0)	6,731,497	—	—	—	—	—	—	—	—	—
Total Assets	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,364)	—	—	—	—	—	—	—	(184,582,393)
LIABILITIES, PREFERRED STOCK & EQUITY												
Accounts Payable	—	146,436,696	81,570,312	1,750	—	—	—	—	—	—	—	(146,360,599)
Accrued expenses and other	199,366	18,136,331	54,393,080	—	—	—	—	—	—	—	—	—
Deferred revenue	—	—	104,003,372	—	—	—	—	—	—	—	—	(38,493,287)
Derivative warrant liabilities	—	—	—	—	—	—	—	—	—	—	—	—
Operating lease liabilities, current portion	—	—	295,229	—	—	—	—	—	—	—	—	—
Financing lease liabilities, current portion	—	—	26,116,234	—	—	—	—	—	—	—	—	—
Long-term debt, current portion	(559,901,857)	—	716,969,147	—	—	—	—	—	—	—	—	—
Total current liabilities	(559,702,491)	164,573,027	983,347,375	1,750	—	—	—	—	—	—	—	(184,853,886)
Operating lease liabilities, net of current portion	—	—	14,529,985	—	—	—	—	—	—	—	—	—
Financing lease liabilities, net of current portion	—	—	41,338,777	—	—	—	—	—	—	—	—	—
Long-term debt, net of current portion	568,258,150	—	108,254,839	—	—	—	—	—	—	—	—	—
Other noncurrent liabilities	—	18,084,856	(15,497,087)	(2,587,769)	—	—	—	—	—	—	—	—
Total Liabilities	8,555,659	182,657,883	1,131,973,889	(2,586,019)	—	—	—	—	—	—	—	(184,853,886)
Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—
Total Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—
Preferred stock	—	—	—	—	—	—	—	—	—	—	—	—
Common stock	37,478	—	—	—	—	—	—	—	—	—	—	—
Additional paid-in capital	1,814,023,126	(15,979,141)	2,887,621	—	—	—	—	—	—	—	—	—
Accumulated deficit	(179,781,838)	(844,893,639)	(1,130,614,212)	(61,770,345)	—	—	—	—	—	—	—	318,476
Other Comprehensive Income	—	—	—	—	—	—	—	—	—	—	—	—
Cumulative Translation Adjustment	—	46,983	—	—	—	—	—	—	—	—	—	(46,983)
Total Equity	1,634,278,766	(860,825,798)	(1,127,726,591)	(61,770,345)	—	—	—	—	—	—	—	271,494
Total Liabilities, Preferred Stock & Equity	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,364)	—	—	—	—	—	—	—	(184,582,393)

1 The 'Elimination Co' column addresses the accounting of intercompany balances to enable consolidated reporting in the 'Total' column

	Core Scientific, Inc.	Core Scientific Acquired Mining LLC	Core Scientific Operating Company	Radar Relay, Inc	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC
Total Revenue <i>(dollars in thousands)</i>											
Hosting revenue from customers	—	—	8,337,117	—	—	—	—	—	—	—	—
Hosting revenue from related parties	—	—	2,723,619	—	—	—	—	—	—	—	—
Equipment sales to customers	—	—	—	—	—	—	—	—	—	—	—
Equipment sales to related parties	—	—	—	—	—	—	—	—	—	—	—
Digital asset mining income	—	2,323,886	24,559,363	—	—	—	—	—	—	—	—
Network services and defi revenue	—	—	—	—	—	—	—	—	—	—	—
Total Revenue	—	2,323,886	35,620,099	—	—	—	—	—	—	—	—
Cost of revenue	—	(3,435,120)	(33,672,069)	—	—	—	—	—	—	—	—
Gross Profit	—	(1,111,235)	1,948,031	—	—	—	—	—	—	—	—
Gain (loss) on legal settlements	—	—	85,000	—	—	—	—	—	—	—	—
Gain (loss) from sales of digital currency assets	—	14,598	109,197	—	—	—	—	—	—	—	—
Impairments of digital currency assets	—	(27,236)	(273,402)	—	—	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—	—	—	—	—	—
Impairment of property, plant and equipment	—	—	—	—	—	—	—	—	—	—	—
Losses on exchange or disposal of property, plant and equipment	—	—	(27)	—	—	—	—	—	—	—	—
Operating expenses:											
Research and development	—	—	(1,083,293)	—	—	—	—	—	—	—	—
Sales and marketing	—	—	(359,197)	—	—	—	—	—	—	—	—
General and administrative	—	(70,677)	(10,042,606)	—	—	—	—	—	—	—	—
Advisor Fees	—	—	—	—	—	—	—	—	—	—	—
Total operating expenses	—	(70,677)	(11,485,096)	—	—	—	—	—	—	—	—
Operating Income (Loss)	—	(1,194,550)	(9,616,298)	—	—	—	—	—	—	—	—
Non-operating income (expense), net:											
Loss on debt extinguishment	—	—	—	—	—	—	—	—	—	—	—
Interest expense, net	—	—	63,250	—	—	—	—	—	—	—	—
Other non-operating expenses, net	—	—	—	—	—	—	—	—	—	—	—
Reorganization items	—	—	(17,973,376)	—	—	—	—	—	—	—	—
Total Non-operating income (expense), net:	—	—	(17,910,126)	—	—	—	—	—	—	—	—
Income (loss) before income taxes	—	(1,194,550)	(27,526,425)	—	—	—	—	—	—	—	—
Income tax expense	—	—	—	—	—	—	—	—	—	—	—
Net Income (Loss)	—	(1,194,550)	(27,526,425)	—	—	—	—	—	—	—	—

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON

In Re. American Property Acquisitions VII, LLC

§
§
§
§

Case No. 22-90350

Lead Case No. 22-90341

Debtor(s)

☒ Jointly Administered**Monthly Operating Report**

Chapter 11

Reporting Period Ended: 08/31/2023

Petition Date: 12/21/2022

Months Pending: 8

Industry Classification: 3 3 4 1

Reporting Method:

Accrual Basis ☒Cash Basis ☐

Debtor's Full-Time Employees (current):

0

Debtor's Full-Time Employees (as of date of order for relief):

0

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☒ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☐ Accounts receivable aging
- ☐ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☐ Schedule of payments to professionals
- ☐ Schedule of payments to insiders
- ☐ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

/s/ Alfredo R. Pérez

Signature of Responsible Party

Alfredo R. Pérez

Printed Name of Responsible Party

09/29/2023

Date

700 Louisiana Street, Suite 1700, Houston, Texas 77002

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

Part 1: Cash Receipts and Disbursements

	Current Month	Cumulative
a. Cash balance beginning of month	\$ 0	
b. Total receipts (net of transfers between accounts)	\$ 0	\$ 0
c. Total disbursements (net of transfers between accounts)	\$ 0	\$ 0
d. Cash balance end of month (a+b-c)	\$ 0	
e. Disbursements made by third party for the benefit of the estate	\$ 0	\$ 0
f. Total disbursements for quarterly fee calculation (c+e)	\$ 0	\$ 0

Part 2: Asset and Liability Status

(Not generally applicable to Individual Debtors. See Instructions.)

	Current Month	
a. Accounts receivable (total net of allowance)	\$ 0	
b. Accounts receivable over 90 days outstanding (net of allowance)	\$ 0	
c. Inventory (Book <input checked="" type="checkbox"/> Market <input type="checkbox"/> Other <input type="checkbox"/> (attach explanation))	\$ 0	
d. Total current assets	\$ 0	
e. Total assets	\$ 0	
f. Postpetition payables (excluding taxes)	\$ 0	
g. Postpetition payables past due (excluding taxes)	\$ 0	
h. Postpetition taxes payable	\$ 0	
i. Postpetition taxes past due	\$ 0	
j. Total postpetition debt (f+h)	\$ 0	
k. Prepetition secured debt	\$ 0	
l. Prepetition priority debt	\$ 0	
m. Prepetition unsecured debt	\$ 0	
n. Total liabilities (debt) (j+k+l+m)	\$ 0	
o. Ending equity/net worth (e-n)	\$ 0	

Part 3: Assets Sold or Transferred

	Current Month	Cumulative
a. Total cash sales price for assets sold/transferred outside the ordinary course of business	\$ 0	\$ 0
b. Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$ 0	\$ 0
c. Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$ 0	\$ 0

Part 4: Income Statement (Statement of Operations)

(Not generally applicable to Individual Debtors. See Instructions.)

	Current Month	Cumulative
a. Gross income/sales (net of returns and allowances)	\$ 0	
b. Cost of goods sold (inclusive of depreciation, if applicable)	\$ 0	
c. Gross profit (a-b)	\$ 0	
d. Selling expenses	\$ 0	
e. General and administrative expenses	\$ 0	
f. Other expenses	\$ 0	
g. Depreciation and/or amortization (not included in 4b)	\$ 0	
h. Interest	\$ 0	
i. Taxes (local, state, and federal)	\$ 0	
j. Reorganization items	\$ 0	
k. Profit (loss)	\$ 0	\$ 0

Part 5: Professional Fees and Expenses

a.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>					
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
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ii						
iii						
iv						
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	xc viii						
	xc ix						
	c						
	ci						

			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
b.	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>					
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
	i					
	ii					
	iii					
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	c										
c.	All professional fees and expenses (debtor & committees)			\$	0	\$	0	\$	0	\$	0

Part 6: Postpetition Taxes

	Current Month	Cumulative
a. Postpetition income taxes accrued (local, state, and federal)	\$ 0	\$ 0
b. Postpetition income taxes paid (local, state, and federal)	\$ 0	\$ 0
c. Postpetition employer payroll taxes accrued	\$ 0	\$ 0
d. Postpetition employer payroll taxes paid	\$ 0	\$ 0
e. Postpetition property taxes paid	\$ 0	\$ 0
f. Postpetition other taxes accrued (local, state, and federal)	\$ 0	\$ 0
g. Postpetition other taxes paid (local, state, and federal)	\$ 0	\$ 0

Part 7: Questionnaire - During this reporting period:

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes ☐ No ☒
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes ☐ No ☒
- c. Were any payments made to or on behalf of insiders? Yes ☐ No ☒
- d. Are you current on postpetition tax return filings? Yes ☒ No ☐
- e. Are you current on postpetition estimated tax payments? Yes ☒ No ☐
- f. Were all trust fund taxes remitted on a current basis? Yes ☒ No ☐
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes ☐ No ☒
- h. Were all payments made to or on behalf of professionals approved by the court? Yes ☐ No ☐ N/A ☒
- i. Do you have: Worker's compensation insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- Casualty/property insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- General liability insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court? Yes ☒ No ☐
- k. Has a disclosure statement been filed with the court? Yes ☒ No ☐
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☒ No ☐

Part 8: Individual Chapter 11 Debtors (Only)

a.	Gross income (receipts) from salary and wages	\$	0
b.	Gross income (receipts) from self-employment	\$	0
c.	Gross income from all other sources	\$	0
d.	Total income in the reporting period (a+b+c)	\$	0
e.	Payroll deductions	\$	0
f.	Self-employment related expenses	\$	0
g.	Living expenses	\$	0
h.	All other expenses	\$	0
i.	Total expenses in the reporting period (e+f+g+h)	\$	0
j.	Difference between total income and total expenses (d-i)	\$	0
k.	List the total amount of all postpetition debts that are past due	\$	0
l.	Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
m.	If yes, have you made all Domestic Support Obligation payments?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

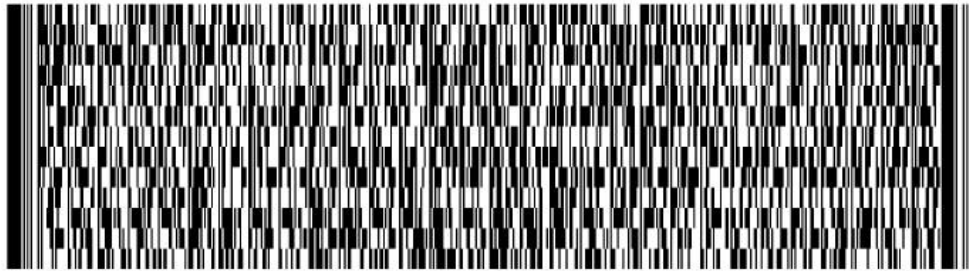
I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

/s/ Michael Bros
Signature of Responsible Party

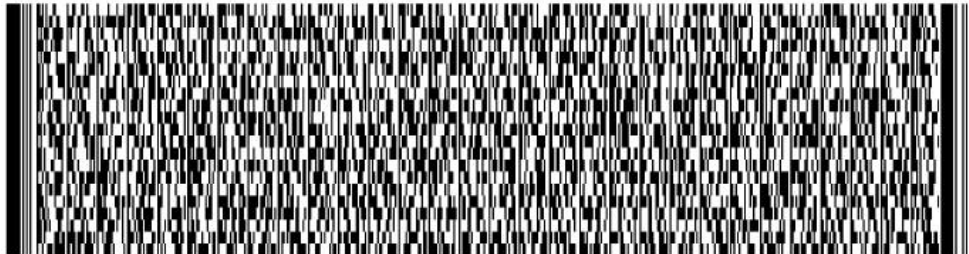
SVP, Capital Markets and Acquisitions
Title

Michael Bros
Printed Name of Responsible Party

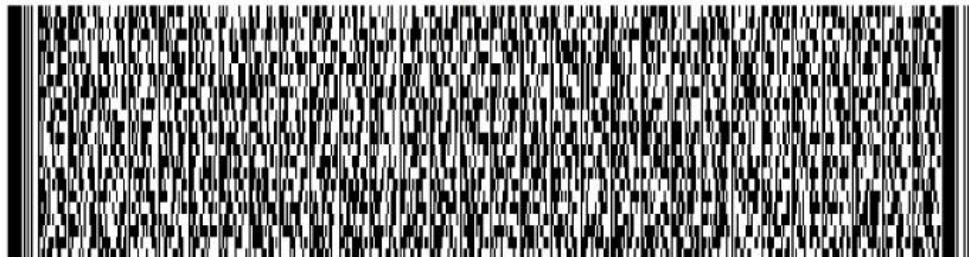
09/29/2023
Date



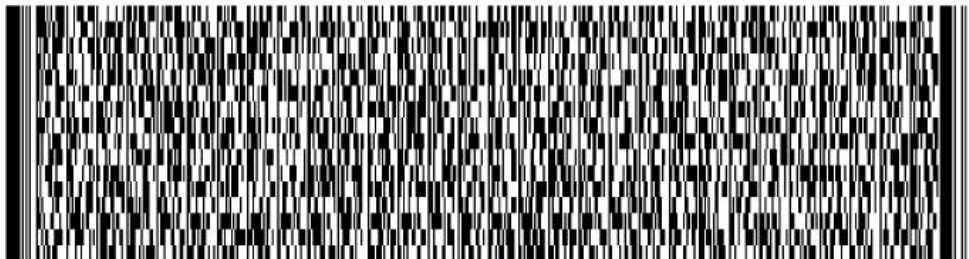
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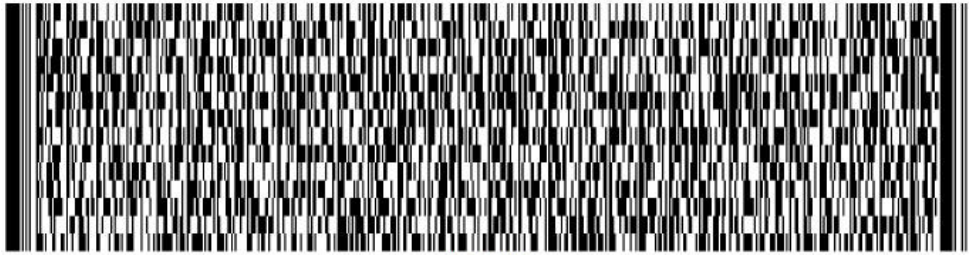
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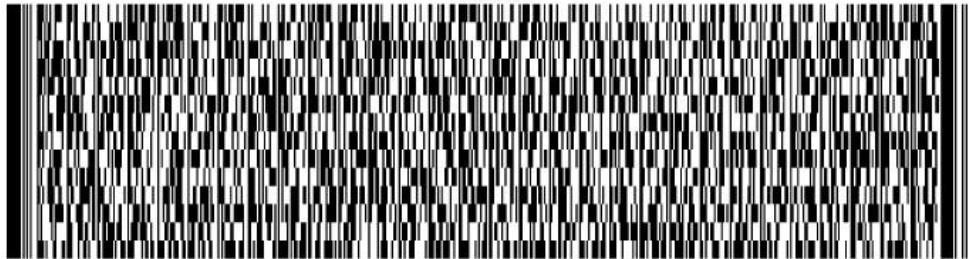
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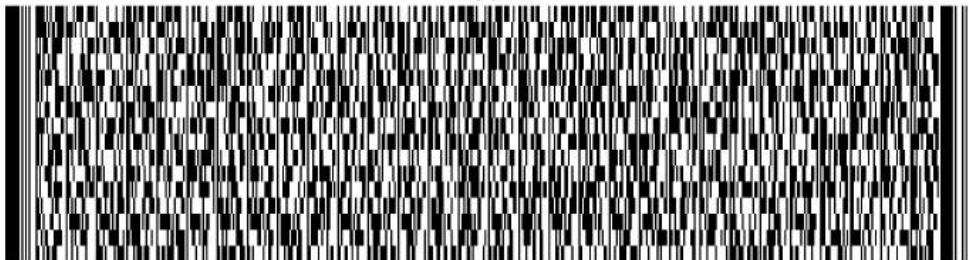
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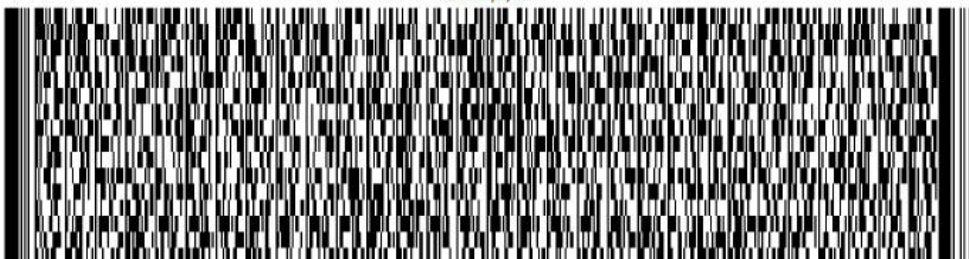
Bankruptcy1to50



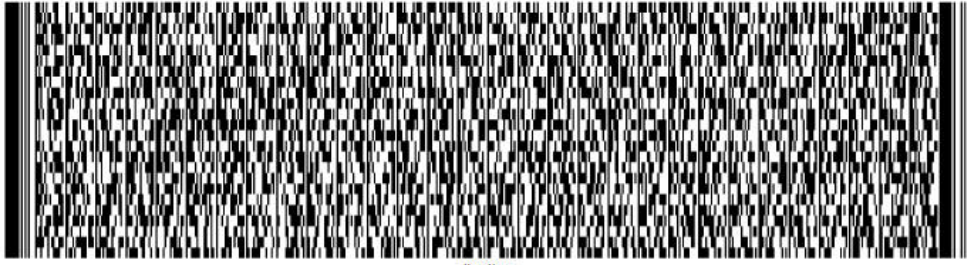
Bankruptcy51to100



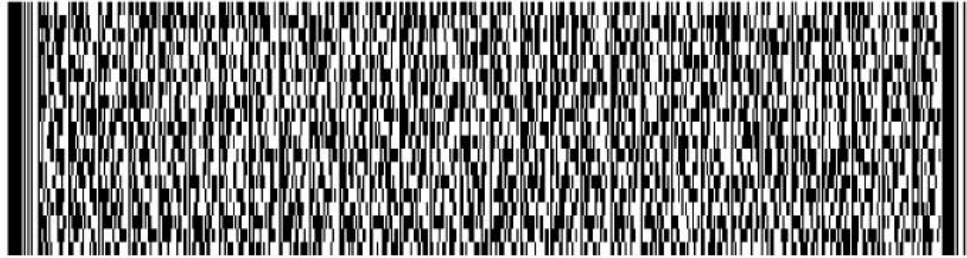
NonBankruptcy1to50



NonBankruptcy51to100



Page three



Page four

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§ Chapter 11
	§
CORE SCIENTIFIC, INC., <i>et al.</i> ,	§ Case No. 22-90341 (DRJ)
	§
Debtors. ¹	§ (Jointly Administered)

MONTHLY OPERATING REPORT NOTES FOR AUGUST 2023

On December 21, 2022 (the “**Petition Date**”), Core Scientific, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**” or the “**Company**”), each commenced a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors’ chapter 11 cases are being jointly administered for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 1015-1 of the Bankruptcy Local Rules for the United States Bankruptcy Court for the Southern District of Texas (the “**Local Rules**”). On January 9, 2023, the United States Trustee for Region 7 (the “**U.S. Trustee**”) appointed an official committee of unsecured creditors (the “**Creditors’ Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. On March 23, 2023, the U.S. Trustee appointed an official equity committee (the “**Equity Committee**”) in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

The following notes and statements of limitations and disclaimers should be referred to, and referenced in connection with, any review of this Monthly Operating Report (the “**MOR**”).

1. **Introduction.** This MOR is unaudited and does not purport to represent financial statements prepared in accordance with accounting principles generally accepted in the United States (“**GAAP**”), and it is not intended to fully reconcile to the consolidated financial statements prepared by the Debtors. Information contained in this MOR has been derived from the Debtors’ books and records, but does not reflect in all circumstances presentation for GAAP or SEC reporting purposes. Therefore, to comply with their obligations to provide MORs during these chapter 11 cases, the Debtors have prepared this MOR using the best information presently available to them, which has been collected, maintained, and prepared in accordance with their historical accounting practices. Accordingly, this MOR is true and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (6074); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions VII, LLC (3198). The Debtors’ corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

accurate to the best of the Debtors' knowledge, information, and belief, based on currently-available data. The results of operations and financial position contained herein are not necessarily indicative of results that may be expected for any period other than the period beginning on August 1, 2023 and ending August 31, 2023, or for the full year, and may not necessarily reflect the Debtors' future consolidated results of operations and financial position.

2. **Reservation of Rights.** This MOR is limited in scope, covers the period beginning on August 1, 2023 and ending August 31, 2023, and has been prepared solely for the purpose of complying with the monthly reporting requirements of the Debtors' chapter 11 cases. The unaudited financial information for this report has been derived from the Debtors' books and records. The information presented herein has not been subject to all procedures that typically would be applied to financial information in accordance with U.S. GAAP. Upon the application of such procedures, the Debtors believe that the financial information could be subject to material change. The information furnished in this MOR includes normal recurring adjustments but does not include all of the adjustments that typically would be made for interim financial information presented in accordance with GAAP.

Given the complexity of the Debtors' business, inadvertent errors or omission may occur. Accordingly, the Debtors hereby reserve all of their rights to dispute the nature, validity, status, enforceability, or executory natures of any claim amount, agreement, representation, or other statement set forth in this MOR. Further, the Debtors reserve the right to amend or supplement this MOR, if necessary, but shall be under no obligation to do so.

3. **Basis of Presentation.** Although the Debtors generally prepare their financial statements on a consolidated basis, the MOR has been prepared on an entity-by-entity basis (excluding most intercompany eliminations) for Debtors Core Scientific, Inc., Core Scientific Acquired Mining LLC, Core Scientific Operating Company, Core Scientific Mining LLC, Radar Relay, Inc., Core Scientific Specialty Mining (Oklahoma) LLC, American Property Acquisition, LLC, Starboard Capital LLC, RADAR LLC, American Property Acquisitions I, LLC, and American Property Acquisitions VII, LLC. The financial information contained herein is unaudited, limited in scope, covers a limited time period, and has been prepared solely for the purpose of complying with the monthly reporting requirements for chapter 11 debtors issued by the UST.

The amounts reported in this MOR are as-of August 31, 2023, the end of the Debtors' reporting period. This MOR covers the period beginning August 1, 2023 and ending August 31, 2023.

4. **Accounting Principles.** The Debtors maintain their financial records according to GAAP, however the MOR does not purport to represent financial statements prepared in accordance with GAAP, nor are they intended to be fully reconciled with the financial statements of the Debtors.

The Debtors generally prepare financial statements on a consolidated basis. To the extent that there are negative asset balances for an individual Debtor, such as accounts receivable and current assets, they may be due to some intercompany elimination transactions or adjustments in each specific Debtor's books and records.

-
5. **Currency.** Unless otherwise indicated, all amounts in the MOR are reflected in U.S. dollars.
6. **Consolidated Entity Accounts Payable and Disbursement Systems.** Cash is received and disbursed by the Debtors as described in the *Emergency Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Continue their Existing Cash Management System, (B) Maintain Existing Business Forms and Intercompany Arrangements, (C) Continue Intercompany Transactions, and (D) Continue Utilizing Employee Credit Cards; and (II) Granting Related Relief* (Docket No. 12) (the “**Cash Management Motion**”) and the Debtors’ receipt and disbursement of cash is consistent with the Debtors’ historical cash management practices. Due to the consolidated cash management reporting system, certain cash payments may be paid out of a legal entity that is different than the legal entity at which the expenses were incurred. Also, certain cash receipts may be received in a different legal entity than the legal entity at which the accounts receivable is recorded. Disbursements attributed to each entity represent the entity on behalf of which payments were made, on a proportional allocated basis, from the consolidated cash management system.
7. **Supporting Documentation.** At the direction of the U.S. Trustee, the following schedules are attached to the MORs: (i) Statement of Cash Receipts and Disbursements; (ii) Balance Sheet; (iii) Income Statement (profit or loss statement); (iv) Schedule of Asset Sales; and (v) Schedule of Payments to Insiders.

Statement of Cash Receipts and Disbursements. Based on guidance received from the Office of the United States Trustee in connection with the completion of UST Form 11-MOR Part 1, Cash Receipts and Disbursements, reported cash receipts and disbursements should exclude intercompany and debtor-to-debtor transactions. As a result, for those debtors with net intercompany cash outflows or inflows during the reporting period, the ending cash balances reported on Form 11-MOR Part 1 may not match the ending cash balances per the Debtors’ bank statements or the Debtors’ books and records. For additional information on ending cash balances per the Debtors’ books and records, see the attached cash balances per MOR-1: Schedule of Cash Receipts and Disbursements.

Balance Sheet. Liabilities Subject to Compromise (“LSTC”): LSTC represent the Debtors’ estimate of prepetition claims to be resolved in connection with the chapter 11 cases. As a result of the chapter 11 filings, the payment of prepetition liabilities are subject to compromise or other treatment under a plan of reorganization. The determination of how such liabilities will ultimately be settled or treated cannot be made until the Court approves a chapter 11 plan of reorganization. Accordingly, the ultimate amount of such liabilities is not determinable at this time. Prepetition liabilities that are subject to compromise under ASC 852 are preliminary and may be subject to, among other things, future adjustments depending on Court actions, further developments with respect to disputed claims, determinations of the secured status of certain claims, the values of any collateral securing such claims, rejection of executory contracts, continued reconciliation or other events.

As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate balance sheets in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate balance sheets for the remaining Debtor entities. Consequently, the balance sheets included in the MOR for these Debtors reflect no balances.

Values in the balance sheet(s) attached hereto represent rounded numbers. Accordingly, subtotals may not agree to the summation of the rounded numbers presented.

Income Statement. As noted, although the Debtors generally prepare financial statements on a consolidated basis, these MORs are prepared on an entity-by-entity basis. The Debtors maintain separate income statements in their books and records for the following entities: Core Scientific Acquired Mining LLC, Core Scientific, Inc., Core Scientific Operating Company, and Radar Relay, Inc. The Debtors, however, do not maintain separate income statements for the remaining Debtor entities. Consequently, the income statements included in the MOR for these Debtors reflect no income.

Schedule of Payments to Insiders. This schedule provides additional detail for the period on page 1 of the MOR. For each insider payment made during the reporting period the following information is provided: Recipient; Date of payment or benefit provided; Amount of cash payment or market value of non-cash payment; and Reason for each payment made.

8. **Part 1: Cash Receipts and Disbursements.** Cumulative quarter-to-date for Q3 2023 disbursements are reported in the Cumulative figures in the MOR. Cumulative case to date total disbursements through August 31, 2023 are \$348,255,982.
9. **Part 2: Asset and Liability Status.** Long-term lease liabilities resulting from the Debtors' office / location leases and equipment / fixed asset leases are reported as prepetition unsecured debt. Beginning with the April MOR, the (i) April 2022 \$60 million Bridge Promissory Note with BRF Finance Co, LLC and (ii) April 2022 \$15 million Bridge Promissory Note with B. Riley Commercial Capital, LLC (collectively, the "**Unsecured Bridge Notes**"), are also reported as prepetition unsecured debt, whereas the Unsecured Bridge Notes were inadvertently included in prepetition priority debt on previous monthly operating reports.
10. **Part 3: Assets Sold or Transferred.** The Company regularly receives credits and/or coupons from Bitmain Technologies Ltd.'s reward and price protection programs. The Company subsequently redeems these credits and/or coupons for new ASIC miner acquisitions or sells them to third parties when they are not able to be utilized by the Company. The Company may recognize other income when the credits and/or coupons are redeemed in noncash acquisitions or sold to third parties.
11. **Part 5: Professional Fees and Expenses.** For purposes of the MORs, bankruptcy professional fees are considered approved if the applicable monthly fee statement has been served and the objection deadline with regard to such monthly fee statement has expired prior to the end date of the MOR period.

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12. **Part 7 Questionnaire.** Pursuant to certain orders of the Bankruptcy Court entered in the Debtors' chapter 11 cases (the "**First Day Orders**"), the Debtors were authorized (but not directed) to pay, among other things, certain prepetition claims of their employees, taxing authorities, insurers, critical vendors, and certain other prepetition creditors. Amounts paid pursuant to the First Day Orders are monitored as to limits provided in the applicable orders of the Bankruptcy Court governing payment of such prepetition obligations, and this report is available to the U.S. Trustee as required.

In the ordinary course of business, the Debtors' tax filings may extend past the normal deadlines and become late in some instances. When this happens, the Debtors arrange to complete the filings and address any related fines and/or penalties. There are no tax filings that are currently late where the Debtors are not also in dialogue with the related taxing authority to become compliant.

All postpetition borrowings since the inception of the case, other than trade credit, are borrowings made under the Initial DIP Facility or the Replacement DIP Facility.

[illegible]

MOR-2: End of August 2023 Balance Sheet

	Core Scientific, Inc.	Core Scientific Acquired Mining LLC	Core Scientific Operating Company	Radar Relay, Inc.	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC	Elimination Co
<i>(US \$)</i>												
ASSETS												
Cash and Equivalents	1,650,308	141,898	41,146,568	—	—	—	—	—	—	—	—	—
Restricted Cash	20,155,346	—	805,024	—	—	—	—	—	—	—	—	—
Total Cash	21,805,654	141,898	41,951,592	—	—	—	—	—	—	—	—	—
Accounts receivable, net of allowance	—	—	1,447,717	—	—	—	—	—	—	—	—	—
Accounts receivable from related parties	467,184,855	151,035,671	(473,011,494)	1,160,033	—	—	—	—	—	—	—	(146,360,599)
Deposits for equipment	—	—	100,897	—	—	—	—	—	—	—	—	—
Digital currency assets	—	101,214	703,260	—	—	—	—	—	—	—	—	—
Prepaid expenses and other	—	22,610,400	22,555,503	—	—	—	—	—	—	—	—	(22,605,090)
Total other current assets	1,835,680,497	(1,128,199,397)	(701,290,764)	12,734	—	—	—	—	—	—	—	—
Total Current Assets	2,324,671,006	(954,310,215)	(1,107,543,289)	1,172,767	—	—	—	—	—	—	—	(168,965,689)
Property, plant and equipment	—	43,554,921	565,370,886	—	—	—	—	—	—	—	—	(15,616,704)
Operating lease-right-of-use assets	—	—	19,808,855	—	—	—	—	—	—	—	—	—
Goodwill	—	232,587,379	(167,058,249)	(65,529,130)	—	—	—	—	—	—	—	—
Intangible assets, net	—	—	2,542,228	—	—	—	—	—	—	—	—	—
Other noncurrent assets	2,558,789	(0)	6,731,497	—	—	—	—	—	—	—	—	—
Total Assets	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,364)	—	—	—	—	—	—	—	(184,582,393)
LIABILITIES, PREFERRED STOCK & EQUITY												
Accounts Payable	—	146,436,696	81,570,312	1,750	—	—	—	—	—	—	—	(146,360,599)
Accrued expenses and other	199,366	18,136,331	54,393,080	—	—	—	—	—	—	—	—	—
Deferred revenue	—	—	104,003,372	—	—	—	—	—	—	—	—	(38,493,287)
Derivative warrant liabilities	—	—	—	—	—	—	—	—	—	—	—	—
Operating lease liabilities, current portion	—	—	295,229	—	—	—	—	—	—	—	—	—
Financing lease liabilities, current portion	—	—	26,116,234	—	—	—	—	—	—	—	—	—
Long-term debt, current portion	(559,901,857)	—	716,969,147	—	—	—	—	—	—	—	—	—
Total current liabilities	(559,702,491)	164,573,027	983,347,375	1,750	—	—	—	—	—	—	—	(184,853,886)
Operating lease liabilities, net of current portion	—	—	14,529,985	—	—	—	—	—	—	—	—	—
Financing lease liabilities, net of current portion	—	—	41,338,777	—	—	—	—	—	—	—	—	—
Long-term debt, net of current portion	568,258,150	—	108,254,839	—	—	—	—	—	—	—	—	—
Other noncurrent liabilities	—	18,084,856	(15,497,087)	(2,587,769)	—	—	—	—	—	—	—	—
Total Liabilities	8,555,659	182,657,883	1,131,973,889	(2,586,019)	—	—	—	—	—	—	—	(184,853,886)
Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—
Total Pre-Petition Subject to Compromise	684,395,370	—	(684,395,370)	—	—	—	—	—	—	—	—	—
Preferred stock	—	—	—	—	—	—	—	—	—	—	—	—
Common stock	37,478	—	—	—	—	—	—	—	—	—	—	—
Additional paid-in capital	1,814,023,126	(15,979,141)	2,887,621	—	—	—	—	—	—	—	—	—
Accumulated deficit	(179,781,838)	(844,893,639)	(1,130,614,212)	(61,770,345)	—	—	—	—	—	—	—	318,476
Other Comprehensive Income	—	—	—	—	—	—	—	—	—	—	—	—
Cumulative Translation Adjustment	—	46,983	—	—	—	—	—	—	—	—	—	(46,983)
Total Equity	1,634,278,766	(860,825,798)	(1,127,726,591)	(61,770,345)	—	—	—	—	—	—	—	271,494
Total Liabilities, Preferred Stock & Equity	2,327,229,795	(678,167,915)	(680,148,072)	(64,356,364)	—	—	—	—	—	—	—	(184,582,393)

¹ The 'Elimination Co' column addresses the accounting of intercompany balances to enable consolidated reporting in the 'Total' column

MOR-3: 8/1/2023 - 8/31/2023 Profit & Loss

	Core Scientific, Inc.	Core Scientific Acquired Mining LLC	Core Scientific Operating Company	Radar Relay, Inc	Core Scientific Mining LLC	Core Scientific Specialty Mining (Oklahoma) LLC	American Property Acquisition, LLC	Starboard Capital LLC	RADAR LLC	American Property Acquisitions I, LLC	American Property Acquisitions VII, LLC
Total Revenue <i>(dollars in thousands)</i>											
Hosting revenue from customers	—	—	8,337,117	—	—	—	—	—	—	—	—
Hosting revenue from related parties	—	—	2,723,619	—	—	—	—	—	—	—	—
Equipment sales to customers	—	—	—	—	—	—	—	—	—	—	—
Equipment sales to related parties	—	—	—	—	—	—	—	—	—	—	—
Digital asset mining income	—	2,323,886	24,559,363	—	—	—	—	—	—	—	—
Network services and defi revenue	—	—	—	—	—	—	—	—	—	—	—
Total Revenue	—	2,323,886	35,620,099	—	—	—	—	—	—	—	—
Cost of revenue	—	(3,435,120)	(33,672,069)	—	—	—	—	—	—	—	—
Gross Profit	—	(1,111,235)	1,948,031	—	—	—	—	—	—	—	—
Gain (loss) on legal settlements	—	—	85,000	—	—	—	—	—	—	—	—
Gain (loss) from sales of digital currency assets	—	14,598	109,197	—	—	—	—	—	—	—	—
Impairments of digital currency assets	—	(27,236)	(273,402)	—	—	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—	—	—	—	—	—
Impairment of property, plant and equipment	—	—	—	—	—	—	—	—	—	—	—
Losses on exchange or disposal of property, plant and equipment	—	—	(27)	—	—	—	—	—	—	—	—
Operating expenses:											
Research and development	—	—	(1,083,293)	—	—	—	—	—	—	—	—
Sales and marketing	—	—	(359,197)	—	—	—	—	—	—	—	—
General and administrative	—	(70,677)	(10,042,606)	—	—	—	—	—	—	—	—
Advisor Fees	—	—	—	—	—	—	—	—	—	—	—
Total operating expenses	—	(70,677)	(11,485,096)	—	—	—	—	—	—	—	—
Operating Income (Loss)	—	(1,194,550)	(9,616,298)	—	—	—	—	—	—	—	—
Non-operating income (expense), net:											
Loss on debt extinguishment	—	—	—	—	—	—	—	—	—	—	—
Interest expense, net	—	—	63,250	—	—	—	—	—	—	—	—
Other non-operating expenses, net	—	—	—	—	—	—	—	—	—	—	—
Reorganization items	—	—	(17,973,376)	—	—	—	—	—	—	—	—
Total Non-operating income (expense), net:	—	—	(17,910,126)	—	—	—	—	—	—	—	—
Income (loss) before income taxes	—	(1,194,550)	(27,526,425)	—	—	—	—	—	—	—	—
Income tax expense	—	—	—	—	—	—	—	—	—	—	—
Net Income (Loss)	—	(1,194,550)	(27,526,425)	—	—	—	—	—	—	—	—