

Nasdaq: BITF
TSX-V: BITF



BitfarmsTM

Q3 2021 Investor Presentation
As of November 15, 2021

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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 2021 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.

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VERTICALLY INTEGRATED GLOBAL BITCOIN MINER

Current Production Sites

ST. HYACINTHE



COWANSVILLE



MAGOG



SHERBROOKE 1



FARNHAM



WASHINGTON

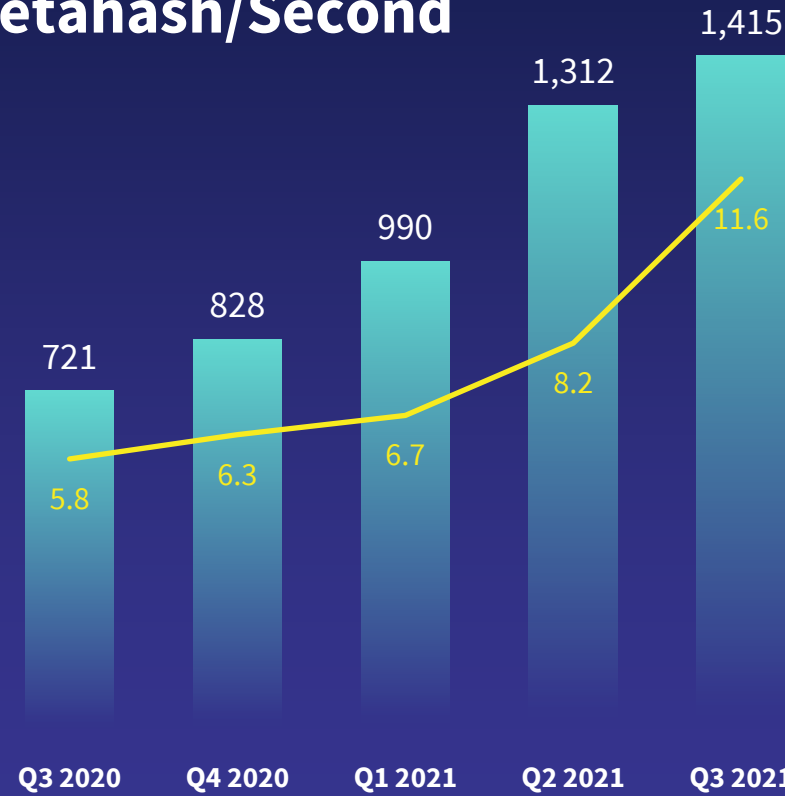


Breaking Quarterly Records

As of Nov. 12, 2021

- 2.0 EH/s
- 12 BTC/day
- 10 farms operational & in development
- 394 MW planned
- 2,780 BTC held
- \$178.4M BTC Value¹

Bitcoin per Day, Petahash/Second



Direct Cost per Bitcoin²



Bitfarms Petahash Petahash/second

¹ \$64,200/BTC approximates market price at Nov. 12, 2021

² Direct cost of Bitcoin based on electricity costs and hosting costs (excluding electricity consumed by hosting clients) divided by the total number of Bitcoin mined

Note: All dollar figures are expressed in US Dollars throughout.

Expanding Facilities and Megawatt Capacity

394 MWs under development

2016

Founders started mining in a garage

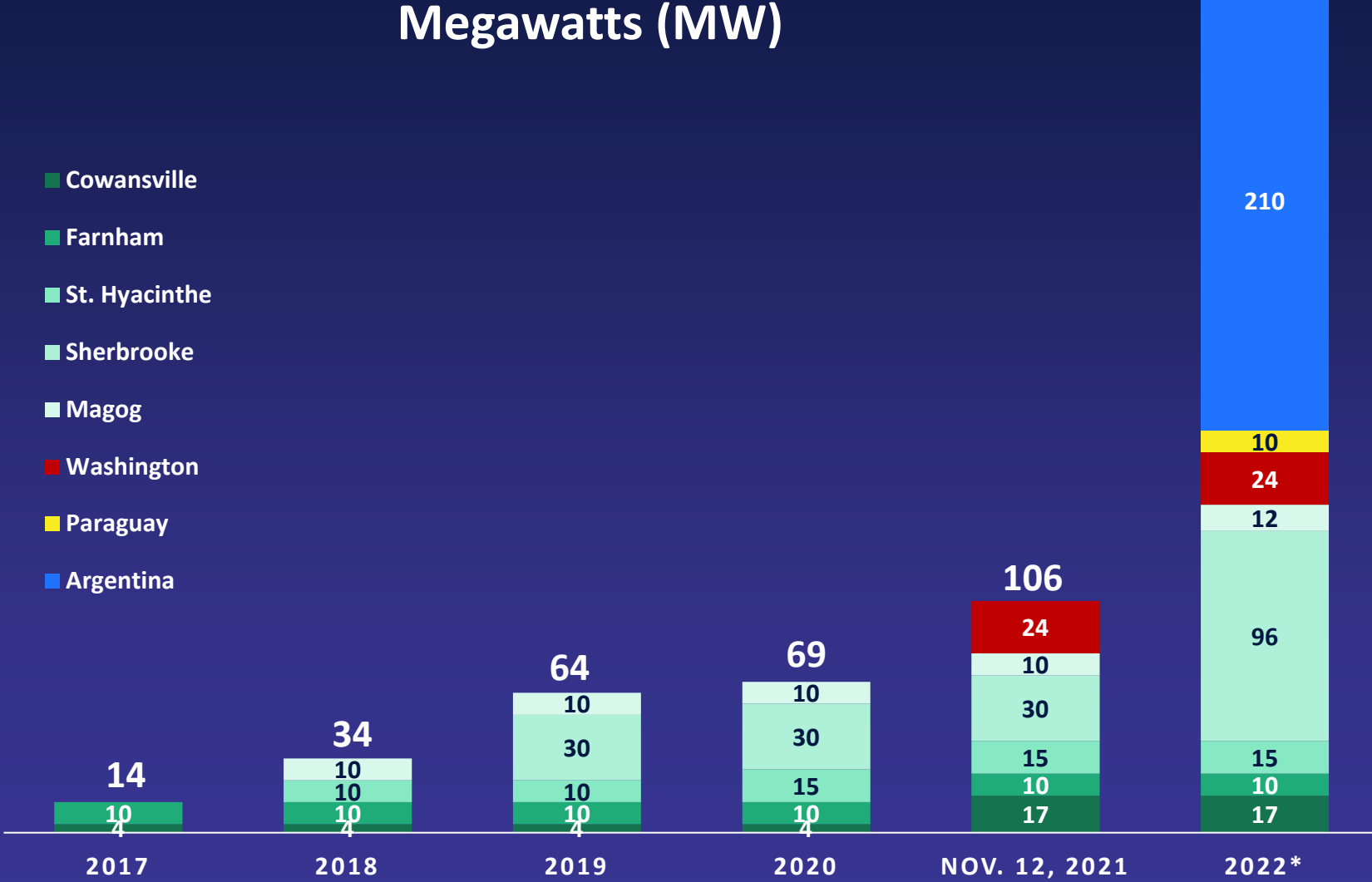
2017

Bitfarms Ltd. inception First facility in Canada

Nov. 12, 2021

6 farms, 106 MW operational

4 farms, 288 MW in construction



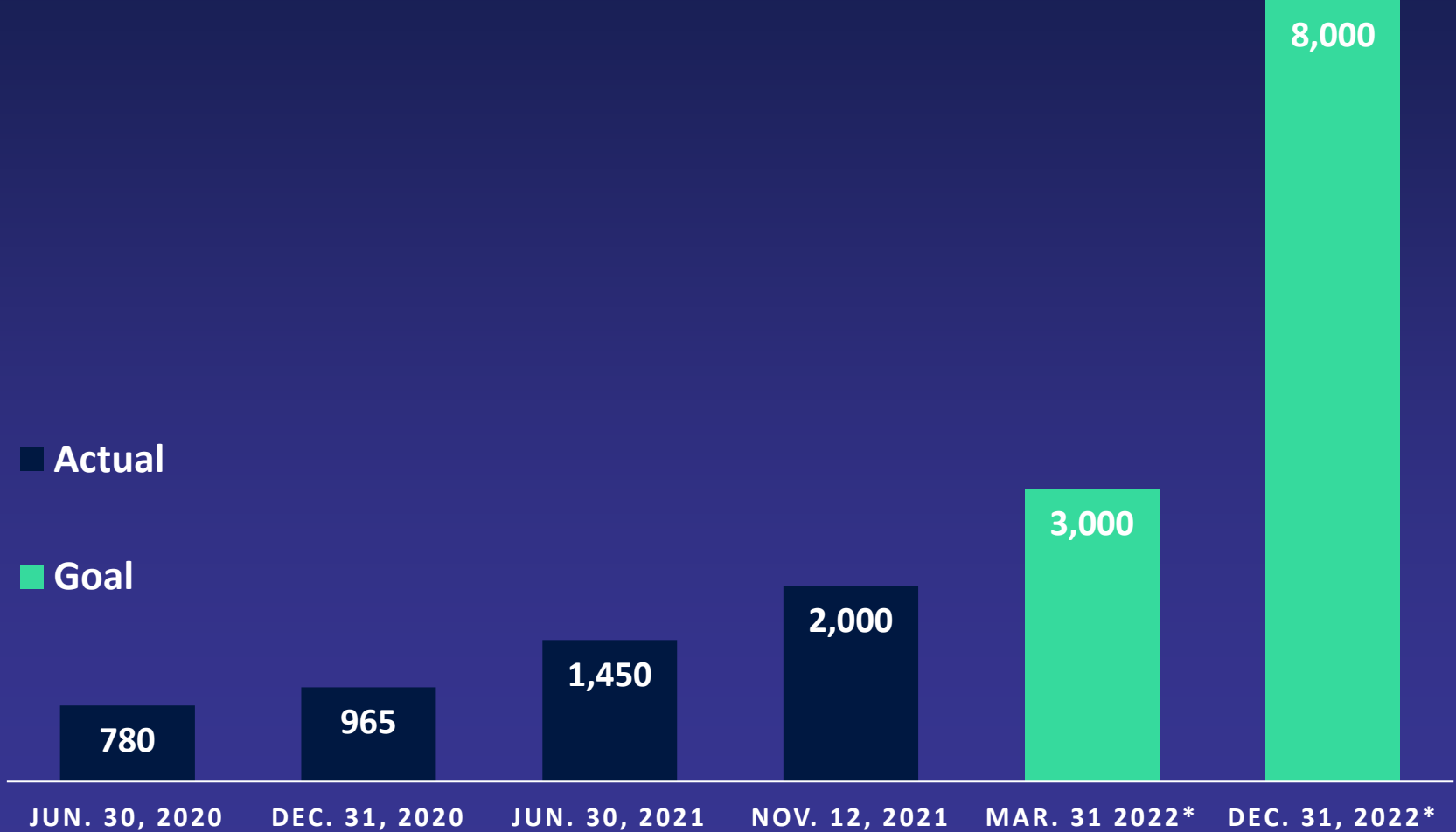
* Projections as of Nov. 12, 2021

Fueling Hashrate Growth to Capture Share

Expanding global diversification and decentralization

- 6 operating farms: 5 in Canada and 1 in US
- 4 farms under construction in Canada, Paraguay and Argentina
- Actively targeting North & South America and Europe

Petahash/second (PH/s)



* Projections as of Nov. 12, 2021

International Expansion

US: 24 MW

- Fully operational - acquired Nov. 2021
- Option for 75 MW

Paraguay: 10 MW

- Under construction
- Initial production expected in Dec. 2021

Argentina: 210 MW

- 4 data centers
- Final phase completion expected by Dec. 31, 2022
- Separate electrical, same location inside gates of private power company
- Concurrent construction
- Turn-on sequentially
- In rural county using over supply and, otherwise, idle facility

2X+ capacity planned by Dec. 31, 2022



Vertical Integration Saves Time and Cost

Self-mining, hosting:

- Avoids third-party profit sharing
- Optimizes maintenance with onsite electricians
- Maintains site operations with fewer staff

Site development:

- 4 years experience developing sites and building electrical infrastructure in Québec

Electrical contractor:

- Volta Électrique, 100%-owned subsidiary
- Provides expertise, lowers site construction costs and contributes revenue

Authorized MicroBT repair center:

- Shortens downtime with rapid turnaround
- Creates opportunity for another profit center



Development and Operational Expertise

Optimizing mining fleet and facilities for greatest computational throughput

Proprietary software:

- Real-time performance monitoring
- Rebuilt for scale in 2021

Proven ability to scale:

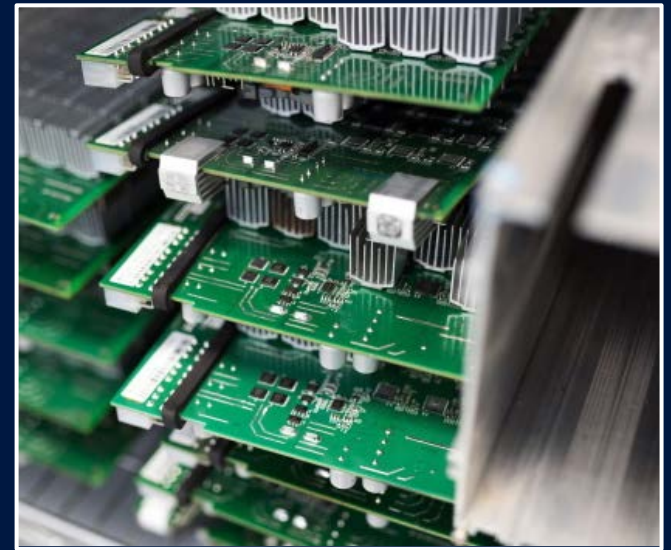
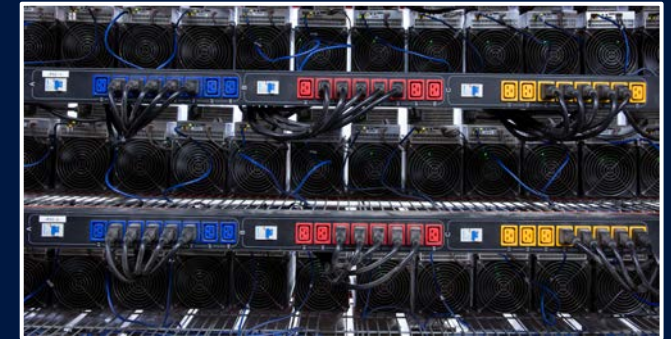
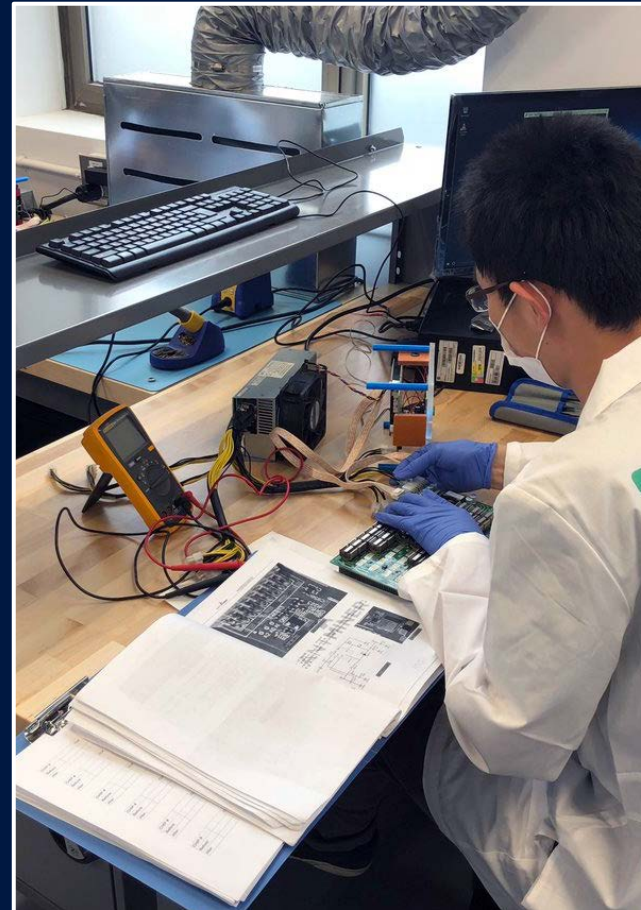
- 0 to 5 fully operational farms in 4 years

Experience:

- Designed, built and managed facilities
- Refining farm design/layout for next iterations

Rapid deployment:

- Ability to move quickly with in-house resources
 - Volta Électrique
 - MicroBT authorized repair center



Securing Low-cost Energy to be Low-cost Producer

\$6,900/BTC avg. direct production cost in Q3 '21

Canada:

- 4 cents/KW on average
- No expiration date to contracts
- Green hydro power from Hydro Québec
- 0 exposure to natural gas and oil price fluctuations

USA:

- 3 cents/KW on average
- Green hydro power
- Current average production cost \$4,000/BTC
- 0 exposure to natural gas and oil price fluctuations

Argentina:

- 2.2 cents/KW locked in for the first 4 years
- 8-year contract
- Power from private energy company using locally-sourced natural gas

Paraguay:

- 3.6 cents/KW
- 5-year contract
- Green hydro power



Operating at Industrial Scale

❖ Purchasing long-lived assets

- Short payback periods
- Low costs of production
- Maximizes long-term operating leverage

❖ Leveraging scale to enhance buying clout

- ❖ Size contributes to excellent supplier relationships

❖ Investing in new facilities and upgrades

- Executing aggressive buildout to increase hashrate
- Optimizing fleet infrastructure across multiple locations

❖ Securing access to capital

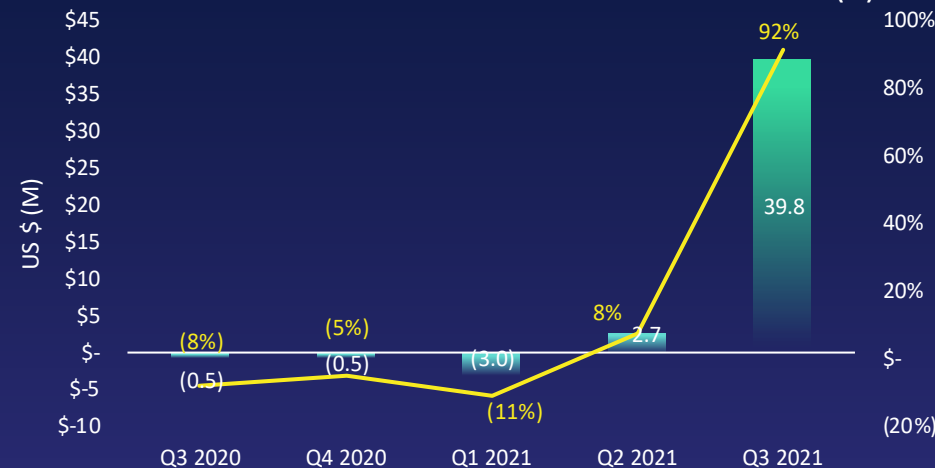
- Maintaining Bitcoins in treasury
 - Adds to total liquidity and increases assets
 - 2,780 BTC held at Nov. 12, 2021 – valued at \$178.4M at \$64.2k/BTC
- Pursuing financing options
 - Non-dilutive sources of capital leveraging base of BTC and mining equipment
- Publicly-traded shares on Nasdaq and TSX Venture exchanges
 - Provides deeper access to low-cost capital
 - Greater financial flexibility

Financial Highlights Backbone

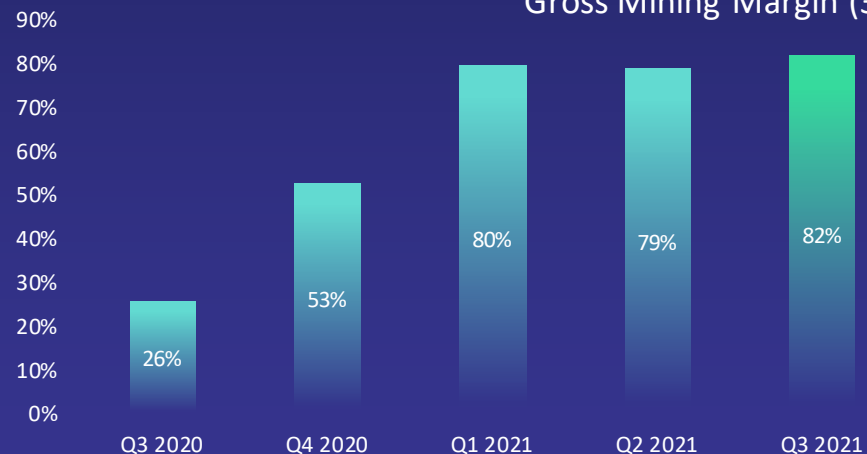
Mining revenue & BTC mined (1)



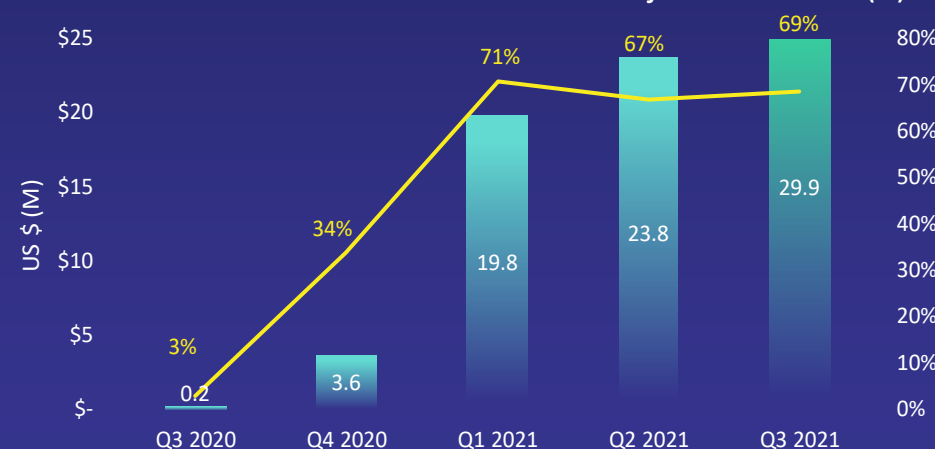
EBITDA (2)



Gross Mining Margin (3)



Adjusted EBITDA (4)



(1) Revenue is recognized when cryptocurrency is received in exchange for mining activities. Unsold cryptocurrency is accounted as an intangible asset under the revaluation model, initially at fair value upon receipt, with subsequent revaluation losses being recorded through profit or loss. Revaluation gains are recorded through other comprehensive income, or profit or loss to the extent that they reverse a prior revaluation loss.

(2) EBITDA is calculated as net income before interest expense, income tax expense, and depreciation and amortization. EBITDA is a non-IFRS performance measure.

(3) Gross mining margin is calculated as revenue less mining energy and infrastructure costs for Backbone standalone divided by revenue. Gross mining margin is a non-IFRS performance measure.

(4) Adjusted EBITDA defined as EBITDA adjusted to exclude: (i) share-based compensation; (ii) non-cash finance expenses; (iii) asset disposition gain/loss; and iv) other non-cash expenses.

Strong Balance Sheet

Liquidity at Sept. 30, 2021

- + \$43.3M cash
- + \$101.2M digital assets¹
- = **\$144.5M total liquidity**

Cash flows for the nine months ended Sept. 30, 2021 include

- + \$114.5M from private placements in H1 2021
- + \$60.4M from the exercise of warrants and stock options
- + \$35.2M from ATM, 6.3M shares at average \$5.75 per share
- + \$10.9M in new long-term debt
- \$75.0M paid for mining hardware
- \$56.5M paid for PPE
- \$21.4M to retire long-term debt and other liabilities

As of Nov. 12, 2021

- 2,780 BTC held
- \$178.4M BTC Value¹

¹ \$43,800/BTC approximates market price at Sept. 30, 2021 and \$64,200/BTC approximates market price at Nov. 12, 2021

Decentralized self-miner

- Retaining greater rewards and avoiding third party fees
- Reducing disruption risk with geographic diversification



Huge market opportunity

- Investing in growth and increasing access to growth capital
- Powering ~1% of the Bitcoin network leaves room to grow



Scale and expertise

- Developing and operating 6 farms in 4 years increases design and technical knowledge
- Powering ~1% of the Bitcoin network creates leverage in mining pool



BITCOIN MINING PURE-PLAY FOCUSED ON GROWING HASHRATE

Vertically integrated

- Increasing speed of development with wholly-owned electrical engineering subsidiary
- Reducing downtime with authorized in-house repair lab



Low-cost producer

- Securing long-term, low-cost energy contracts
- Producing BTC at \$6,900 avg. direct cost in Q3 '21



Entrepreneurial team

- Leveraging deep background in data centers, technology, financing and business growth



Appendix

Entrepreneurial Leadership Team



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.



Nicolás Bonta

EXECUTIVE CHAIRMAN

Nico is a founder of Bitfarms as a 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.



Geoff Morphy

PRESIDENT

Geoff has 35 years of experience in senior management roles of banks, corporate advisory firms and industry. He has served on the boards of several private and publicly traded companies located in North America and Europe. Geoff has an ICD designation and was a former director of Bitfarms. He became an officer of Bitfarms in August 2020.



Jeffrey Lucas

CHIEF FINANCIAL OFFICER

Jeffrey has extensive international finance and operational experience with public companies listed on the NYSE and Nasdaq. He previously worked in high-yield investment banking with L.F. Rothschild and in institutional money management as a securities analyst with Wells Capital Management. He is a CFA charterholder, CPA and earned an MBA from Harvard Business School, a BA in Economics from Tufts University, and studied at the London School of Economics.



Ben Gagnon

CHIEF MINING OFFICER

Ben started building and operating Bitcoin mining facilities in mainland China in 2015. Ben brings over 6 years of real-world Bitcoin mining experience and is a recognized industry thought leader. His expertise is regularly requested at conferences and from industry leaders around the world.



Benoit Gobeil

DIRECTOR OF OPS

Benoit is a master electrician and started Volta Électrique in 2010. The company serves as Bitfarms in-house electrical engineering and maintenance firm. Benoit's significant experience in project management and his electrical skills are instrumental in his role of Director of Operations at Bitfarms, keeping our facilities running.



Nathaniel Port

SENIOR VICE-PRESIDENT, FINANCE AND ACCOUNTING

Nathaniel joined Bitfarms in its first year of operations and helped the Company navigate its initial listing process on the TSXV as well as the onboarding of two Big 4 audit firms. Prior to joining Bitfarms, Nathaniel worked at a local audit firm. Nathaniel is a CPA, John Molson School of Business alumnus and member of the CPA Canada CFE National Honour Roll.

Board of Directors

Depth in corporate governance and financial management



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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.



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.



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

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.

Washington State, USA

- 24 MW/1 farm
- Operational facility
- Hydro power
- Acquired Nov. 2021
- Replaced hosting agreement
- 75 MW expansion MoU



Cowansville, Québec

- 17 MW/1 farm
- Operational facility
- Hydro power
- Rebuilt facility
May-Oct. 2021
- Up from 4MW original
- Leveraging site
development and
design expertise



Sherbrooke, Québec

The Bunker

- 96 MW/3 farm agreement
- Hydro power
- 18 MW/1 farm operational, to be retired
- 78 MW/2 farms under construction: Leger & The Bunker
- 18 MW/1 farm planned

Leger

Paraguay

- 10 MW/1 farm
- Hydro power
- Expect build out within next month
- Start of production expected before December 31, 2021



Argentina

- 210 MW/1 farm
4 buildings
- Private power
company, natural gas
- 2.2 US cents/kwh
pricing locked for
4 years
- Engineering
contracts signed and
construction started
- Expect to house
55,000 miners



Miners

- Miner delivery
 - 1,290 in Q3 2021
 - 3,679 in Q4 2021 to date
 - 3,191 expected in last 2 weeks of Nov.
- 48,000 ordered for 2022 delivery
 - 4,000 monthly
 - \$38.5/TH avg. price



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: (i) interest expense; (ii) income tax expense; and (iii) 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: (i) share-based compensation; (ii) non-cash finance expenses; (iii) asset impairment charges; and (iv) 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 Revenue minus energy expenses for the Backbone segment of the Company. “Gross mining margin” is defined as the percentage obtained when dividing Gross mining margin by Revenue for the Backbone segment of the Company.

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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