



Bitfarms Announces Consolidation of 100% Ownership of its Operating Entity

Toronto, Ontario and Brossard, Quebec (August 12, 2019) - Bitfarms Ltd. (“**Bitfarms**”, or the “**Company**”) (TSXV: BITF) is pleased to announce it has reached an agreement to acquire 100% beneficial ownership of its operating entity, Backbone Hosting Solutions Inc. (“**Backbone**”).

Pursuant to the terms of the agreement entered into by the shareholders of Backbone, Bitfarms will acquire an aggregate of 26,295,655 class A voting common shares of Backbone (“**Purchased Shares**”), being the remaining 39.3% of the issued and outstanding shares of Backbone not already owned by Bitfarms. As of the date hereof, Bitfarms, directly or indirectly, owns an aggregate of 60.7% of the issued and outstanding shares of Backbone. As consideration for the Purchased Shares, Bitfarms will issue one common share in exchange for each Purchased Share, for an aggregate of 26,295,655 newly issued shares of Bitfarms. The transaction has received conditional listing approval from the TSX Venture Exchange (“**TSXV**”), however, the acquisition of the Purchased Shares is subject to certain customary conditions, including meeting the final listing conditions of the TSXV. Bitfarms expects to close the acquisition of the Purchased Shares on or about August 15, 2019.

“We are pleased to announce the consolidation of the remaining ownership in Backbone. This transaction will result in a simplified capital structure, consolidating 100% ownership of cash flow from operations from subsidiaries of the Company into Bitfarms. We believe the transaction is accretive to all shareholders of the Company and investors will benefit from the increased public float”, adds Wes Fulford, Chief Executive Officer of Bitfarms.

About Bitfarms Ltd.

Through its ownership of Backbone Hosting Solutions Inc., the Company operates blockchain computing centres that power the global decentralized financial economy. Bitfarms provides computing power to cryptocurrency networks such as Bitcoin, earning fees from each network for securing and processing transactions. Powered by clean and competitively priced hydroelectricity, Bitfarms operates four facilities in Québec, Canada which currently generate approximately 308 petahash per second of installed computational power. Bitfarms’ strong and experienced management team is comprised of veteran industrial-scale data center operators and capital markets professionals, focused on building infrastructure for the future by developing and hosting the ecosystem growing around blockchain-based technologies.

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Forward-Looking Statements

This news release contains certain "forward-looking information" within the meaning of applicable securities laws that are based on expectations, estimates and projections as at the date of this news release. 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.

The information in this release and the 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 including the closing the acquisition of the Purchased Shares and plans and future actions following the acquisition of the Purchased Shares, as well as Bitfarms' ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate the current digital currency inventory, fluctuations in digital currency prices and the resulting significant negative impact on Bitfarms' operations, the volatility of digital currency prices, the construction and operation of blockchain infrastructure as currently planned, and no regulation or law that will prevent Bitfarms from operating its business.