

June 17, 2022



Bitfarms Executes Strategic Actions Increasing Financial Flexibility

- Enters New Equipment Financing Agreement with NYDIG for US\$37 Million -
- Reduces US\$100 Million BTC-backed Credit Facility to US\$66 Million -

This news release constitutes a “designated news release” for the purposes of the Company’s prospectus supplement dated August 16, 2021 to its short form base shelf prospectus dated August 12, 2021.

TORONTO and BROSSARD, Québec, June 17, 2022 (GLOBE NEWSWIRE) -- [Bitfarms Ltd.](#) (NASDAQ: BITF // TSX: BITF), a global Bitcoin self-mining company, entered into an equipment financing agreement, with initial funding of US\$37 million, with NYDIG ABL LLC (NYDIG). In addition, the Company reduced its US\$100 million Bitcoin (BTC)-backed credit facility with Galaxy Digital LLC (Galaxy) by US\$34 million to US\$66 million via the sale of 1,500 of its BTC holdings.

“We have proactively taken non-dilutive strategic actions to increase our financial liquidity and flexibility during this period of macroeconomic crypto challenges,” said Jeff Lucas, CFO of Bitfarms. “Now we are better positioned to opportunistically consider potential farm expansion or acquisitions that arise as a result of recent market conditions. Our strategy supports our focus on driving operational excellence and maintaining our position as one of the lowest cost producers in the industry.”

NYDIG US\$37 Million Equipment Financing Facility

The NYDIG equipment financing agreement provides non-dilutive funding of Bitfarms’ miners to support growth in Quebec. The agreement provides equipment financing at an interest rate of 12% per annum collateralized by the miners at the Company’s Leger and Bunker facilities, funded as the assets are installed and become operational.

Initial funding of US\$37 million, or US\$36 million net of closing fees of \$740,000, has been completed with additional fundings contemplated (not committed) in July and October 2022 as construction continues at the Bunker and more equipment is installed.

This latest equipment financing is distinct from Bitfarms’ previously announced US\$32 million equipment financing agreement with BlockFi Lending LLC.

Bitfarms Reduces US\$100 Million BTC-Backed Credit Facility to US\$66 Million

Bitfarms elected to reduce its US\$100 million BTC-backed credit facility to US\$66 million, funded through the sale of 1,500 BTC. Borrowings under this credit facility stand at US\$66 million as of June 15, 2022.

This facility, which the Company entered into with Galaxy on December 30, 2021, expires on June 30, 2022. Bitfarms and Galaxy are in discussions to renew the facility upon expiration.

“In addition to lowering our interest expense, this US\$34 million reduction in borrowing gives us the ability to utilize more of our BTC holdings strategy as it frees up BTC that would otherwise be used to collateralize this credit facility,” concluded Lucas.

Bitfarms is managing its growth and capital expenditures in light of recent volatility in the cryptocurrency markets. Bitfarms is in compliance with all its credit obligations. Expansion plans for mining operations and equipment, as well as the use of existing loan facilities, the preservation of existing BTC inventory and sales under the Company’s at-the-market offering are under review in a customary and prudent manner.

Analyst and Institutional Investor Day on June 22, 2022

As previously announced, Bitfarms will be hosting an Analyst and Institutional Investor Day on June 22, 2022, both online and in-person in Montreal. The webcast portion of the event will begin at 8:00 AM ET and conclude around 9:15 AM ET. The webcast of the event, along with supporting materials, will be available on the company’s Investor Relations website at [Bitfarms IR Events](#). Interested parties may register for the webcast in advance here:

[Webcast Registration - Bitfarms Analyst & Institutional Investor Day](#)

A replay of the webcast and related presentation materials will be made available following the conclusion of the event.

About Bitfarms Ltd.

Founded in 2017, Bitfarms is a global Bitcoin self-mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and company-owned electrical engineering and installation services to deliver high operational performance and uptime.

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021, Bitfarms was honoured to be announced as a Rising Star by the TSX-V. On June 21, 2021, Bitfarms started trading on the Nasdaq Stock Market. On February 24, 2022, the Company was further honoured by the TSX-V as Venture 50 Winner, placing first in the Technology sector. On April 8, 2022, Bitfarms up-listed from the TSX-V to the TSX.

Operationally, Bitfarms has a diversified production platform with seven industrial scale facilities located in Québec, one in Washington state, and one in Paraguay. Each facility is over 99% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four accounting firm.

To learn more about Bitfarms’ events, developments, and online communities:

Website: www.bitfarms.com

<https://www.facebook.com/bitfarms/>

https://twitter.com/Bitfarms_io
<https://www.instagram.com/bitfarms/>
<https://www.linkedin.com/company/bitfarms/>

Cautionary 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 Toronto Stock Exchange, Nasdaq, or any other securities exchange or regulatory authority accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This news release 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 news release and are covered by safe harbors under Canadian and United States securities laws. The information in this release regarding expectations in respect to the benefits of entering into an equipment financing facility, completing a debt reduction program funded by the sale of BTC and about other future plans and objectives of the Company are forward-looking information. Other forward-looking information includes, but is not limited to, 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 potential resulting significant negative impact on the Company’s operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for 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 assumptions and estimates of management of the Company at the time they were 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, including the Company’s ability to utilize the Company’s at-the-market offering (the “ATM Program”) and the prices at which the Company may sell Common Shares in the ATM Program, as well as capital market conditions in general; risks relating to the strategy of maintaining and increasing Bitcoin holdings and the impact of depreciating Bitcoin prices on working capital; 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; the ability to maintain reliable and economical sources of power to run its cryptocurrency mining assets; the impact of energy curtailment or regulatory changes in the energy regimes in the jurisdictions in which the Company operates; 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; share dilution resulting from the ATM Program and from other equity issuances; 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 facilities 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; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions; the inability to maintain reliable and economical sources of power for the Company to operate cryptocurrency mining assets; the risks of an increase in the Company's electricity costs, cost of natural gas, changes in currency exchange rates, energy curtailment or regulatory changes in the energy regimes in the jurisdictions in which the Company operates and the adverse impact on the Company's profitability; 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 (which are also available on the website of the U.S. Securities and Exchange Commission at www.sec.gov), including the annual information form for the year-ended December 31, 2021, filed on March 28, 2022. 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 any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.

Contacts:

Investor Relations:

LHA Investor Relations

David Barnard

+1 415-433-3777

Investors@bitfarms.com

US Media:

YAP Global

Mia Grodsky, Account Executive

mia@yapglobal.com

Québec Media:

Ryan Affaires publiques

Valérie Pomerleau, Public Affairs and Communications

valerie@ryanap.com



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