



TSX-V: **BITF**

THIRD QUARTER 2019 CONSOLIDATED FINANCIAL RESULTS
NOVEMBER 27, 2019

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Caution regarding 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 Bitfarms segment of the Company. “Gross mining margin” is defined as the percentage obtained when dividing Gross mining margin 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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RESULTS - NOVEMBER 27, 2019



Wes Fulford
Chief Executive Officer



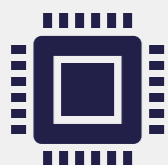
John Rim
Chief Financial Officer

Operational & corporate highlights



Sherbrooke Expansion

- Phase 1 and 2 infrastructure buildout in Sherbrooke,
- Acquired 7,795 new generation ASICs with 4,750 of these installed by the end of Q3



Leading hardware efficiency

- At the end of Q3 Bitfarms was producing 13.2 PH/MW
- Following total installation of WhatsMiner M20S hardware we will be ~14.4 PH/MW
- ~73% of installed computing power generated by new generation miners



Executive Appointment

- Mathieu Vachon, a co-founders of Bitfarms has been appointed EVP Technology & Operations



79% increase in installed computing capacity in Q3

- 360 average PH/s during Q3, 2019 with 548 PH/s as of September 30, 2019
- 813 PH/s following the full installation of WhatsMiner M20S miners announced November 4, 2019



US\$3,482 Bitcoin break even*

- 834 Bitcoin mined in Q3 2019

** 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*

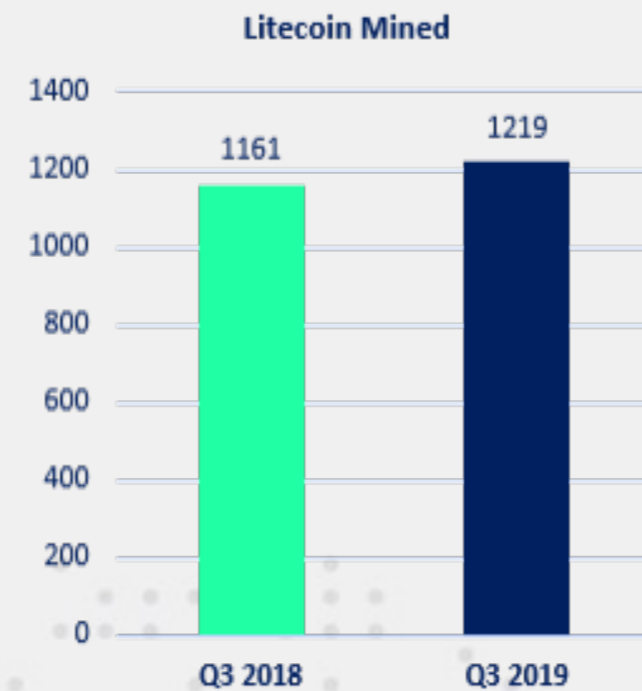
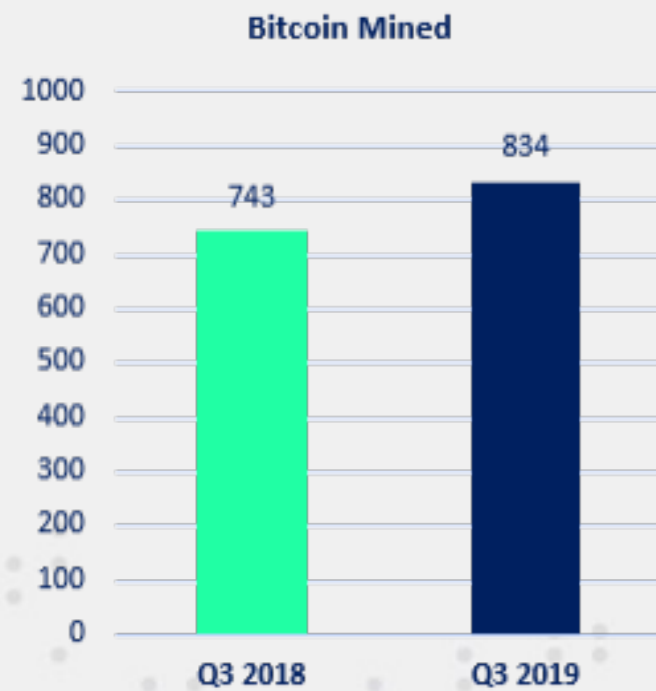
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Financial Highlights

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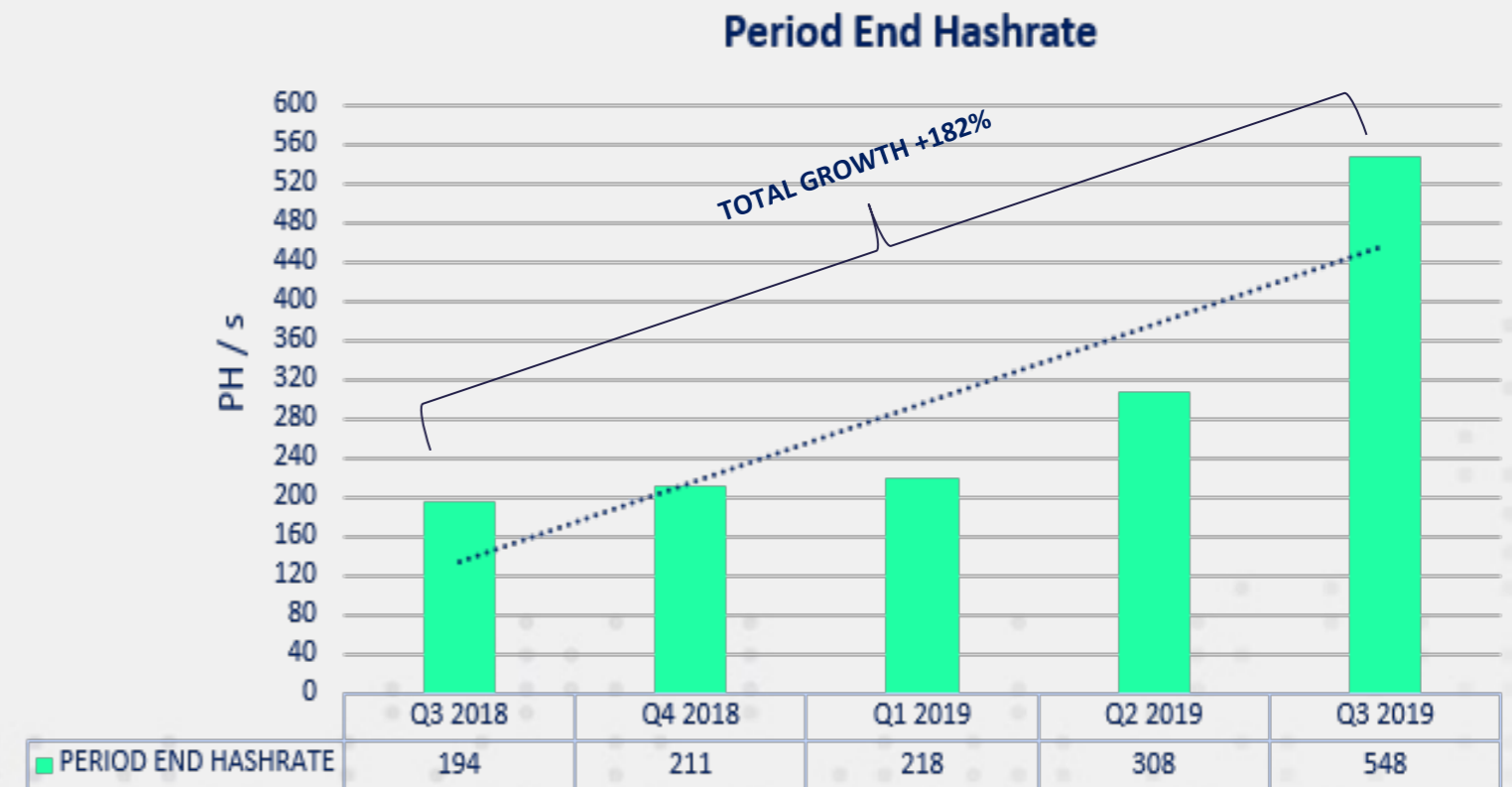
Coins mined & hash power growth

Bitcoin mining represented +98% of total revenue



Note: Other altcoins mined during Q3 2018 not included above were 296 Dash and 203 Ethereum.

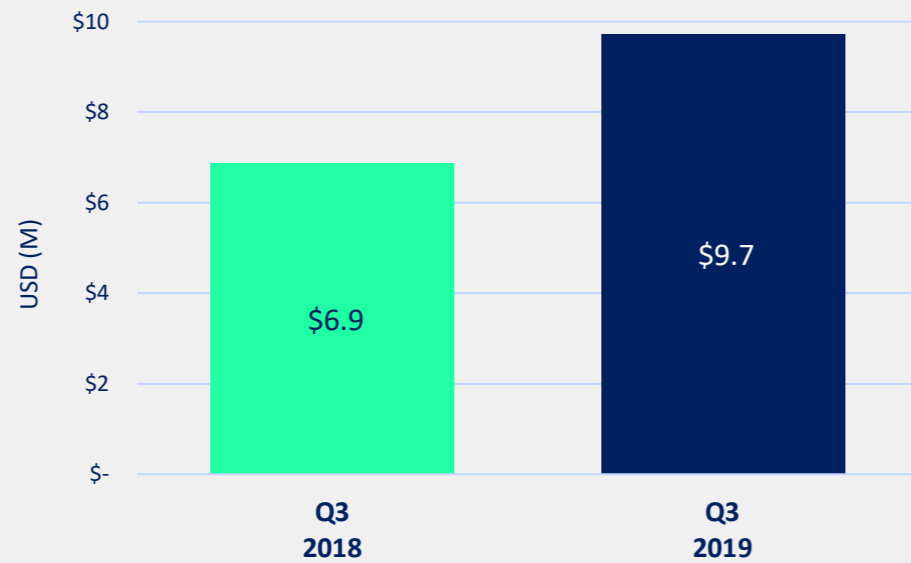
182% LTM growth in operational hash power



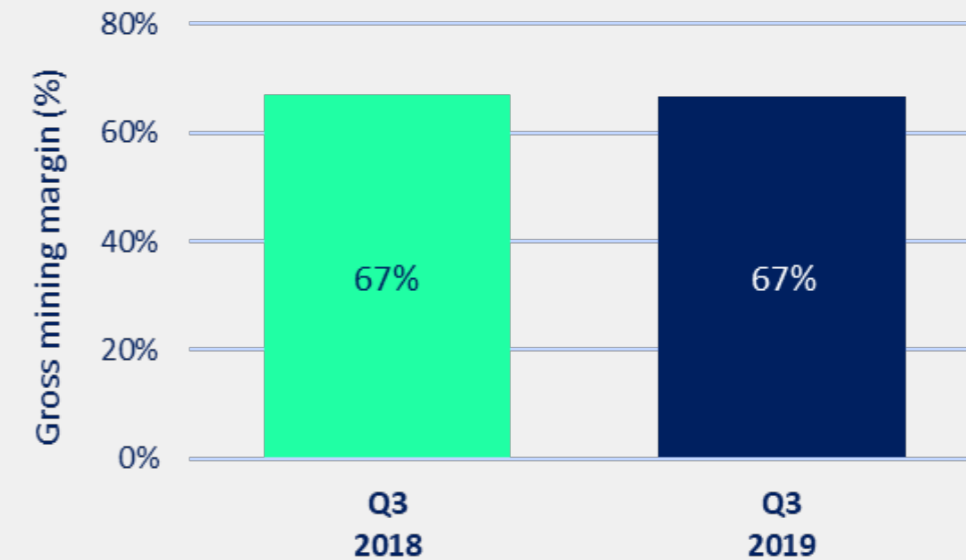
Financial highlights

\$3,482 USD / Bitcoin Break-even ⁽¹⁾ cost of producing 1 Bitcoin

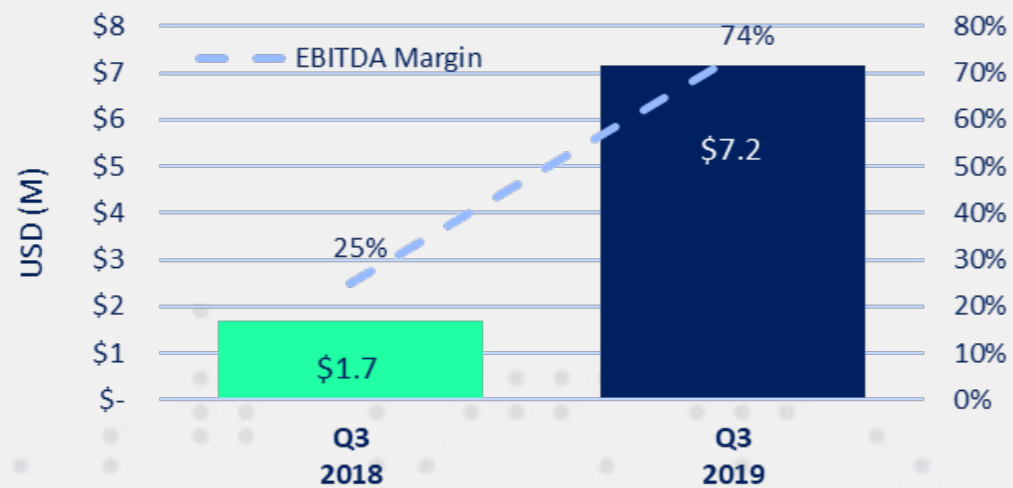
Revenue*



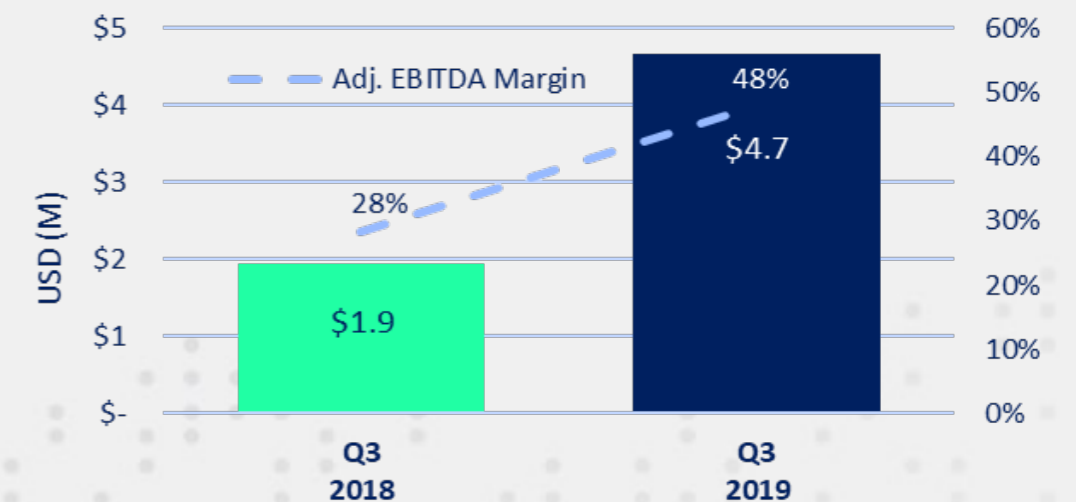
Gross Mining Margin ⁽³⁾



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.

⁽¹⁾ Average break-even cost of producing 1 Bitcoin based on electricity cost only during the period from Jul. 1 to Sep. 30, 2019.

⁽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.

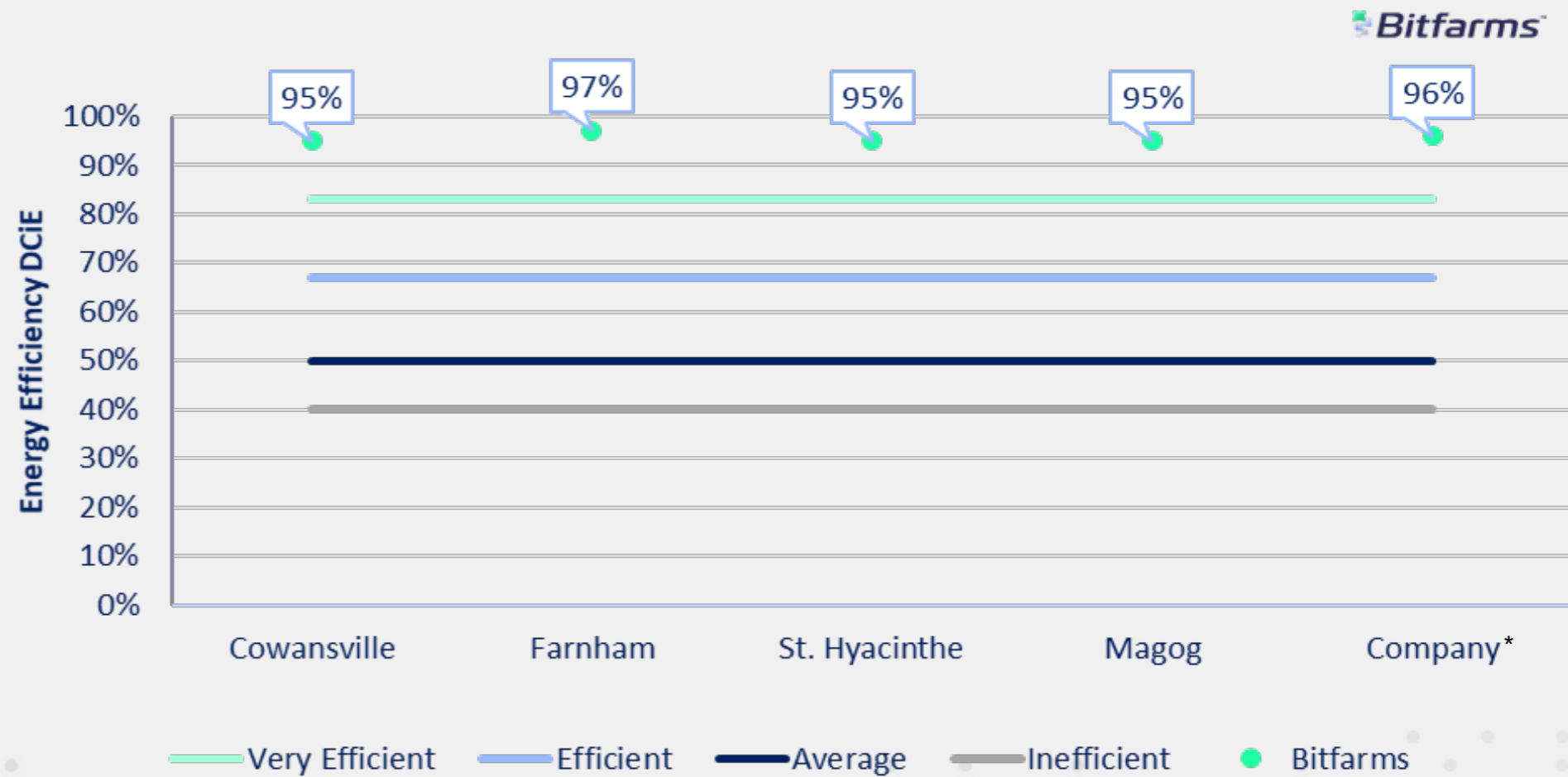
⁽⁴⁾ Adjusted EBITDA defined as EBITDA adjusted to exclude: (i) share-based compensation; (ii) non-cash finance expenses; (iii) asset impairment charges; and (iv) other non-cash expenses. Adjusted EBITDA is a non-IFRS performance measure. See slide 3.

Power usage efficiency

96%

of all electricity consumed by Bitfarms' in Q3 2019 was used for computing power

Data Center Infrastructure Efficiency during Q3



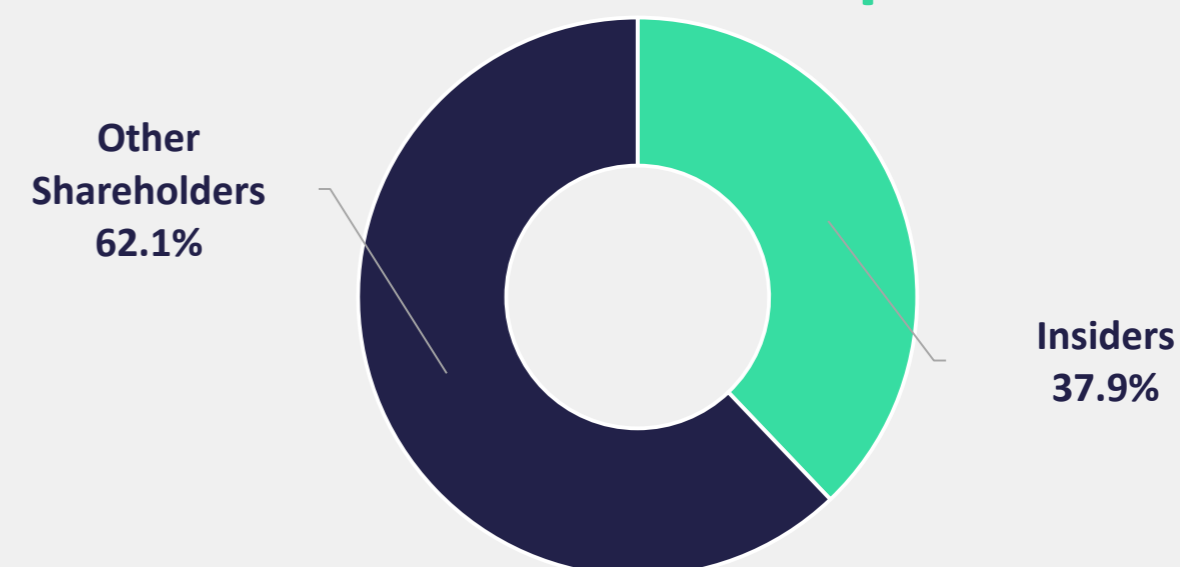
** Start of operations in Sherbrooke on August 21th, 2019. As actual electricity usage information has not yet been received, it has been excluded from Bitfarms' overall PUE.*

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>Q3 2019</u>
Cash & Cash Equivalents	\$2.5M
Other Current Assets	\$2.2M
Total Current Assets	\$4.7M
PP&E and Intangible Assets	\$35.7M
LT Deposits & Advanced Payments on Equipment	\$4.8M
ROU Assets	\$5.9M
Embedded Derivative	\$0.4M
Total Assets	\$51.5M
AP, Accrued Liabilities & Other	\$2.6M
Current Maturities of LTD & Lease Liability	\$1.5M
Total Current Liabilities	\$4.1M
Long-term Debt	\$14.7M
Lease Liability & Other	\$5.5M
Total Liabilities	\$24.3M
Total Shareholder Equity	\$27.2M
Total Liabilities & Shareholder Equity	\$51.5M

Bitfarms™ ownership



TICKER
TSXV:BITF*

Share Price ⁽¹⁾ \$0.53
Shares O/S ⁽²⁾ 83.6M

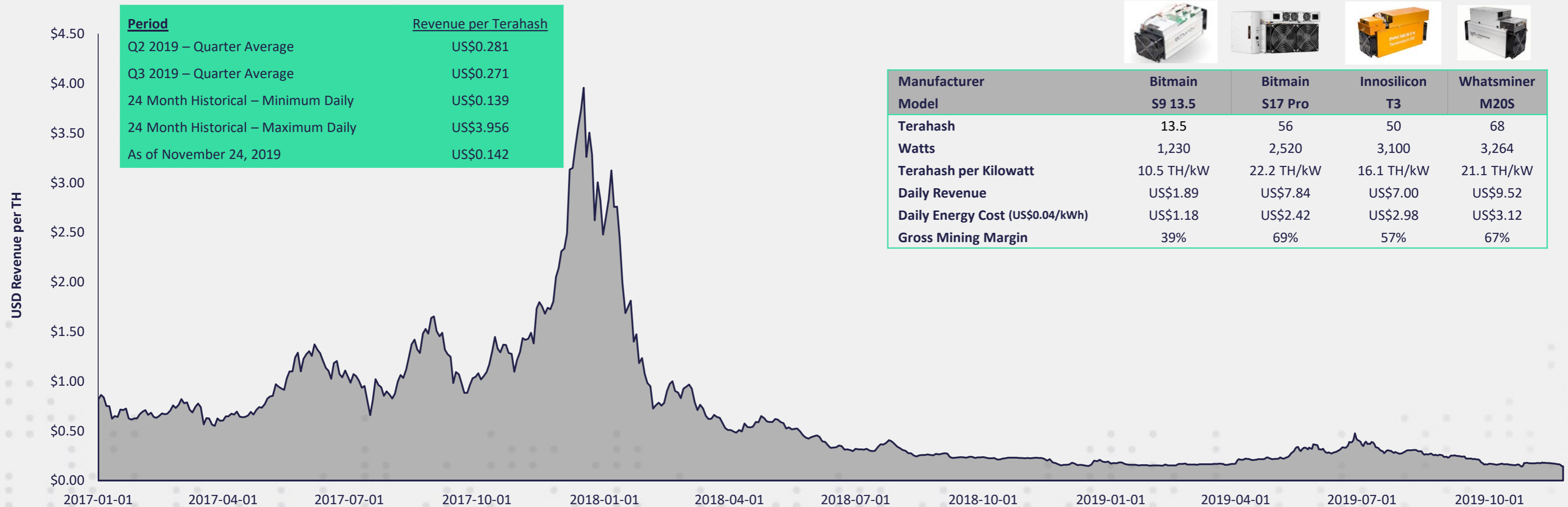
Market Capitalization \$44.3M

*All figures expressed in Canadian dollars.

⁽¹⁾Based on TSXV closing share price as of November 22, 2019

⁽²⁾As of November 22, 2019.

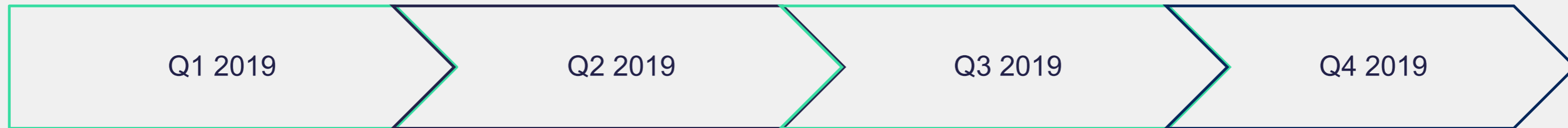
Revenue per terahash & current hardware



As of November 24, 2019.

Source: https://bitinfocharts.com/comparison/bitcoin-mining_profitability.html#1y

2019 operational developments



- Loan financing announcement US\$20M
- 1st US\$5M tranche
- Optimization of (4) existing data centres
- Installation of mining hardware at Magog

- 2nd & 3rd US\$5M tranches
- Purchase agreement for US\$4.4M new generation, higher efficiency mining hardware for our expansion
- Began construction and installation of 30 MW of electrical infrastructure (Phase 1 & 2) of Sherbrooke, Québec.

- 4th US\$5M tranche
- Purchase agreement for US\$5.7M new generation, higher efficiency mining hardware for our expansion
- Announced delivery of ~7,600 new generation miners which will generate ~347 PH/s of new computing power
- Installation of 4,750 new generation mining hardware at Sherbrooke data centre, Phase 1 and some Phase 2

- Announced delivery of 2,250 new generation miners which will generate ~153PH/s of new computing power
- Installation of new generation mining hardware at Sherbrooke data centre, Phase 2
- Growth of 605 PH/s, or 291% increase to computational hash power since January 1, 2019.

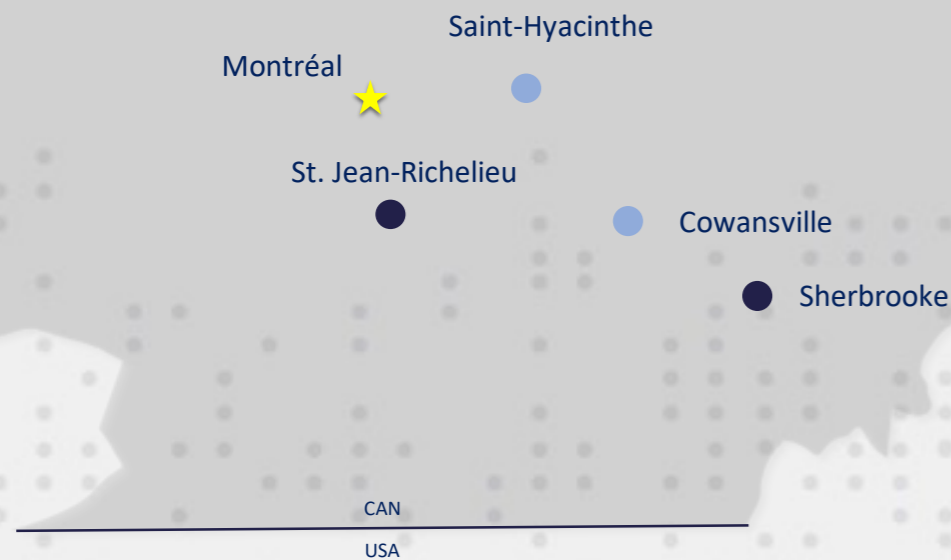
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Growth Strategy


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Expansion pipeline

95.5 MW; >2 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 data centre infrastructure supporting +29,000 miners installed across 5 operating facilities w/in Quebec, Canada
- Near-term installed computing capacity of 813 petahash powered by 56.8 MW (~14.4 petahash per MW – A leader in the public markets)
- 100% ASIC hardware dedicated to the Bitcoin network
- Infrastructure and hash power 100% and ~98% owned, respectively
- Mining facilities powered by 100% green hydroelectricity at an average price of approximately US\$0.04 / kWh
- Large contracted power portfolio totaling 160MW

Funded & Growing – **US\$20M Debt Facility in March 2019**

- First Canadian miner to raise significant capital in 2019
- Fully funded 5th computing centre to be fully online in Q4 2019 with 30MW powering new generation mining hardware

Leading cost efficiency through **scale, vertical integration and in-house operational excellence**

- Acquired Volta, 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 on 10-second intervals 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 (St-Jean) with staff trained in China by leading hardware manufacturer

Audited by one of the **“Big Four”**

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

Strong, experienced **management team with veteran data centre and capital markets expertise**



TSXV: BITF

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