



Q3 2022 Investor Presentation

# 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 2022 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, 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 forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.

## HIGHLIGHTS

Positive Adjusted EBITDA of \$10 Million  
Direct cost of production of \$9,400 per BTC  
Canadian expansion projects on track for completion by year end

**4.4**

*EH/s at 11/14/22  
up 22% from 6/30/22*

**15.7**

*BTC mined /day  
for 10/22*

**2,064**

*BTC held at 10/31/22*

**\$42M<sup>1</sup>**

*value of BTC  
at 10/31/22*

**1,515**

*BTC mined in Q3 2022,  
up 21% over Q2 2022*

**7,000**

*miners installed in Q3 2022*

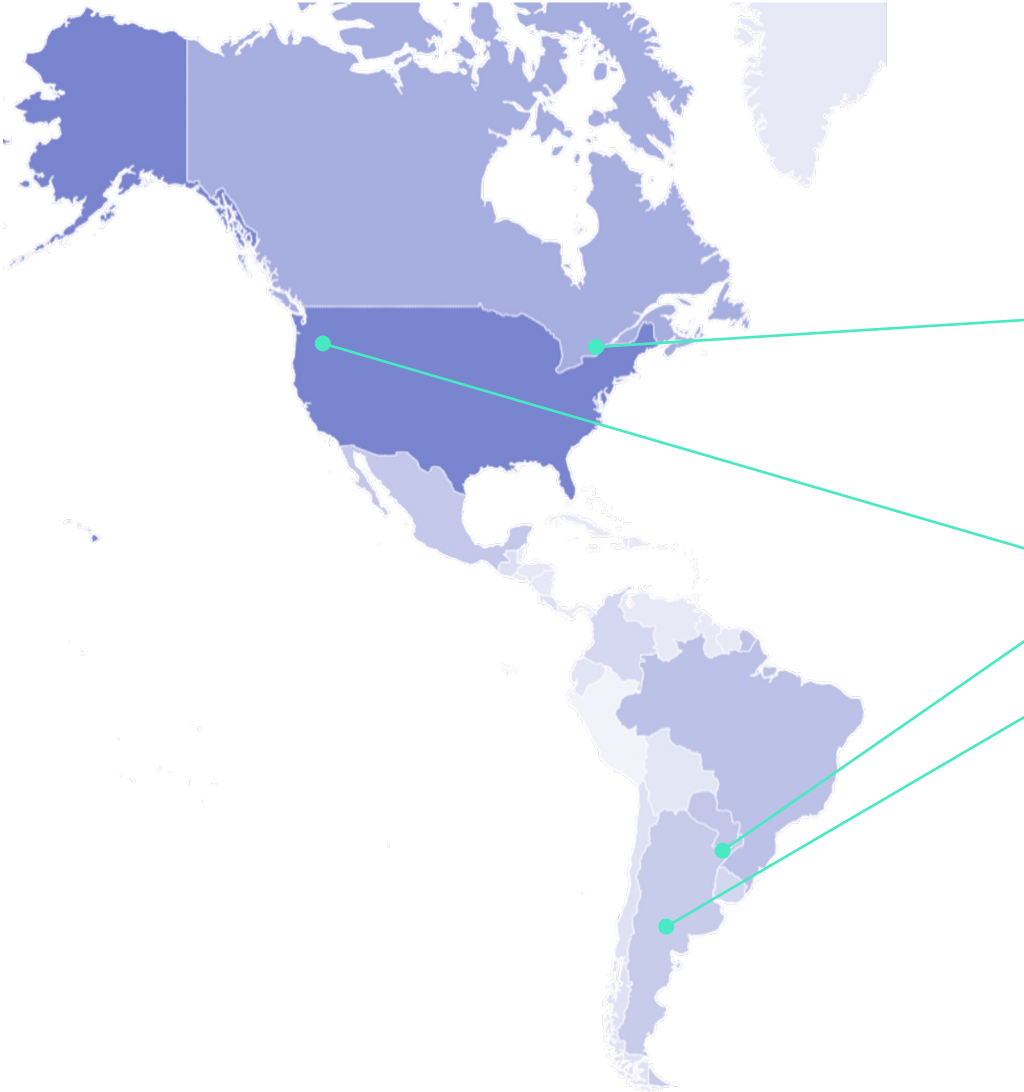
**182**

*MW at 11/14/22 up 33% from  
6/30/22*

1. BTC price of \$20,500 as at October 31, 2022

# VERTICALLY INTEGRATED GLOBAL BITCOIN MINING COMPANY

10 production sites in 4 countries drawing power from 3 hydro-electricity providers



Sites		Operating 11/14/22	Contracted for 12/31/22
Sherbrooke Campus <sup>1</sup>	Quebec, CAN	90 MW	96 MW
Magog		10 MW	10 MW
Cowansville		17 MW	17 MW
Farnham		10 MW	10 MW
St. Hyacinthe		15 MW	15 MW
Washington	USA	20 MW	21 MW
Paraguay	LATAM	10 MW	10 MW
Argentina		10 MW	50 MW
Total		182 MW	229 MW

Bringing online Garlock & The Bunker Phase 3 in the City of Sherbrooke, Quebec

First warehouse in Rio Cuarto, Argentina, commenced production in September 2022

1. Includes 3 sites located in Sherbrooke, Qc



## SHERBROOKE, QUÉBEC

- Hydro Power
  - 3 farms campus
    - Contracted 96 MW
- Operating 90 MW
  - de la Pointe 12 MW
  - The Bunker 1, 2 & 3 42 MW
  - Leger 30 MW
  - Garlock 6 MW
- Nearing energization
  - The Bunker 3 +6 MW
  - Garlock +12 MW
- Retiring:
  - de la Pointe (-12 MW)<sup>1</sup>

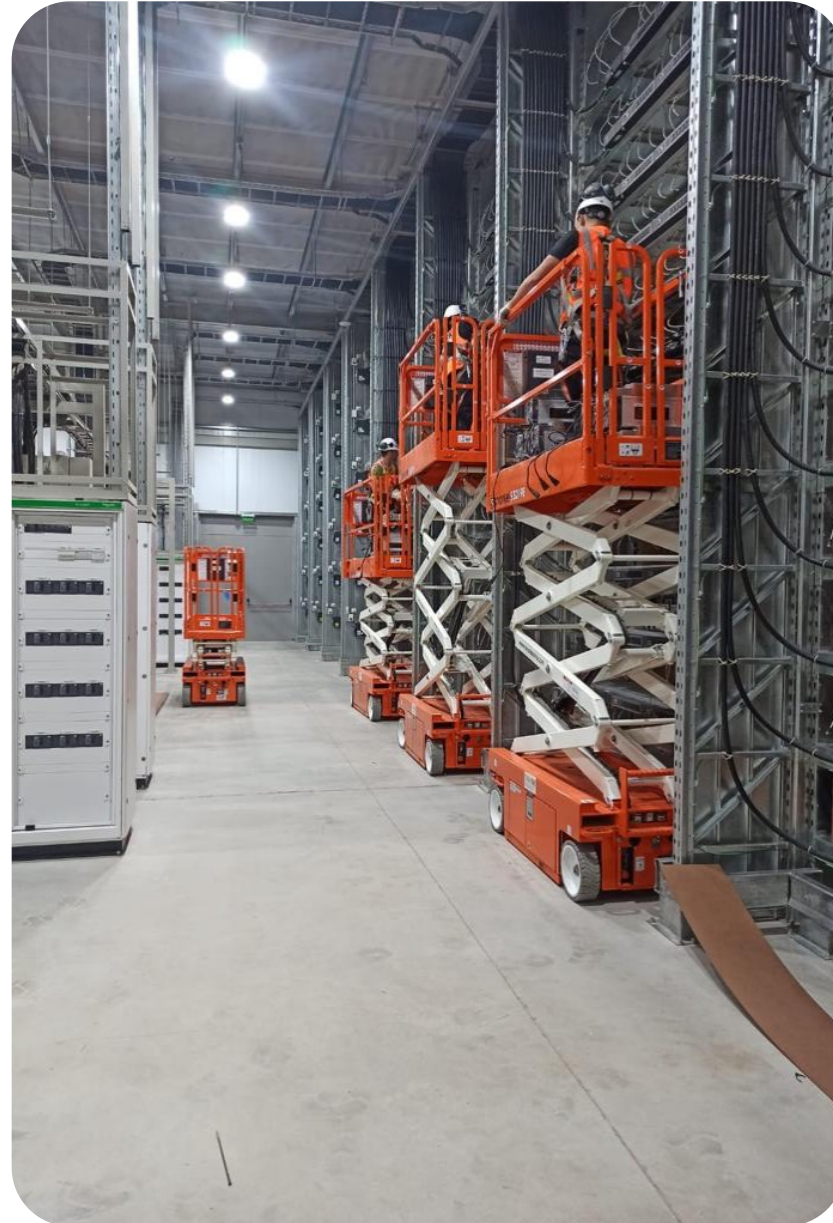


1. de la Pointe reduced from 30 MW to 12 MW and is scheduled to be fully retired in December 2022



## RIO CUARTO, ARGENTINA

- Behind the fence, stranded natural gas generation asset
- 8-year power agreement up to 210 MW
- Production started, engineering contracts in place and commissioning continues
  - Warehouse I - 10 MW started (of total 50 MW) in September 2022





## VILLARRICA, PARAGUAY

- Hydro power
- 10 MW
- Started production in January 2022
- 125 Petahash
- Lowest cost facility



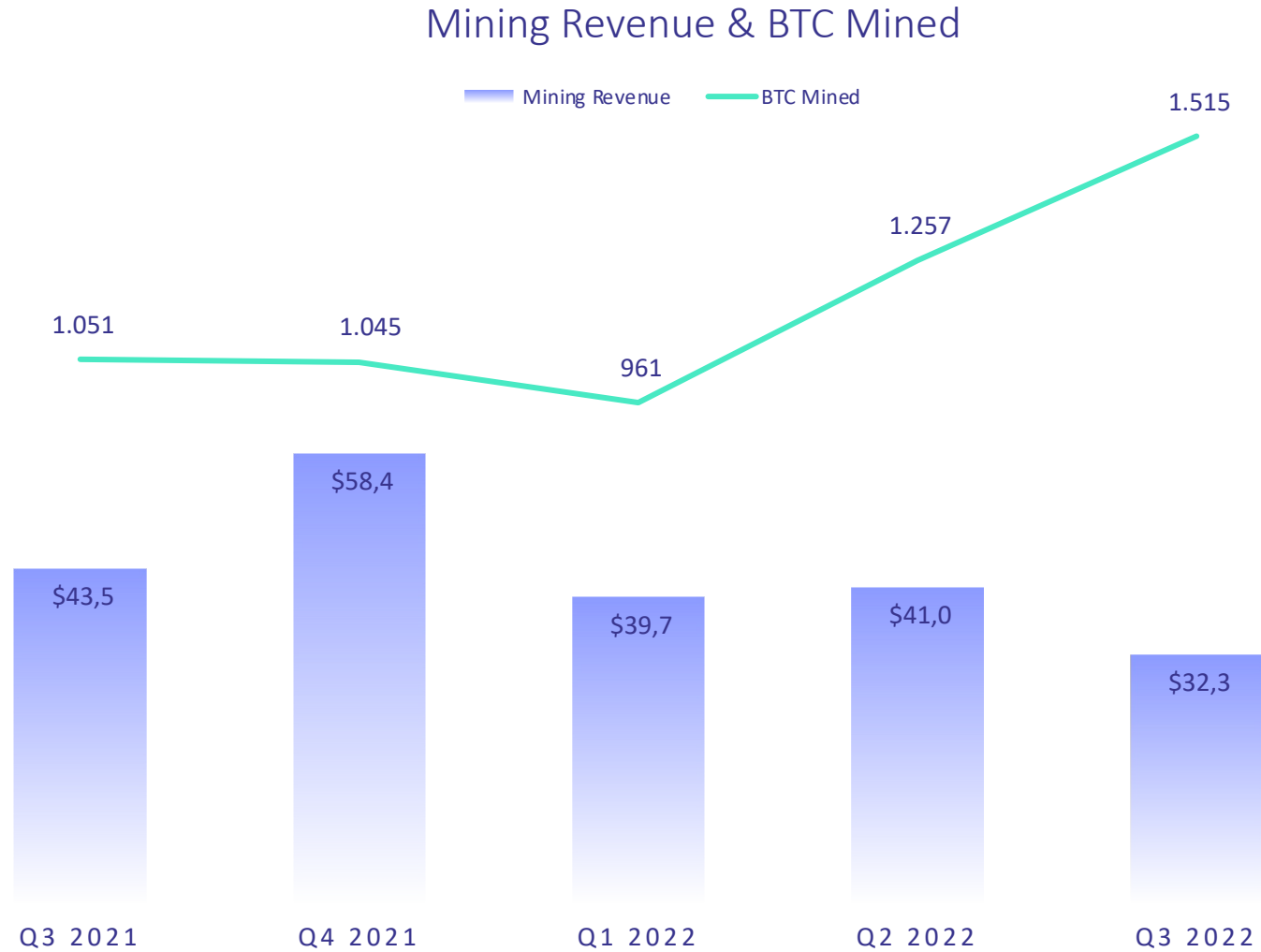
## Production Highlights

- 10 farms in production in 4 countries predominantly drawing hydro power
- 182 MW representing 4.4 Exahash
- Clear path to 188 MW representing 5.0 Exahash by year end
- Considerable future upside from Argentina
- Direct cost of mining of \$9,400 per BTC
- 115.7 BTC per average Exahash in 10/2022
- 40.0 Joules/TH in Q3
  - 12% improvement from Q3 2021



## BTC MINED & REVENUE

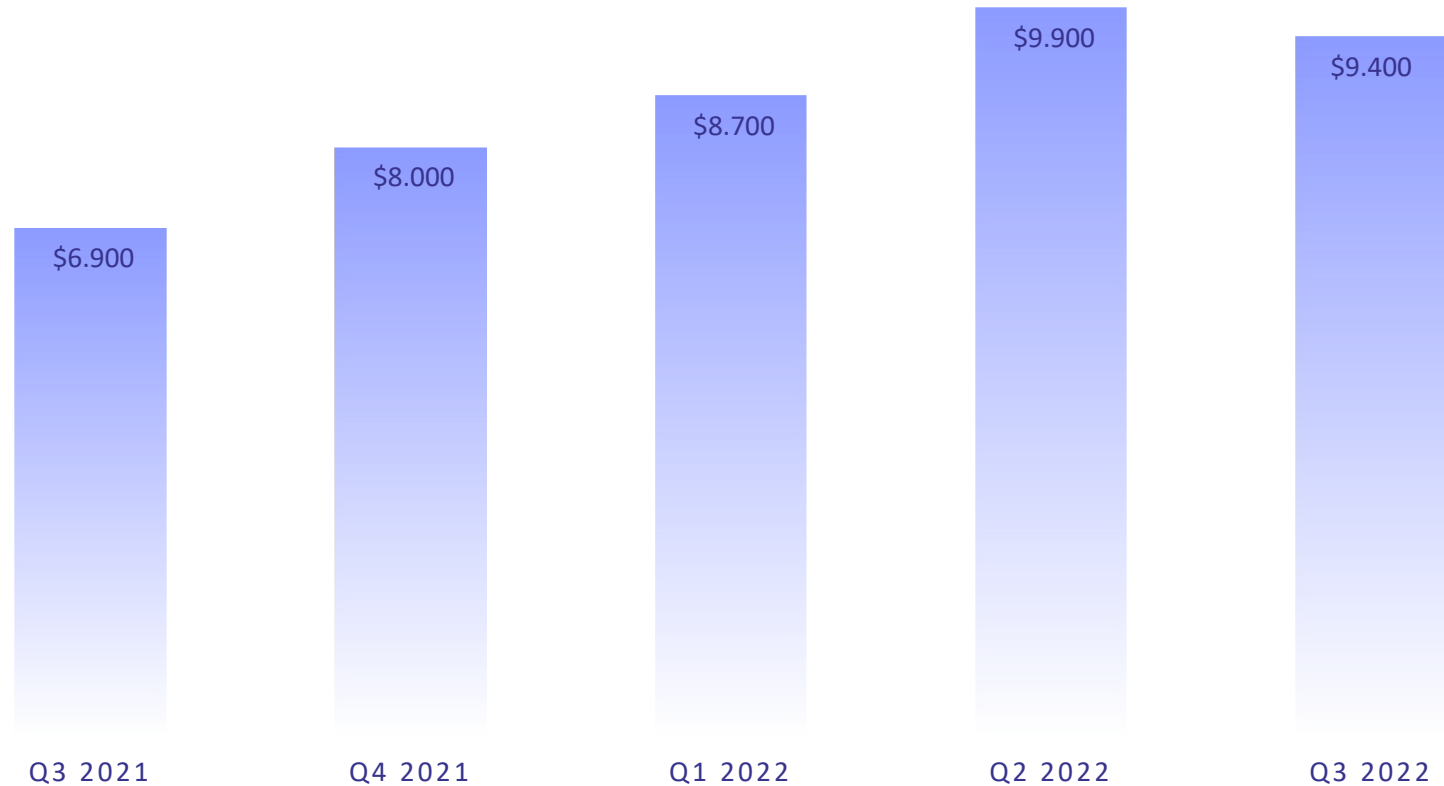
- 21% increase in production
- 35% decrease in the average price in BTC



## BITCOIN PRODUCTION COST

- Direct cost of production of \$9,400 per BTC in Q3 2022
- 5% decrease from \$9,900 in Q2 2022
- 2% improvement in op. efficiency
- 2% decrease in energy costs reflecting the strengthening of the U.S. dollar vs. Canadian dollar
- 1% decrease in average network difficulty

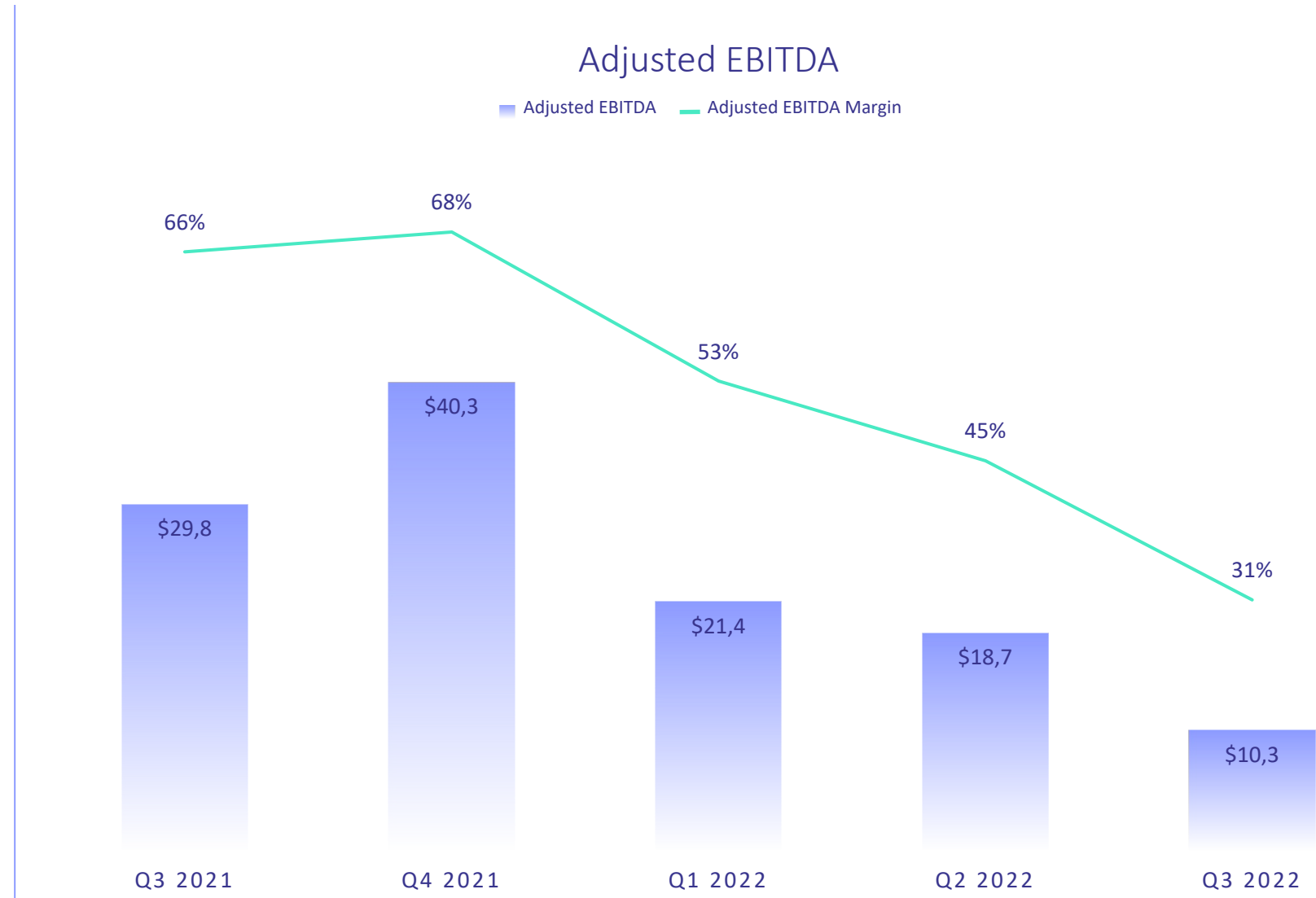
Direct Cost of Production per BTC





## GENERATING CASH FROM MINING OPERATIONS

- Continue to generate positive cash from mining operations
- Q3 2022 Adj. EBITDA 31% of revenue, even with decline in BTC prices



### September 30, 2022

- \$76M total liquidity
  - \$36M cash
  - \$40M digital assets (value of 2,064 BTC<sup>1</sup>)
- \$27M in total debt reduction in Q3
  - \$15M in bitcoin-back credit facility
  - \$12M in equipment financing
- 2 of our highest rate interest equipment loans matured and repaid in full
- All financial obligations maturing before 2024 halving

1. BTC price of \$19,400 as at September 30, 2022



### Operational Excellence

- 182 MW at 4.4 EH/s outpacing Network growth
- Mined 4,219 bitcoin in 2022 – 3rd in total production as of October 31, 2022
- ~2% of BTC Network
- Production in 4 countries

### Financial Strength

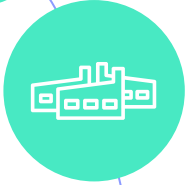
- Maintained low direct cost of production
- Generated positive cash from mining operations - \$10 million in Adjusted EBITDA in Q3 2022
- Decreased financial leverage, maintained a flexible balance sheet and financing resources

# INVESTMENT HIGHLIGHTS



## Huge Market Opportunity

- Growing hashrate faster than the Network
- Growth investing in an industry that has historically boasted some of the world's fastest returns on investment



## Decentralized Self-Miner

- Reducing disruption risk with geographic diversification
- Broader international footprint allows for lower cost expansion options



## Scale and Expertise

- Developing and operating 10 farms in 5 years increases knowhow and expertise
- Powering ~2% of the Bitcoin Network makes us one of the largest global players



## Vertically Integrated

- Increasing speed of development with wholly-owned electrical engineering subsidiary
- Reducing downtime with authorized in-house repair labs
- Established footprint to expand in markets with excess stranded electricity production



## Efficient Producer

- Among the most efficient mining operations globally
- Producing BTC at \$9,400 avg. direct cost in Q3 2022
- Securing long-term, consistently low-cost energy contracts



## Entrepreneurial team

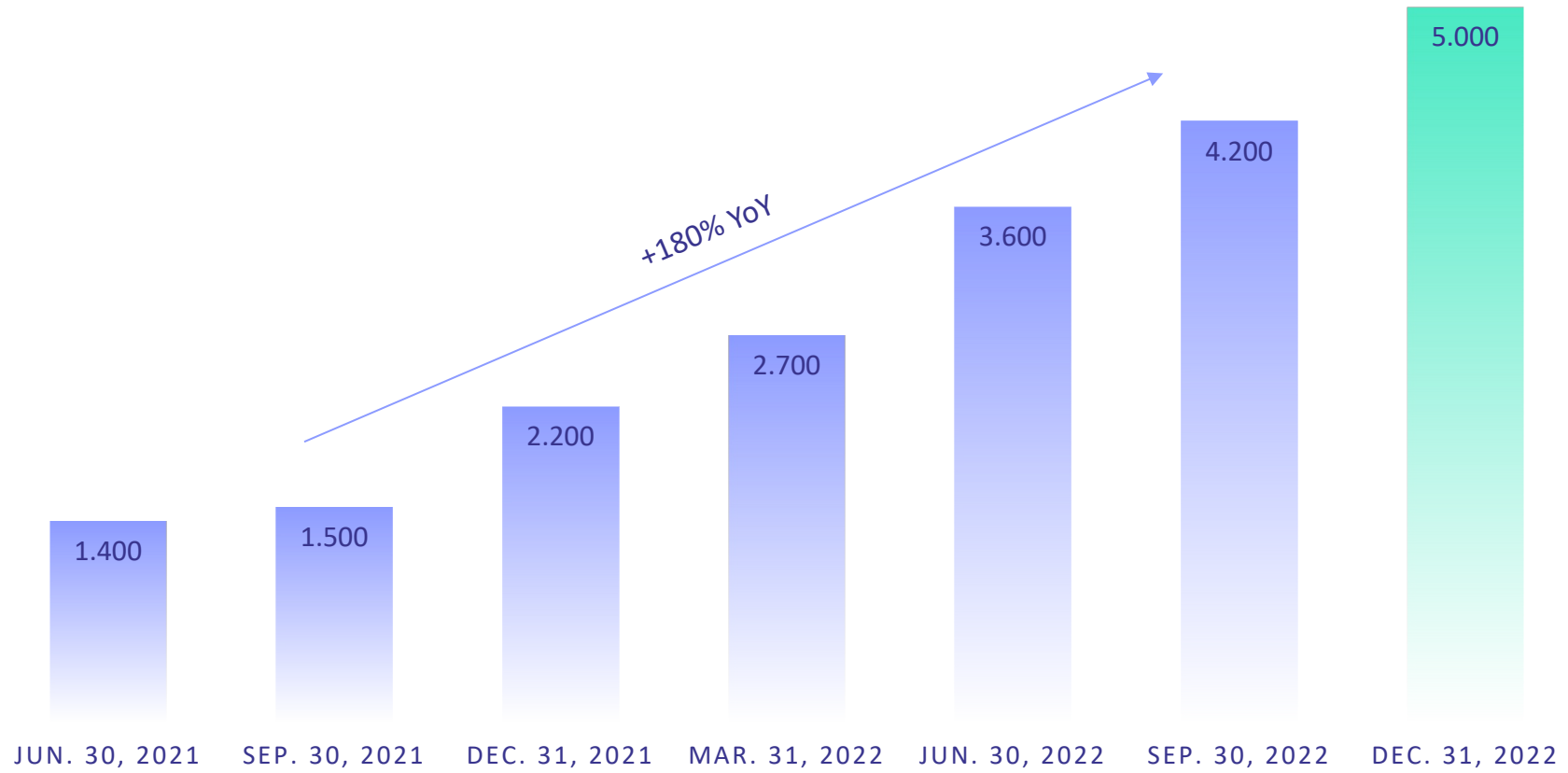
- Agile and multidisciplinary team of experienced professionals leveraging deep background in data centers, technology and infrastructure, financing and business growth



# Appendix

### HASHRATE (PH/S)

Actual Goal





## ENTREPRENEURIAL LEADERSHIP TEAM



Nicolás  
Bonta

FOUNDER & EXECUTIVE  
CHAIRMAN



Emiliano  
Grodzki

FOUNDER & CHIEF  
EXECUTIVE OFFICER



Geoff  
Morphy

PRESIDENT & CHIEF  
OPERATING OFFICER



Jeffrey  
Lucas

CHIEF FINANCIAL OFFICER



Ben  
Gagnon

CHIEF MINING OFFICER



Benoit  
Gobeil

SVP, OPERATIONS &  
INFRASTRUCTURE



Damian  
Polla

GENERAL MANAGER –  
LATAM OPERATIONS



Patricia  
Osorio

VP, CORPORATE AFFAIRS



Guillaume  
Reeves

DIRECTOR, INFORMATION  
TECHNOLOGY



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

## BOARD OF DIRECTORS

Depth in corporate governance and financial management



Nicolás  
Bonta

EXECUTIVE CHAIRMAN

Nico is a founder of Bitfarms as well 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

CHIEF EXECUTIVE OFFICER

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 is a CPA with 30+ years' experience. Brian has served as senior officer and director of numerous public companies. He currently serves as President and CEO of Hemlo Explorers Inc and Voyageur Mineral Explorers Inc. He also serves as a director of Nighthawk Gold Inc, Stone Gold Inc and Dundee Sustainable Technologies Inc.



Andrés  
Finkielsztain

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. Finkielsztain 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.

## 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 "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
- Foreign currency translation adjustment
- Other non-cash expenses

"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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