



Q1 2023 Financial Results Presentation

As reported May 15, 2023



# SAFE HARBOR STATEMENT

Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission, or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Exchange), Nasdaq or any other securities exchange or regulatory authority accepts responsibility for the adequacy or accuracy of this release.

## Forward-Looking Statements

This presentation contains certain "forward-looking information" and "forward-looking statements" (collectively "forward-looking information") that are based on expectations, estimates and projections as at the date of this presentation and are covered by safe harbors under Canadian and U.S. securities laws. The information in this presentation about future plans and objectives of the Company is forward-looking information. Other forward-looking information includes, but is not limited to, estimates and forecasts for 2023 and future growth, hash rate, installed hash rate, installed megawatts, growth milestones and expansion plans (including computational goals) and other information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms' ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the resulting significant negative impact on the Company's operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment of cryptocurrency in the applicable jurisdictions.

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events, or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.

This forward-looking information is based on reasonable assumptions and estimates of management of the Company at the time it was made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company's limited operating history; future capital needs and

uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; cybersecurity attacks such as from malicious actors seeking to exploit vulnerabilities in the computer network operated by Bitfarms or who gain unauthorized access to Bitfarms' digital wallets and custodial accounts; an increase in the cost of electricity may have a significant negative impact on operations; planned or unplanned electrical disruptions may have a significant negative impact on operations; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company's filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2022, filed on March 21, 2023. The Company has also assumed that no significant events occur outside of Bitfarms' normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.

**Bitfarms is a low-cost bitcoin producer  
with stable energy costs and  
a fixed operating structure and  
positioned for growth**

## Q1 2023 ACCOMPLISHMENTS

**5.0**

*EH/s as of 05/15/2023*

**21,000**

*BTC mined mined using 100%  
renewable energy*

**1,297**

*BTC mined in Q1 2023  
up 35% from Q1 2022*

**\$30M**

*Q1 2023 revenue*

**\$6M**

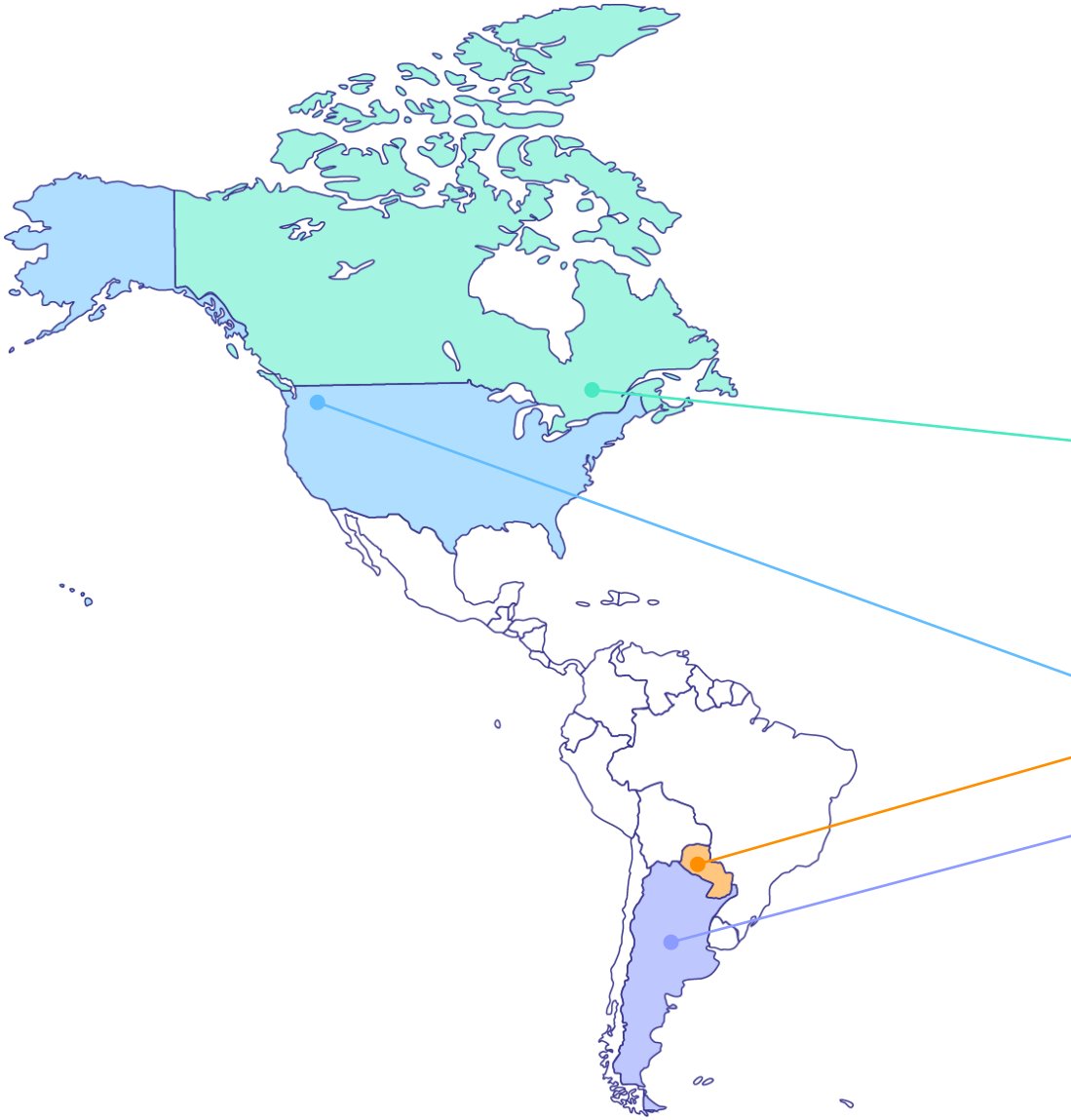
*Adjusted EBITDA improved from  
\$1 million in Q4 2022 to \$6 million  
in Q1 2023*

**\$19M**

*remaining debt in as of  
April 30, 2023*

# VERTICALLY INTEGRATED GLOBAL BITCOIN MINING COMPANY

10 production sites in 4 countries drawing 91% renewable energy



Farms		Operating MW 05/15/23	Miners
Sherbrooke Campus <sup>1</sup>	Quebec, CAN	96 MW	25,100
Magog		10 MW	2,700
Cowansville		17 MW	4,500
Farnham		10 MW	2,500
St. Hyacinthe		15 MW	3,900
Washington	USA	20 MW	6,100
Paraguay	LATAM	10 MW	3,000
Argentina		18 MW	4,400
<b>Total</b>		<b>196 MW</b>	<b>52,200</b>

1. Includes 3 farms located in Sherbrooke, QC.

## RIO CUARTO, ARGENTINA

- Stranded natural gas generation asset
- 8-year power agreement
- Commissioning underway
  - Warehouse 1: 18 MW in production of total 50 MW in built capacity
- Fully permitted to expand to 100 MW with a second warehouse
- Potential to expand to total 210 MW under power agreement



## FARM HIGHLIGHTS



### QUÉBEC, CANADA

- Energizing 18 MW representing full capacity, by completing the Garlock facility
- Energizing the remaining 12 MW capacity at The Bunker, bringing it to 48 MW and the total to 96 MW for Sherbrooke
- Exploring additional expansion opportunities in Canada
- Signing agreements to acquire 22 MW of hydro power in Baie-Comeau



### WASHINGTON, USA

- Operating 20 MW
- Generating approximately 600 PH/s



### VILLARRICA, PARAGUAY

- Imported and installed 2,888 new miners, bringing the total hashrate to 288 PH/s at January 31, 2023
- Sold the used miners in Q1 2023

## KEY ELEMENTS OF FINANCIAL POSITION AND STRATEGY

**1**

**Contracting stable,  
low-cost power**

**2**

**Creating financial  
liquidity and flexibility**

**3**

**HODLing for free  
cash flow**

**4**

**Hedging to reduce the  
impact of market  
volatility**

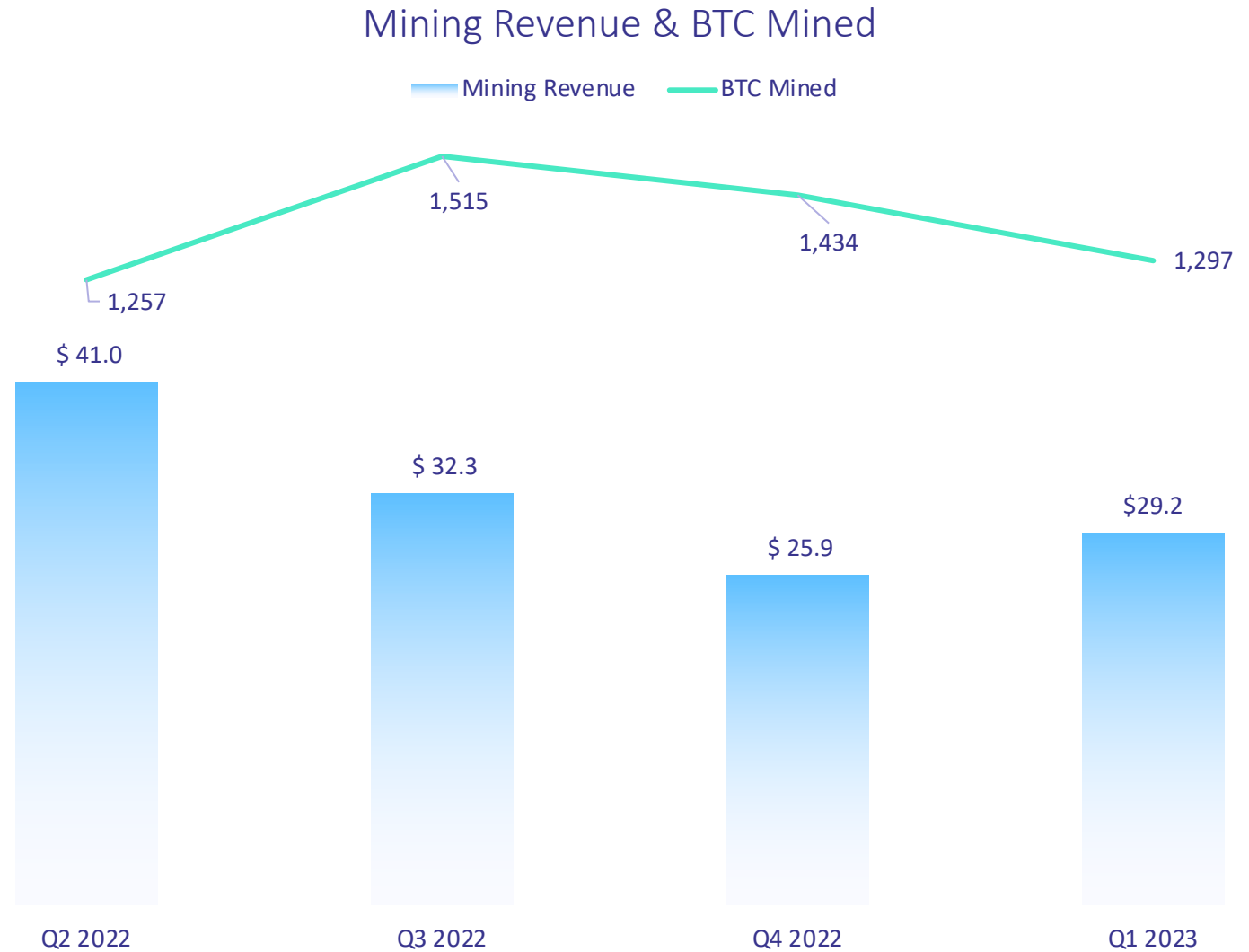
**5**

**Executing growth with  
Strong balance sheet to  
finance growth**



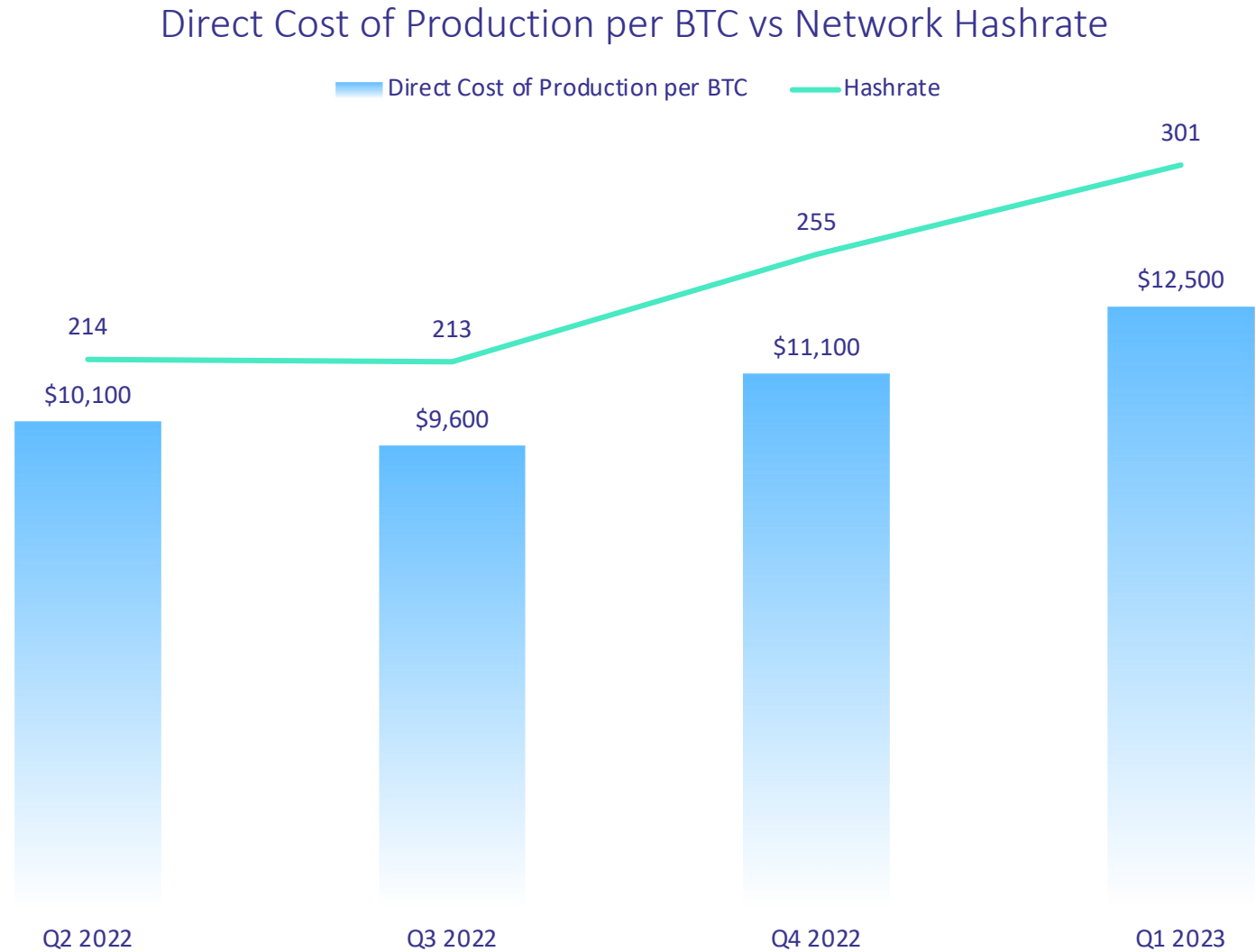
## BTC MINED & REVENUE

- 24% increase in the average price in BTC from Q4 2022 to Q1 2023
- 1,297 BTC mined Q1 2023 vs 961 BTC mined Q1 2022



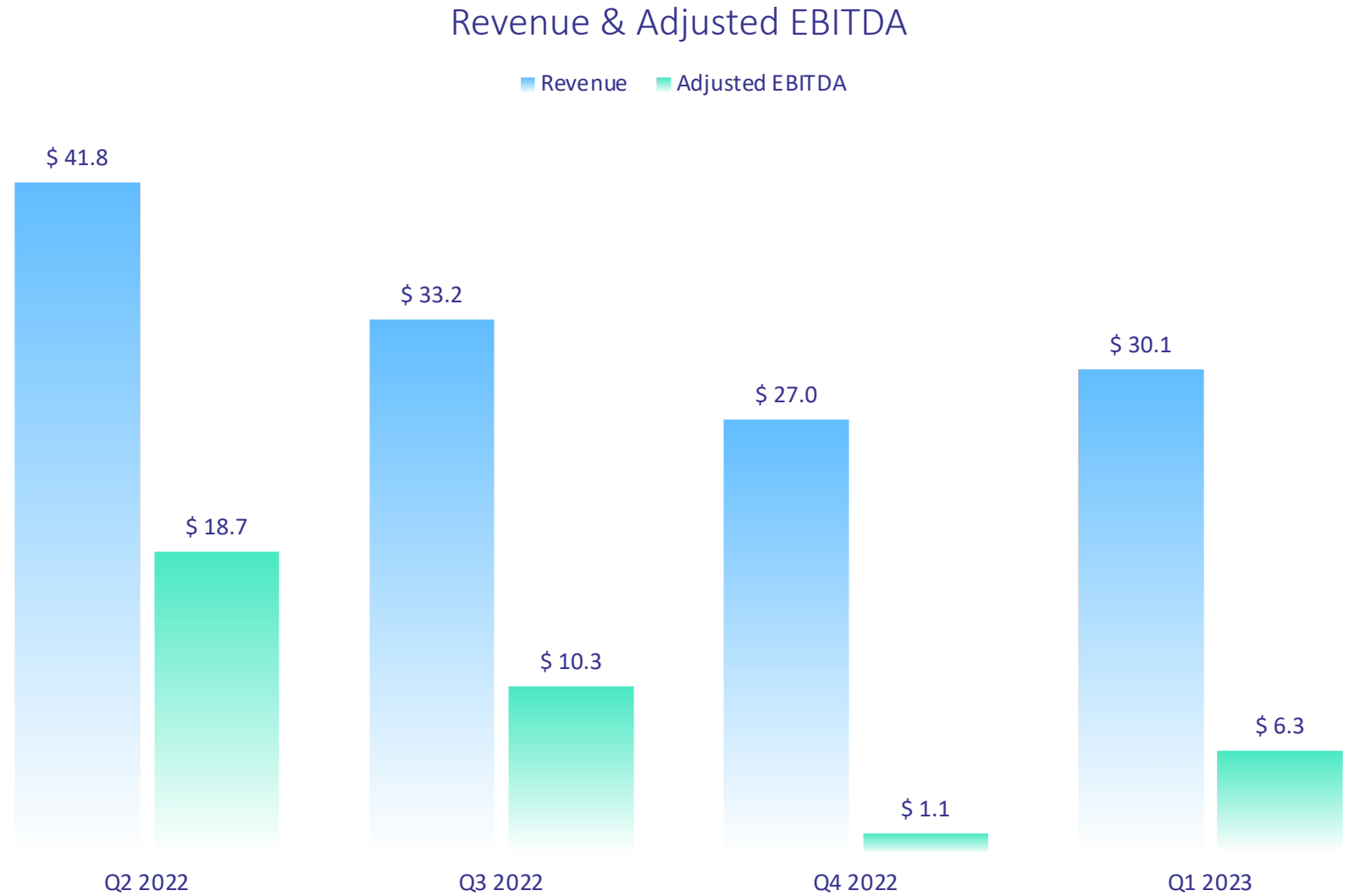
## BITCOIN PRODUCTION COST

- Direct cost of production of \$12,500 per BTC in Q1 2023
- 13% increase in average network difficulty from Q4 2022 to Q1 2023
- 2% increase in energy costs



## 2022 BTC MINED & REVENUE

- Reported Q1 2023 results
  - Revenue of \$30.1M
  - Net loss of \$2.5M
  - Positive Adjusted EBITDA of \$6.3M



# INCREASING FINANCIAL FLEXIBILITY

ALL DEBT OBLIGATIONS MATURE BEFORE THE 2024 HALVING

## Liquidity

*as of March. 31, 2023*

\$41M total liquidity (\$29M cash and \$12M digital assets<sup>1</sup>)

## Lower Indebtedness by \$140M in 10 months at 03/31/2023

March 31, 2023:

\$21M in debt

\$22M in miner credits

April 30, 2023:

\$19M in debt

\$20M in miner credits

## Hedging Program

Launched hedging activities in Q1 2023 to reduce the variability of future cash flows from sales of digital assets

## KEY DIFFERENTIATORS

Diversifying geographically, acquiring sites, developing farms, & optimizing miners

Competitive  
low-cost  
structure

Stable and  
surplus  
sources of  
energy with  
attractive  
pricing

Proprietary  
mining and  
facility  
management  
software

Vertically  
integrated  
electrical  
subsidiary

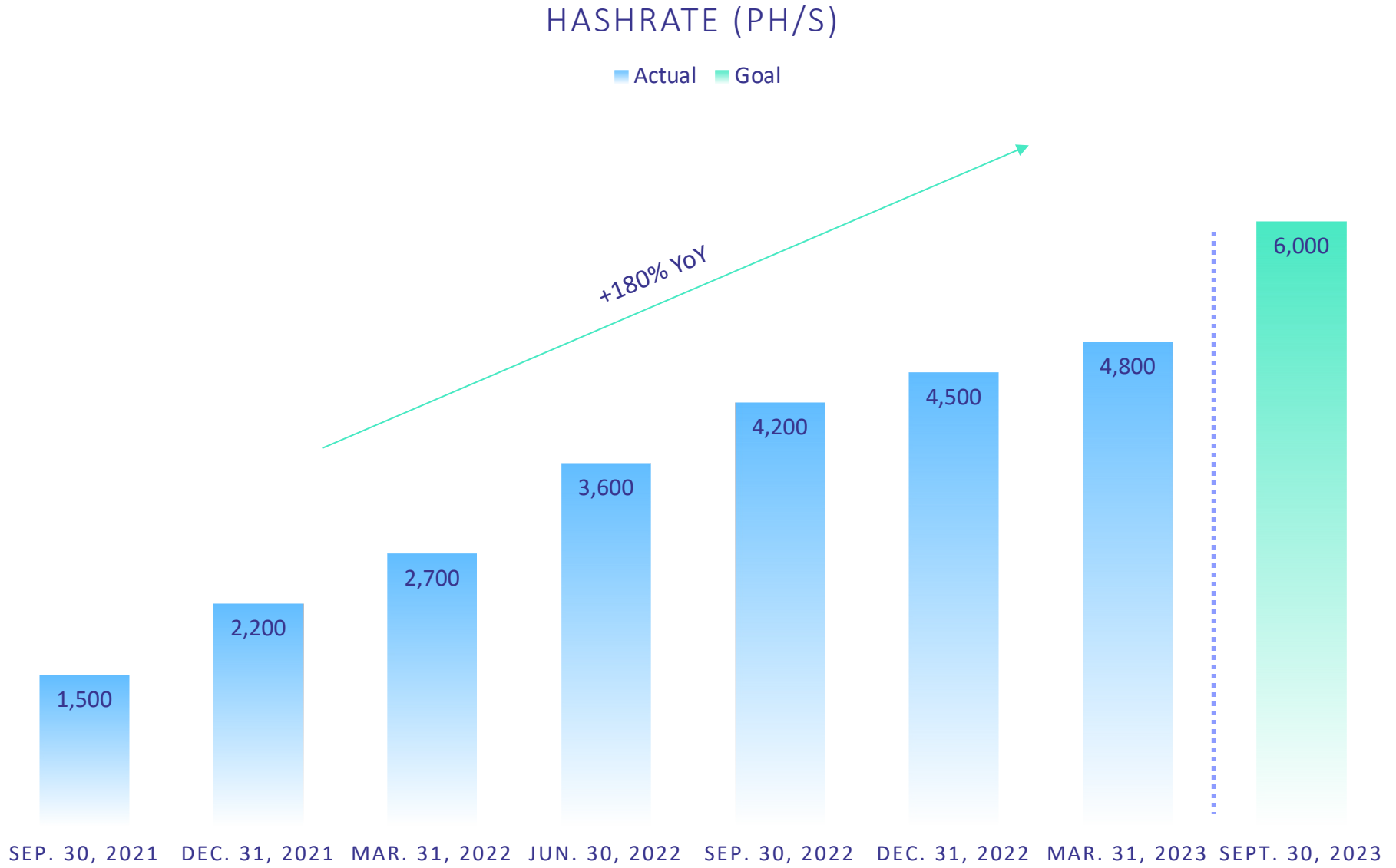
Exceptional  
management  
team

## Production Highlights

- 10 farms in production in 4 countries predominantly drawing hydro power
- 21,000+ BTC mined with 100% renewable energy since inception through May 2023
- 196 MW representing 5.0 exahash/second
- Accelerates 6.0 EH/s target to Q3 2023
- 39 watts/terahash in April 2023
- Insert \$6M of Adjusted EBITDA in Q1 2023

# Appendix

# HASHRATE EVOLUTION

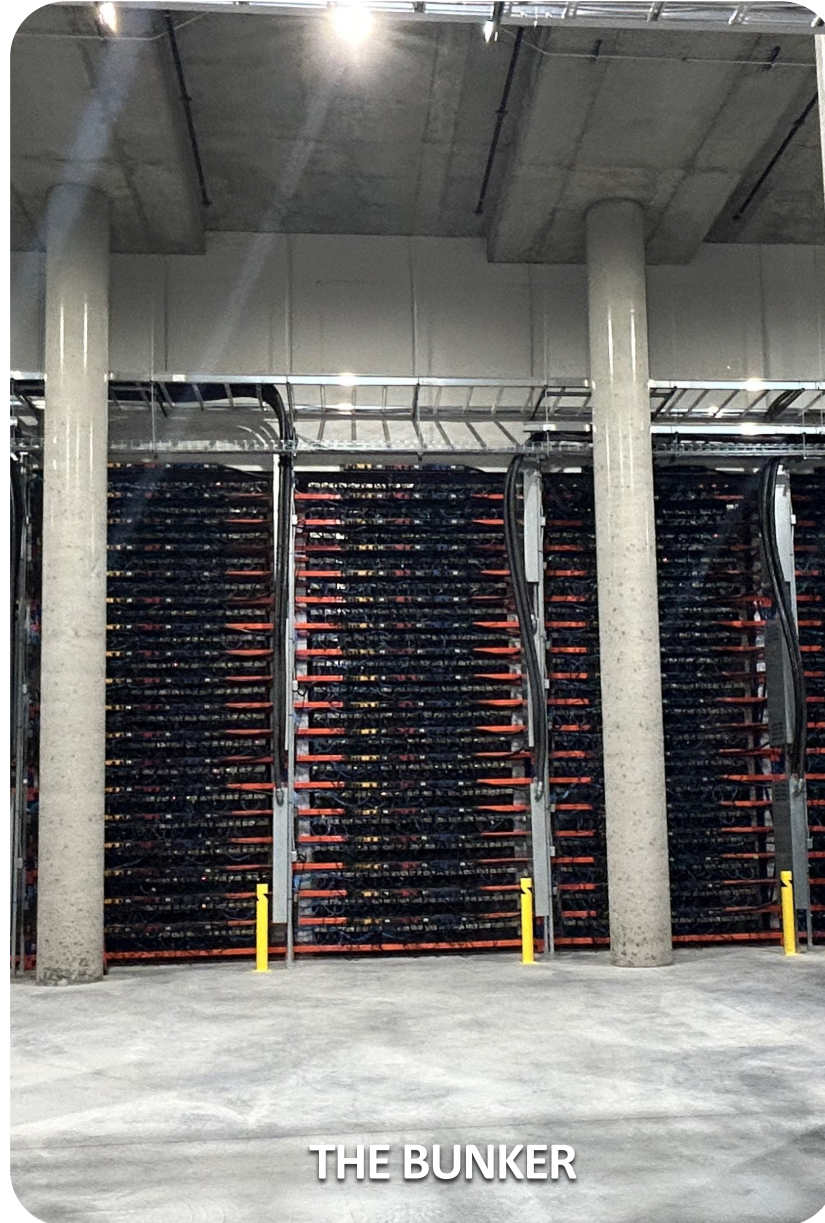




## SHERBROOKE, QUÉBEC

- Hydro Powers
  - 3 farms campus

- Operating
  - The Bunker 96 MW
  - Leger 48 MW
  - Garlock 30 MW
  - 18 MW



## VILLARRICA, PARAGUAY

- Hydro power
- 10 MW
- Started production in January 2022
- 288 Petahash



## ENTREPRENEURIAL LEADERSHIP TEAM



Geoff  
Morphy

PRESIDENT & CHIEF  
EXECUTIVE OFFICER



Jeffrey  
Lucas

CHIEF FINANCIAL OFFICER



Ben  
Gagnon

CHIEF MINING OFFICER



Benoit  
Gobeil

SVP, OPERATIONS &  
INFRASTRUCTURE



Patricia  
Osorio

VP & CORPORATE  
SECRETARY



Damian  
Polla

GENERAL MANAGER –  
LATAM OPERATIONS



Jeff  
Gao

VP, RISK MANAGEMENT



Andrea  
Keen Souza

VP, HUMAN RESOURCES



Philippe  
Fortier

VP, CORPORATE  
DEVELOPMENT



Stephanie  
Wargo

VP, MARKETING &  
COMMUNICATIONS



Marc-André  
Ammann

VP, FINANCE &  
ACCOUNTING



Paul  
Magrath

VP, TAX



Guillaume  
Reeves

DIRECTOR, INFORMATION  
TECHNOLOGY

## BOARD OF DIRECTORS

### DEPTH IN CORPORATE GOVERNANCE AND FINANCIAL MANAGEMENT



Nicolás  
Bonta

CHAIRMAN OF THE BOARD OF DIRECTORS & FOUNDER

Nico is a founder of Bitfarms as well as a successful entrepreneur and business builder. Nico brings over 20 years of business experience having built a successful chain of hotels in South America and is responsible for developing strategic opportunities for growth of the company.



Emiliano  
Grodzki

BOARD MEMBER AND FOUNDER

Emiliano is a founder of Bitfarms as well as a business builder and innovator. With over 20 years of experience having successfully built multi-million-dollar private businesses, Emi is responsible for setting the company's overall vision and strategy.



Brian  
Howlett

INDEPENDENT & LEAD DIRECTOR

Brian Howlett, CPA. CMA is a financial professional with over 30 years experience serving as senior officer and director of many public companies. He currently serves as President, CEO and a director of Hemlo Explorers Inc. and he is a director of Nighthawk Gold Corp. He was previously the President and CEO of Dundee Sustainable Technologies Inc..



Andrés  
Finkielstain

INDEPENDENT DIRECTOR & HEAD OF GOVERNANCE, COMPLIANCE & NOMINATION COMMITTEE

Andres was a Founder and Portfolio Manager of Soros Brothers Investments LLC, a New York based Fund created in 2011 for the benefit of Alexander and Gregory Soros, sons of George Soros. Mr. Finkielstain previously worked at J.P. Morgan for over 10 years in various capacities within asset management. Prior to JPM, Andres was an analyst for Emerging Markets at Soros Fund Management LLC. He also sits at the Board of Directors of a publicly listed company, Goldmoney Inc.



Pierre  
Seccareccia

INDEPENDENT DIRECTOR & HEAD OF AUDIT COMMITTEE

Pierre, a former Managing Partner for PwC, has extensive experience in financial consulting & management. Since 2003, Pierre has served as a full-time independent corporate director for various public and private entities.



Edie  
Hofmeister

INDEPENDENT DIRECTOR

Ms. Hofmeister has advised large and small multi-national extractive companies on legal and ESG matters for over twenty years. Most recently she served as Executive Vice President Corporate Affairs and General Counsel for Tahoe Resources where she led the Legal, Sustainability and Government Affairs departments and helped grow Tahoe from a junior exploration company to a mid-cap precious metals producer.

## GLOSSARY

- *BTC BTC/day = Bitcoin or Bitcoin per day*
- *EH or EH/s = Exahash or exahash per second*
- *MW or MWh = Megawatts or megawatt hour*
- *PH or PH/s = Petahash or petahash per second*
- *TH or TH/s = Terahash or terahash per second*
- *w/TH = Watts per Terahash*
- *KWh = Kilowatt per hour*

## NON-IFRS PERFORMANCE MEASURES

This presentation makes reference to certain measures that are not recognized under IFRS and do not have a standardized meaning prescribed by IFRS. They are therefore unlikely to be comparable to similar measures presented by other companies. The Company uses non-IFRS measures including "Gross margin," "Operating margin," "EBITDA," "EBITDA margin," "Adjusted EBITDA," "Adjusted EBITDA margin," "Gross mining profit," and "Gross mining margin" as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from management's perspective.

EBITDA and EBITDA margin are common measures used to assess profitability before the impact of different financing methods, income taxes, depreciation of capital assets and amortization of intangible assets. Adjusted EBITDA and Adjusted EBITDA margin are measures used to assess profitability before the impact of all of the items in calculating EBITDA in addition to certain other non-cash expenses. Gross mining profit and Gross mining margin are measures used to assess profitability after power costs in cryptocurrency production, the largest variable expense in mining. Management uses non-IFRS measures in order to facilitate operating performance comparisons from period to period and to prepare annual operating budgets.

"EBITDA" is defined as net income (loss) before:

- Interest expense
- Income tax expense
- Depreciation and amortization

"EBITDA margin" is defined as the percentage obtained when dividing EBITDA by Revenue. "Adjusted EBITDA" is defined as EBITDA adjusted to exclude:

- Share-based compensation
- Non-cash finance expenses
- Asset impairment charges
- Realized gains or losses on disposition of digital assets and (reversal of) revaluation loss on digital assets
- Gain on disposition of marketable securities, gains or losses on derivative assets and liabilities & discount expense on VAT receivable
- Other non-recurring items that do not reflect the core performance of the business.

"Adjusted EBITDA margin" is defined as the percentage obtained when dividing Adjusted EBITDA by Revenue. "Gross mining profit" is defined as Gross profit excluding depreciation and amortization and other minor items included in cost of sales that do not directly relate to mining related activities. "Gross mining margin" is defined as the percentage obtained when dividing Gross mining profit by Revenues from mining related activities.

These measures are provided as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS.



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