



TSX-V: BITF/OTC: BFARF

Q4 2020 CONSOLIDATED FINANCIAL
RESULTS

March 25, 2021

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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 Backbone segment of the Company. “Gross mining margin” is defined as the percentage obtained when dividing Gross mining profit 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.

See “Reconciliation of Net Income to EBITDA and Adjusted EBITDA” for reconciliation of EBITDA and Adjusted EBITDA to net income in the Company’s 2020 Management’s Discussion & Analysis.

Webcast Presenters



Emiliano Grodzki

Chief Executive Officer

Mauro Ferrara

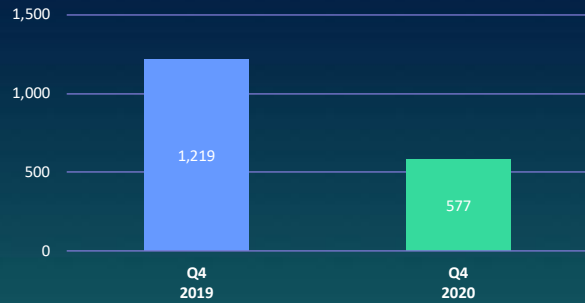
Interim Chief Financial Officer &
Corporate Secretary

Financial Highlights

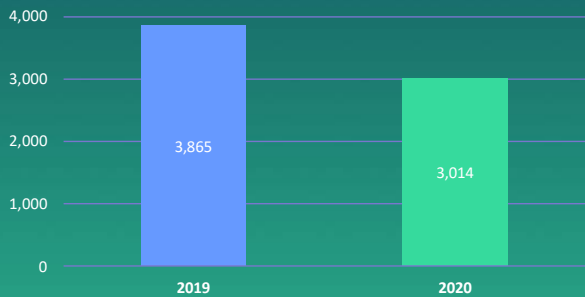
2020 Q4 CONSOLIDATED FINANCIAL RESULTS
March 25, 2021

Coins Mined & Hash Power Growth

Q4 Bitcoin Mined*

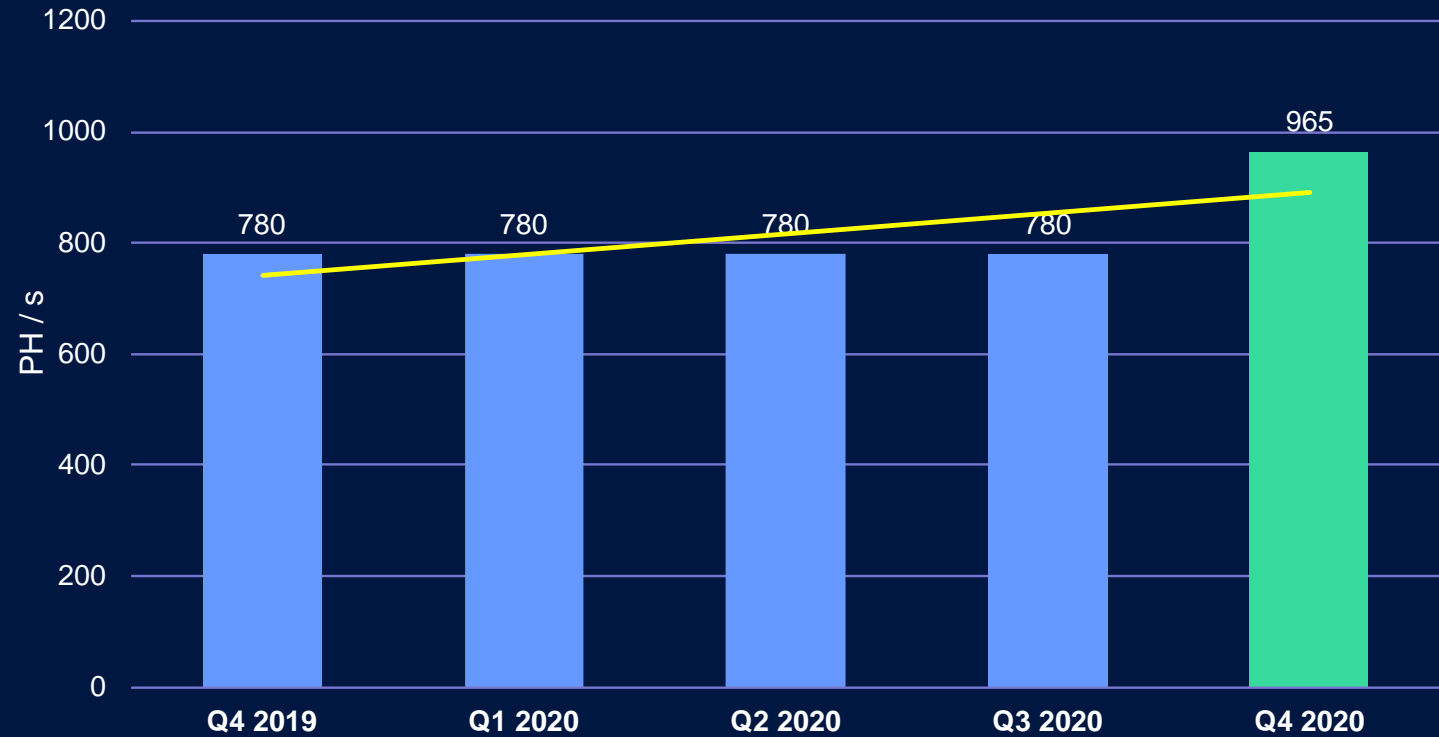


Full Year Bitcoin Mined*



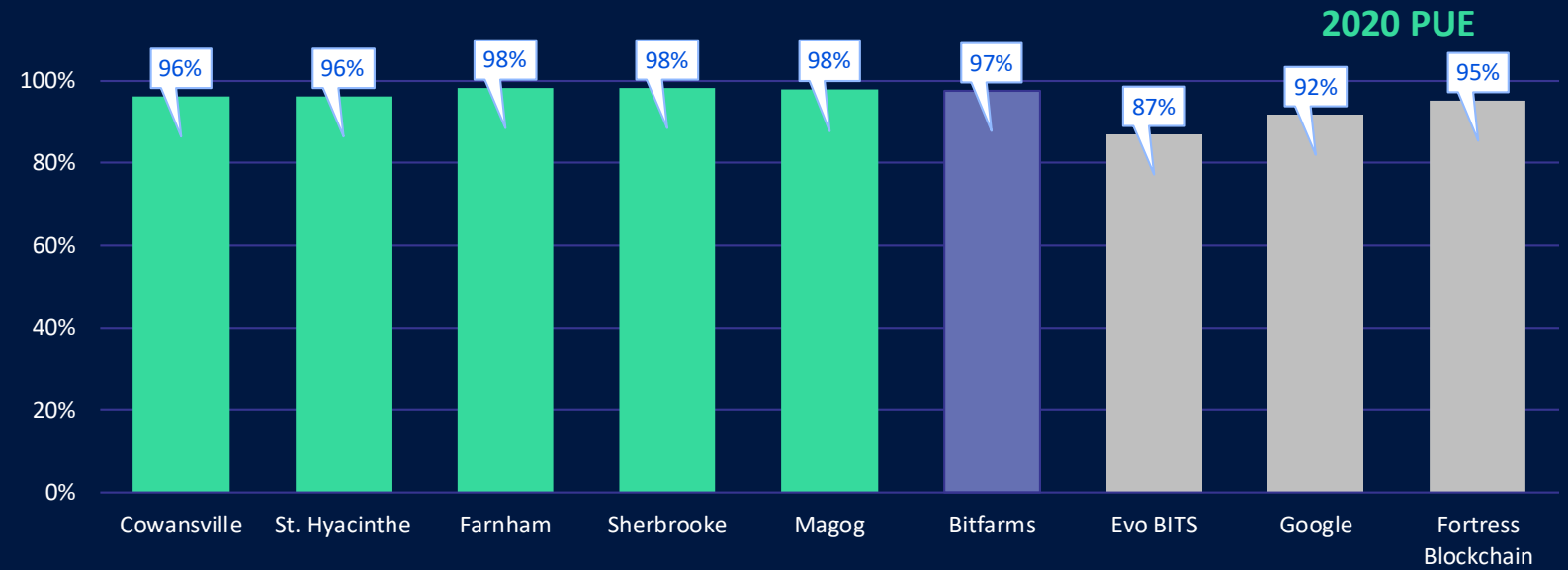
*Chart displays only Bitcoin mined. The Company also mined Litecoins in 2019 and Q1 2020, please refer to the notes to 2019 and 2020 consolidated financial statements for details on all Bitcoin and Litecoins mined.

Growth in operational hash power



- ❖ Hashrate based on standard operating mode. Miners are under-clocked to improve profitability depending on market conditions.
- ❖ Operational hash power is calculated based on end of period.

Power usage Efficiency



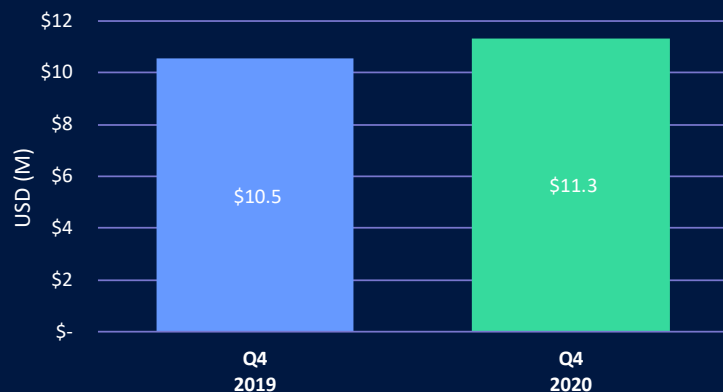
97%

of all electricity consumed by Bitfarms in Q4 2020 was used for computing power

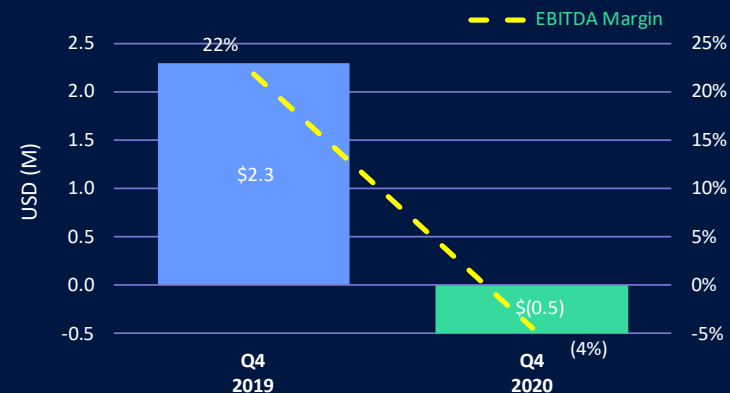
Q4 2020

Financial Highlights

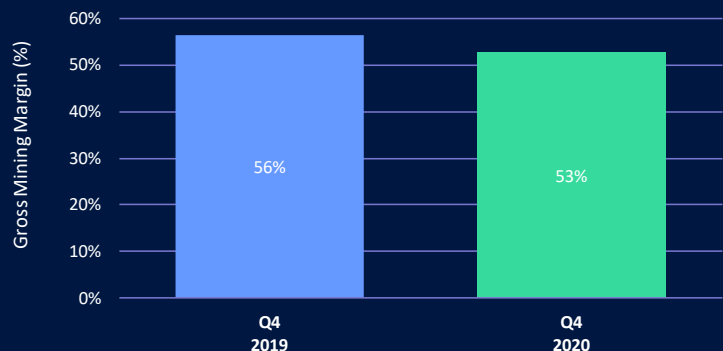
Revenue*



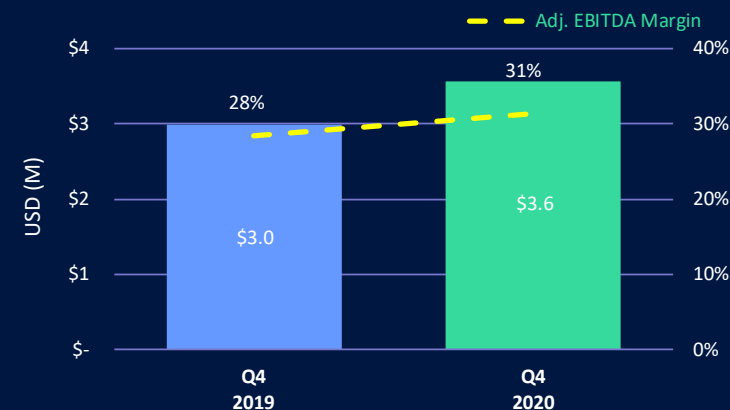
EBITDA (2)



Gross Mining Margin (3)



Adjusted EBITDA (4)



*Revenue is recognized only when cryptocurrency is received in exchange for its 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. Net loss for Q4 2020 was \$5.4M versus a net income of \$1.1M in Q4 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.

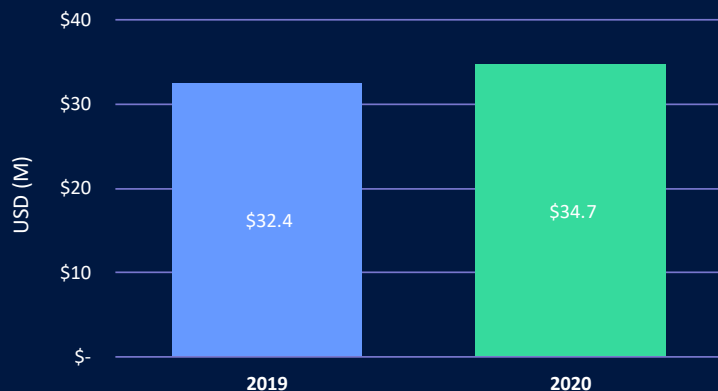
(3) Gross mining margin is calculated as revenue less mining energy and infrastructure costs for Backbone standalone, divided by revenue. Gross mining margin is a non-IFRS performance measure. See slide 3.

(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.

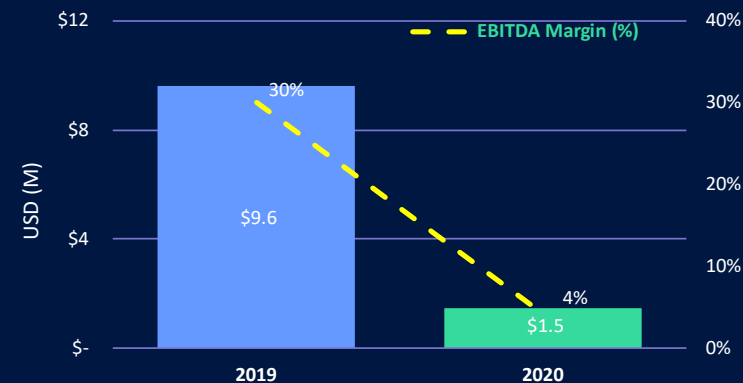
FY 2020

Financial Highlights

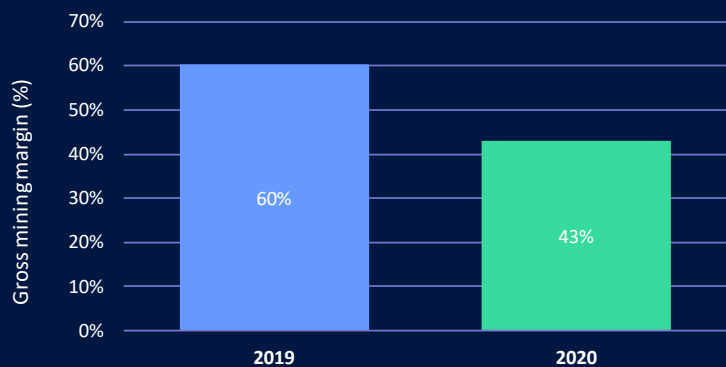
Revenue *



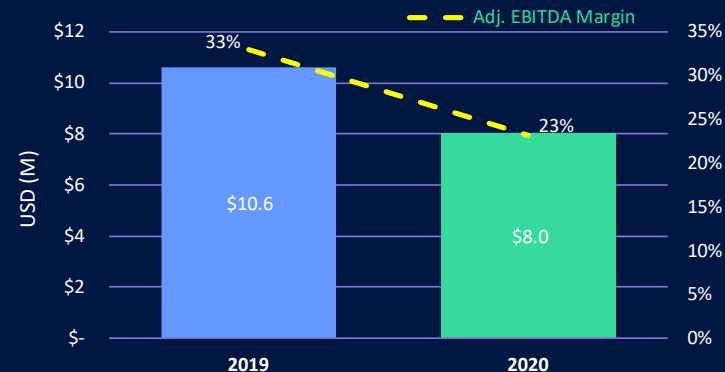
EBITDA (2)



Gross Mining Margin (3)



Adjusted EBITDA (4)



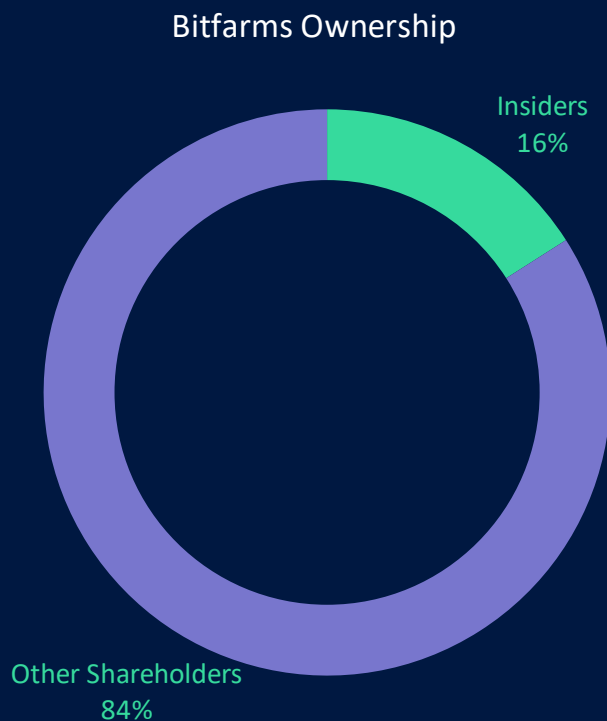
*Revenue is recognized only when cryptocurrency is received in exchange for its mining activities. Unsold cryptocurrency is accounted as an intangible asset under the revaluation model, initially at fair value upon receipt, with subsequent revaluation losses being recorded through profit or loss. Revaluation gains are recorded through other comprehensive income, or profit or loss to the extent that they reverse a prior revaluation loss. Net loss for 2020 was \$16.3M versus net income of \$2.1M in 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.

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Financial Position & Capital Structure



TICKER:

	TSXV:BITF
	*
Share Price ⁽¹⁾	\$6.86
Shares O/S ⁽²⁾	144.6M
Market Capitalization	\$992.0M

(\$USD)	FY 2020
Cash and Cash Equivalents	\$5.9M
Current Portion of Embedded Derivative	\$1.4M
Other Current Assets	\$1.8M
Current Assets	\$9.2M
PP&E and Intangible Assets	\$36.2M
Long-Term Deposits & Equipment Prepayments	\$1M
ROU Assets	\$5.4M
Total Assets	\$51.7M
AP, Accrued Liabilities & Others	\$3M
Current Maturities of LTD & Lease Liability	\$20.8M
Warrant Liabilities	\$4.7M
Total Current Liabilities	\$28.5M
Long-term Debt	\$0.2M
Lease Liability & Other	\$7.6M
Total Liabilities	\$36.3M
Shareholder Equity	\$15.4M
Total Liabilities & Shareholder Equity	\$51.7M

*All figures expressed in Canadian dollars.

(1)Based on TSXV closing share price as of March 24, 2021

(2)As of March 24, 2021

Recent and Subsequent Events


Notable Events - Q1 2021 to date

- ❖ Raised CAD\$80M via private placements with US institutional investors
- ❖ Repaid Dominion term loan in its entirety – Debt free balance sheet
- ❖ Acquired miners during the quarter, increasing hash rate from 965PH/s at the end of 2020 to over 1.2EH/s as of today
- ❖ Commenced a Bitcoin retention pilot program – As of March 23rd, holding 489 Bitcoin, approximate value over USD\$27.0M
- ❖ Started executing on infrastructure expansion projects for approximately 80MW in Quebec to come on-line over the course of 2021 to accommodate additional mining rigs
- ❖ Placed orders for 48,000 units with our supplier of choice, MicroBT, delivery starting in January 2022

Growth Strategy

Expansion Pipeline

EXPANSION OF OPERATIONS - 2020

Saint-Hyacinthe Phase 2, Quebec, Canada 

Facility Size

 40k Sq. Ft

Power Capacity

 5 MW

Property info

 Leased

Energy Source

 Hydroelectric


EXPANSION OF OPERATION - 2021

Cowansville Phase 2, Quebec, Canada 

Facility Size¹

 25k Sq. Ft


Power Capacity


 13 MW

Property info

 Leased

Energy Source

 Hydroelectric

Sherbrooke Phase 3-6, Quebec, Canada 


Facility Size

 80K Sq. Ft

Power Capacity

 66 MW

Property info

 Owned & Leased

Energy Source

 Hydroelectric

1-Facility size includes Phase 1 & Phase 2



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