



TSX-V: BITF

2019 CONSOLIDATED FINANCIAL RESULTS
APRIL 29, 2020

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Caution regarding non-IFRS performance measures

This presentation refers 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 Bitfarms segment of the Company. “Gross mining margin” is defined as the percentage obtained when dividing Gross mining profit by Revenue for the Bitfarms 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.

See “Reconciliation of Net Income to EBITDA and Adjusted EBITDA” for reconciliation of EBITDA and Adjusted EBITDA to net income on page 8 of the Management’s Discussion & Analysis.

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Webcast Presenters

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APRIL 29, 2020



Emiliano Grodzki
Interim Chief Executive Officer



John Rim
Chief Financial Officer

2019 Operational & corporate highlights



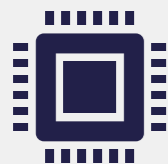
Sherbrooke Expansion

- 30 MW Phase 1 and 2 infrastructure buildout in Sherbrooke; Bitfarms' newest computing centre



~270% increase in installed computing capacity in 2019

- 13,300 new generation miners purchased and installed



Leading hardware efficiency

- ~77% of installed computing power generated by new generation miners
- ~14.4 PH/MW, with 96% Power usage efficiency in Q4 2019



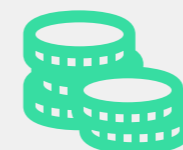
US\$2,996 Bitcoin break-even price in 2019*

- 3,865 Bitcoin mined in 2019



Listing and consolidation

- Began trading on the TSXV on July 16, 2019
- Consolidated 100% ownership of operating entity



US\$20M Debt Financing

- Secured through New York-based Dominion Capital LLC

* Break-even is based on the variable cost of electricity and is calculated by taking the total electricity cost related to the mining of each Bitcoin divided by the total number of Bitcoin mined during the period.

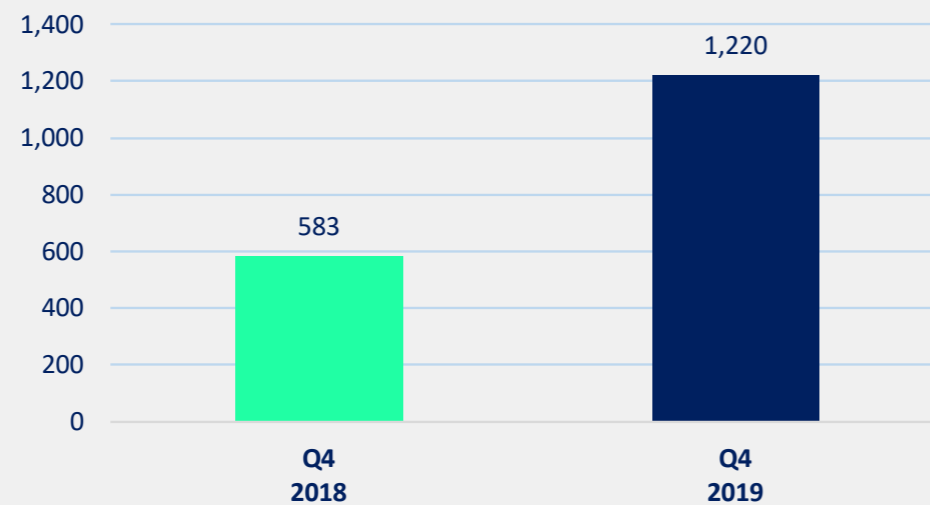
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Financial Highlights

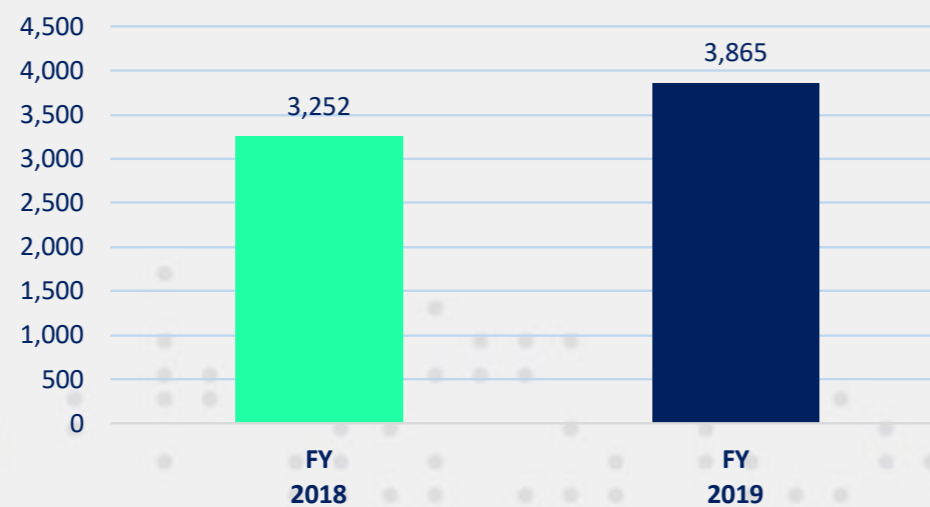
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Coins mined & hash power growth

**Q4 2019
Bitcoin
Mined***

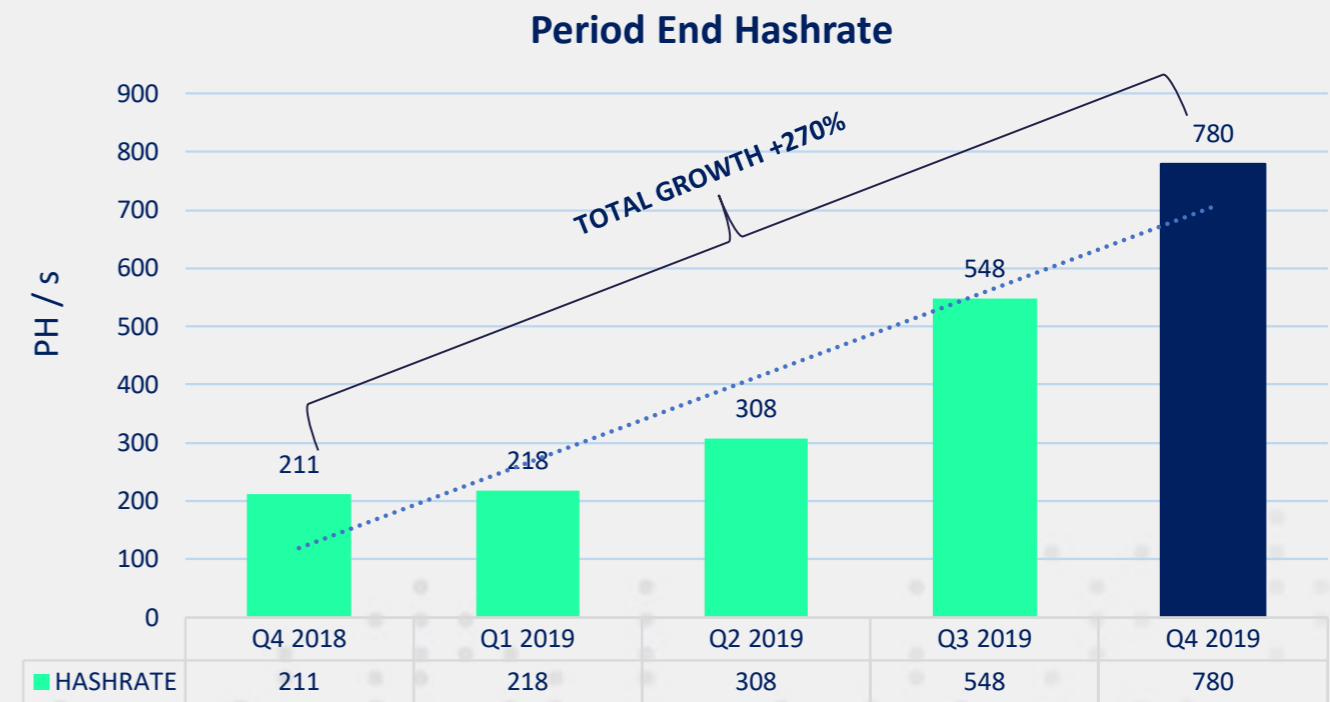


**FY 2019
Bitcoin
Mined***



*Chart displays only Bitcoin mined. The Company also mined Altcoins in 2018 and 2019, please refer to the notes to the consolidated financial statements for the year ended December 31, 2019 for details on all Bitcoin and altcoins mined in both 2018 and 2019.

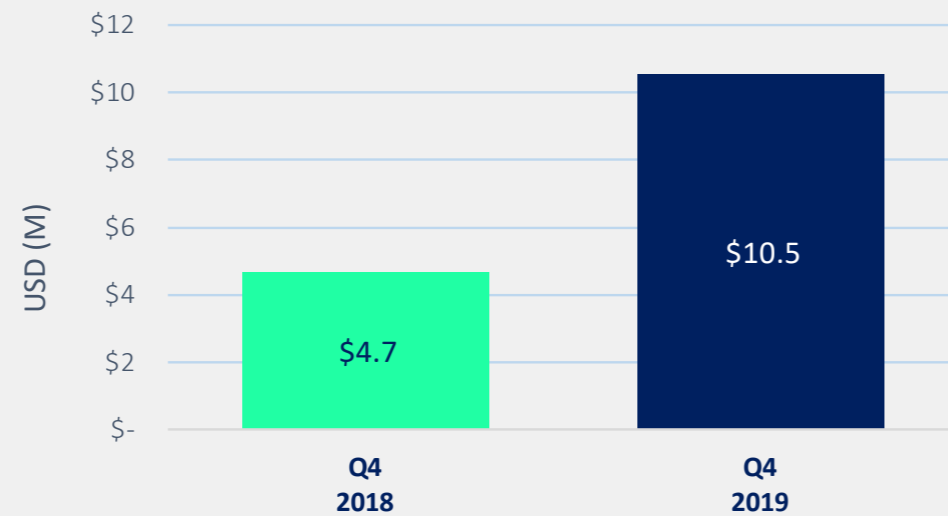
270% LTM growth in operational hash power



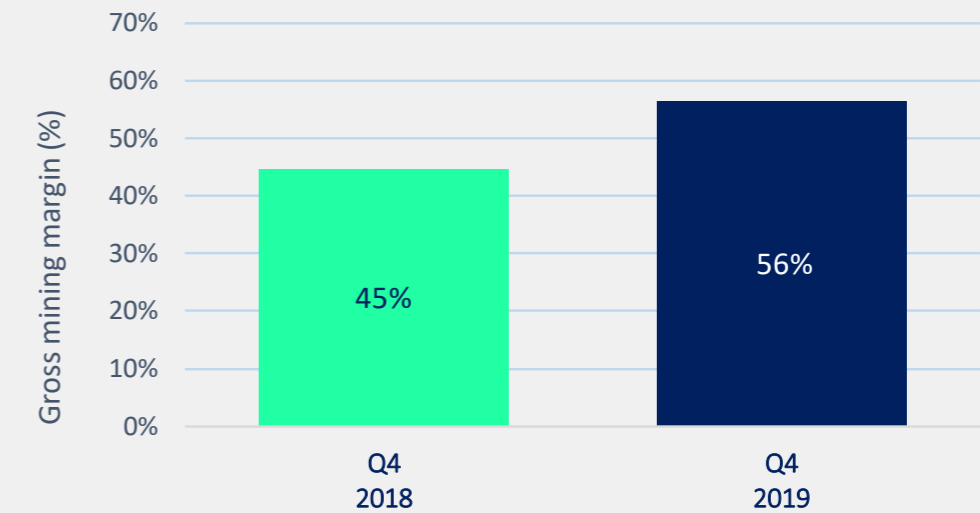
Q4 2019 Financial highlights

\$3,831 USD average Bitcoin Break-even ⁽¹⁾ cost of production in Q4 2019

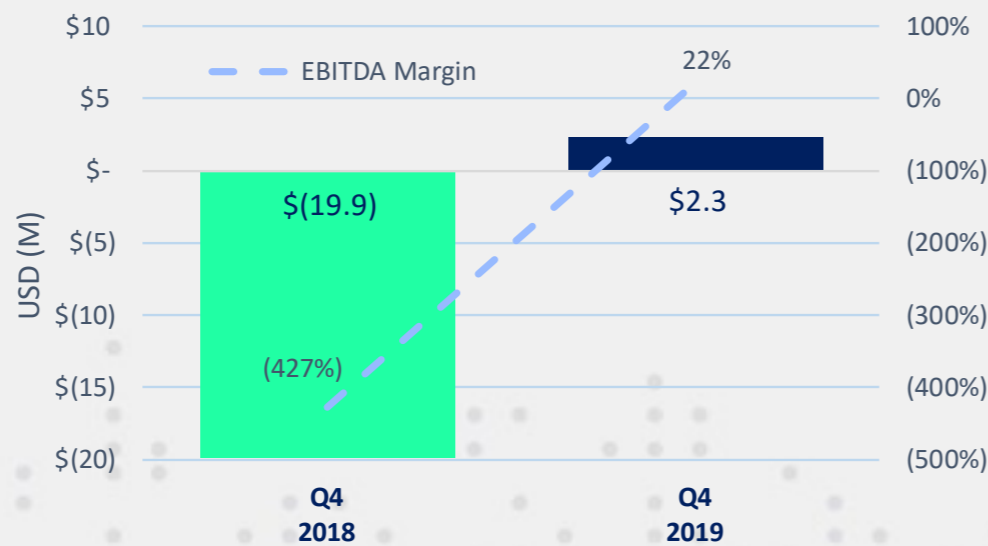
Revenue*



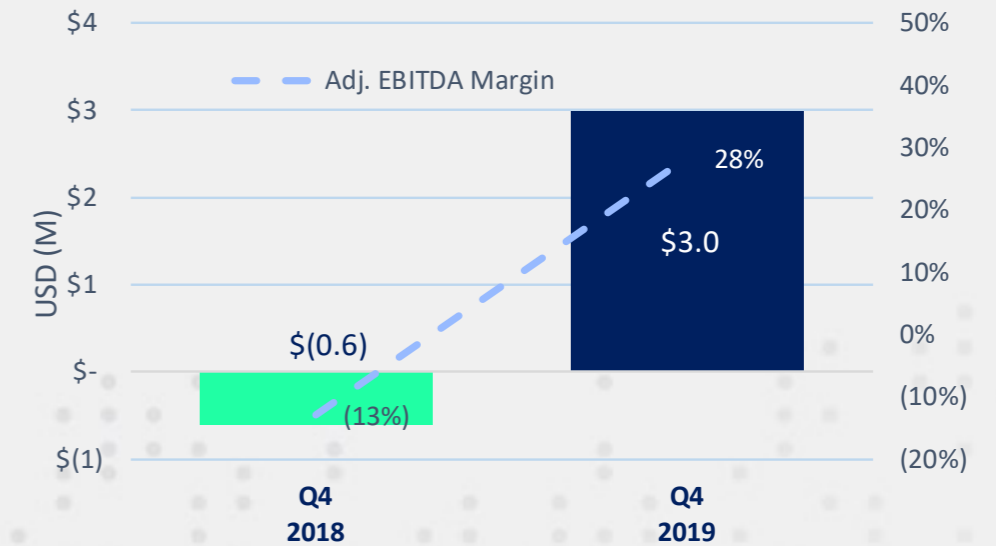
Gross Mining Margin ⁽³⁾



EBITDA ⁽²⁾



Adjusted EBITDA ⁽⁴⁾



*Revenue is recognized only when mined cryptocurrency is sold (i.e. exchanged into FIAT). Unsold cryptocurrency is held in inventory at mining cost. Net income for Q4 2019 was \$1.1M versus a net loss of \$21.3M in Q4 2018.

⁽¹⁾ Average break-even cost of producing 1 Bitcoin based on electricity cost only during the period from Oct. 1 to Dec. 31, 2020.

⁽²⁾ EBITDA is calculated as net income before interest expense, income tax expense, and depreciation and amortization. EBITDA is a non-IFRS performance measure. See slide 3.

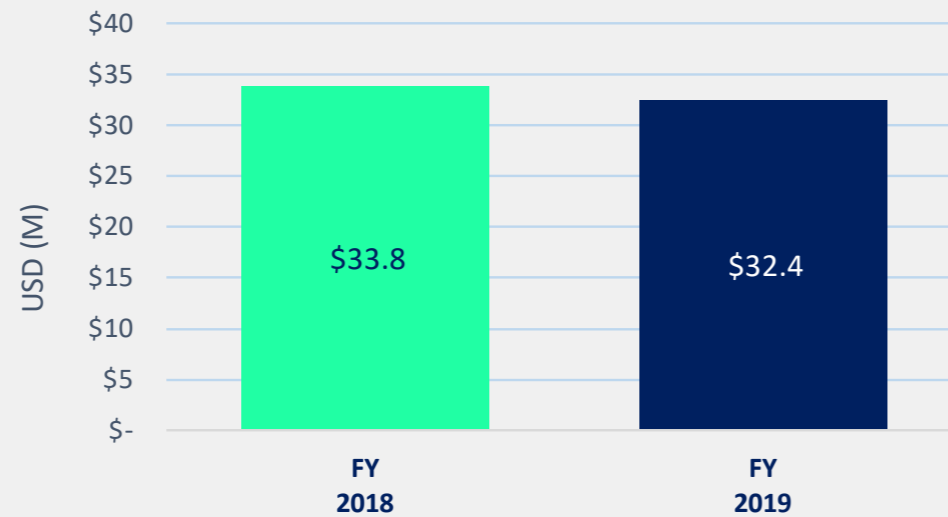
⁽³⁾ Gross mining margin is calculated as revenue less mining energy and infrastructure costs for Backbone standalone, divided by revenue. Gross mining margin is a non-IFRS performance measure. See slide 3.

⁽⁴⁾ Adjusted EBITDA 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 is a non-IFRS performance measure. See slide 3.

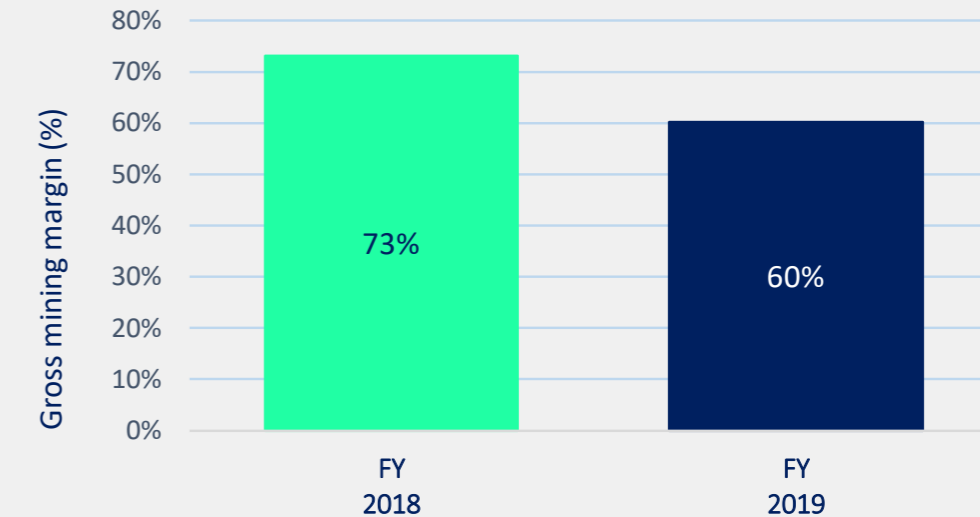
FY 2019 Financial highlights

\$2,996 USD average Bitcoin Break-even ⁽¹⁾ cost of production for FY 2019

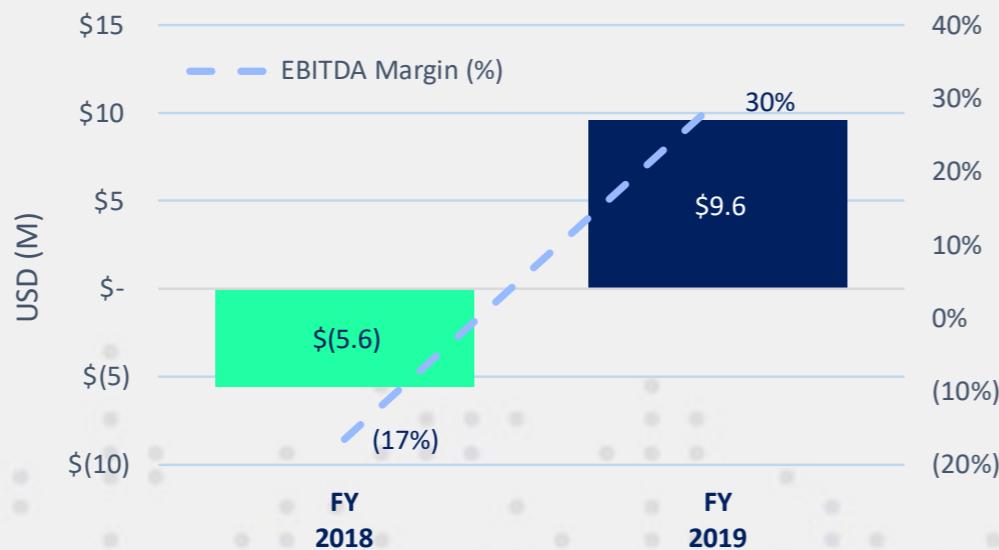
Revenue*



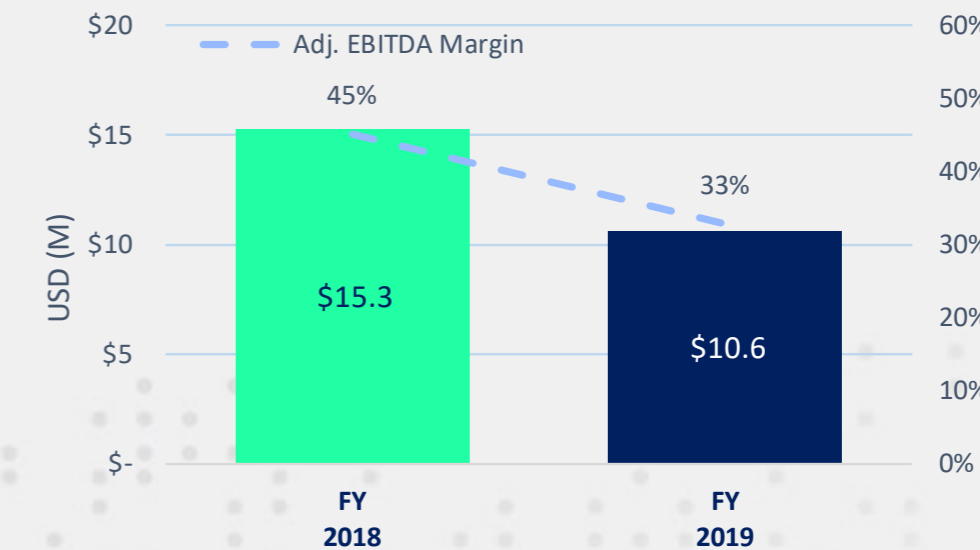
Gross Mining Margin ⁽³⁾



EBITDA ⁽²⁾



Adjusted EBITDA ⁽⁴⁾



*Revenue is recognized only when mined cryptocurrency is sold (i.e. exchanged into FIAT). Unsold cryptocurrency is held in inventory at mining cost. Net income for 2019 was \$2.1M versus a net loss of \$18.2M in 2018.

⁽¹⁾ Average break-even cost of producing 1 Bitcoin based on electricity cost only during the period from Oct. 1 to Dec. 31, 2020.

⁽²⁾ EBITDA is calculated as net income before interest expense, income tax expense, and depreciation and amortization. EBITDA is a non-IFRS performance measure. See slide 3.

⁽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. See slide 3.

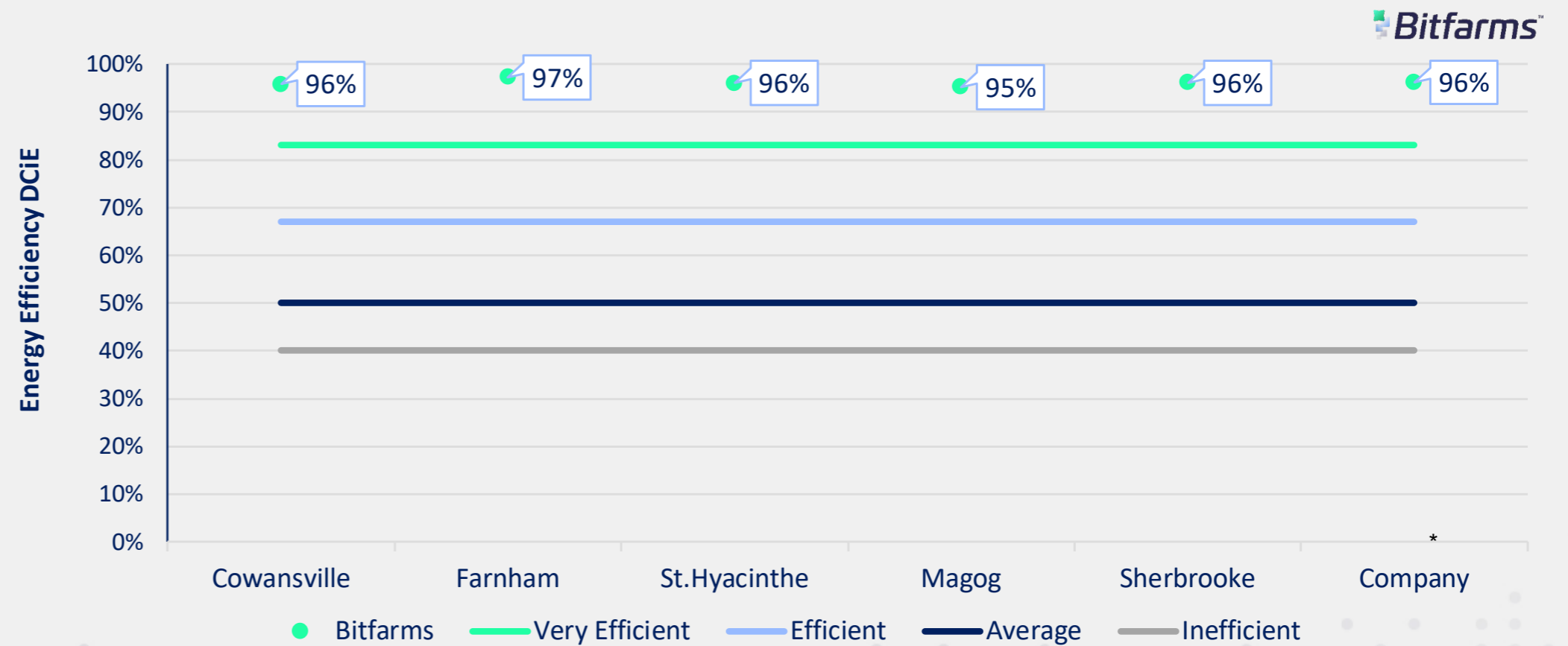
⁽⁴⁾ Adjusted EBITDA defined as EBITDA adjusted to exclude: (i) share-based compensation; (ii) non-cash finance expenses; (iii) asset impairment charges; and (iv) other non-cash expenses. Adjusted EBITDA is a non-IFRS performance measure. See slide 3.

Power usage efficiency

96%

of all electricity consumed by Bitfarms in 2019 was used for computing power

Data Center Infrastructure Efficiency during 2019



Belady, Christian and Rawson, Andy and Pfleuger, JOHN and Cader, TAHIR; Green grid data center power efficiency metrics: PUE and DCiE, the green grid, 1-9 (2008).

Financial position & capital structure

<u>(\$USD)</u>	<u>2019</u>
Cash & Cash Equivalents	\$2.2M
Other Current Assets	\$4.4M
Total Current Assets	\$6.6M
PP&E and Intangible Assets	\$38.4M
LT Deposits & Advanced Payments on Equipment	\$1.1M
ROU Assets	\$6.2M
Embedded Derivative	\$0.6M
Total Assets	\$52.9M
AP, Accrued Liabilities & Other	\$2.4M
Current Maturities of LTD & Lease Liability	\$1.6M
Total Current Liabilities	\$4.0M
Long-term Debt	\$14.9M
Lease Liability & Other	\$5.9M
Total Liabilities	\$20.8M
Total Shareholder Equity	\$28.1M
Total Liabilities & Shareholder Equity	\$52.9M

Bitfarms™ ownership



TICKER:

TSXV:BITF*

Share Price ⁽¹⁾

\$0.49

Shares O/S ⁽²⁾

84.4M

Market Capitalization

\$40.9M

**All figures expressed in Canadian dollars.*

⁽¹⁾Based on TSXV closing share price as of April 24, 2020

⁽²⁾As of April 24, 2020

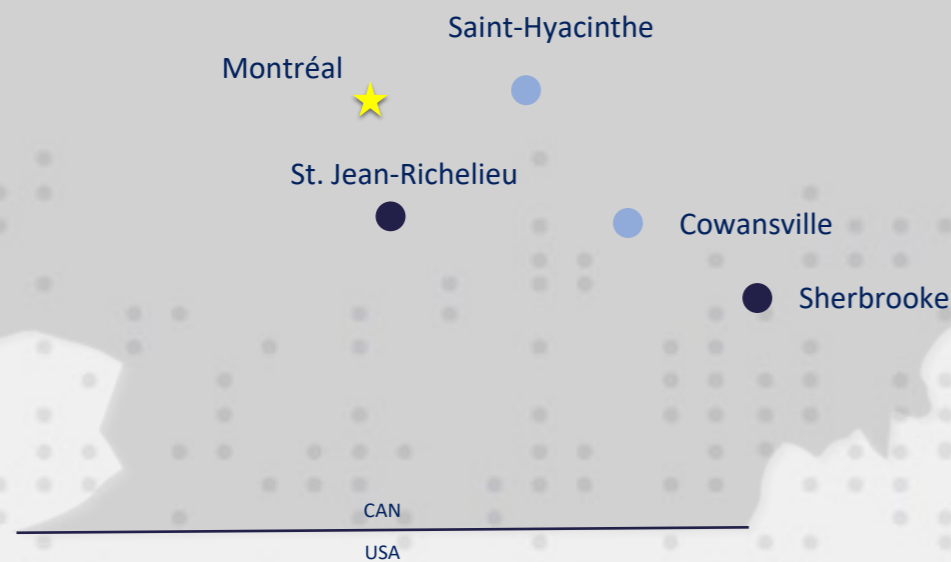
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Growth Strategy


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Expansion pipeline

95.5 MW; >2.8 XH/s*







EXPANSION OF CURRENT OPERATIONS


Saint-Hyacinthe Phase 2, Quebec, Canada 





Facility Size  40k Sq. Ft	Power Capacity  10 MW	Property info  Leased	Energy Source  Hydroelectric
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Cowansville Phase 2, Quebec, Canada 

Facility Size  25k Sq. Ft	Power Capacity  12.5 MW	Property info  Leased	Energy Source  Hydroelectric
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NEW FACILITIES

Sherbrooke Phase 3-6, Quebec, Canada 

Facility Size  114k Sq. Ft	Power Capacity  68 MW	Property info  Owned & Leased	Energy Source  Hydroelectric
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Saint-Jean-Richelieu, Quebec, Canada 

Facility Size  25k Sq. Ft	Power Capacity  5 MW	Property info  Leased	Energy Source  Hydroelectric
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Investment highlights

Bitfarms is a blockchain infrastructure company providing an essential service: validation and verification of global cryptocurrency transactions

Bitfarms owns and operates **one of the largest mining operations in North America**

- 64 megawatts (“MW”) of built-out data centre infrastructure supporting +29,000 miners installed across 5 operating facilities in Quebec, Canada
- Up to* 813 petahash powered by 56.8 MW (~14.4 petahash per MW – A leader in the Canadian public market)*
- Infrastructure and hash power 100% and ~98% owned, respectively
- 100% ASIC hardware dedicated to the Bitcoin network
- Mining facilities powered by 100% green hydroelectricity at an average price of approximately US\$0.04 / kWh
- Large contracted power portfolio totaling 160MW

Leading growth and efficiency amongst public cryptocurrency miners

- ~270% increase in computational power during 2019
- ~77% new generation miners
- Q4 2019 average computing power of 681 PH/S, generating mining revenue of US\$9.7M, US\$3.1M in adjusted EBITDA and US\$5.5M of gross mining profit

Industrial scale, vertical integration and in-house operational excellence

- Volta subsidiary - an electrical contractor capable of delivering operational growth at a fraction of the time and cost vs. public peers
- Proprietary hardware monitoring software provides chip-level diagnostics and full suite of reporting capabilities; Pool platform developed and available to “turn-on” any time
- Maximum hardware “up-time” through custom-designed microelectronics repair facility with staff trained by leading hardware manufacturers

Audited by one of the “Big Four” accounting firms

First cryptocurrency company to successfully go through the “front door” of the OSC with a long-form prospectus

Strong management team with veteran data centre, technology, financing and business growth experience



TSXV: BITF

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