Q2 2024 Prepared Remarks

Tracy Krumme

Thank you. Good morning, everyone, and welcome to Bitfarms' Second Quarter 2024 Conference Call. With me on the call today is Ben Gagnon, Chief Executive Officer, and Jeff Lucas, Chief Financial Officer.

Before we begin, please note this call is being webcast with an accompanying presentation. Today's press release and our presentation can be accessed at our website, Bitfarms.com, under the Investor section.

Turning to slide 2 - I'll remind everyone that certain forward-looking statements will be made during the call and that future results could differ from those implied in this statement. The forward-looking information is based on certain assumptions and is subject to risks and uncertainties, and I invite you to consult Bitfarms' MD&A for a complete list.

Please note that references will be made to certain measures not recognized under IFRS and therefore may not be comparable to similar measures presented by other companies. We invite listeners to refer to today's press release and our MD&A for definitions of the aforementioned non-IFRS measures and their reconciliations to IFRS measures. Please note that all financial references are denominated in U.S. dollars, unless otherwise noted.

Importantly, I would like to highlight that we are unable to comment on the ongoing legal process with Riot Platforms outside of what has already been disclosed.

I would also like to add that we will be attending the following upcoming equity conferences:

- H.C. Wainwright's 26th Annual Global Investment Conference, taking place in New York City from September 9th-11th, and the
- AIM Summit in Dubai, taking place from October 21-22nd

If anyone wants to meet with us on those dates, please contact me or a sales representative from the firm.

And now, turning to slide 3, it is my pleasure to turn the call over to Ben Gagnon, Chief Executive Officer.

Ben, please go ahead….

Ben Gagnon

Thank you, Tracy, and thank you everyone for joining us today.

I am very excited to have stepped up into the Chief Executive Officer role. This has been my personal ambition for the past several years and it is truly an honor. As this is my first conference call as CEO, I would like to give a quick background on myself for those of you who may not know me. 14 years ago I discovered Bitcoin and 9 years ago I began working full time in the mining industry. I started from the very bottom, investing every dollar I had to build and operate a mining facility in mainland China of my own design. Since then, I have been through multiple bull and bear markets, 3 halving epochs and have seen and been involved with every aspect of this industry from the mining floor to the C-suite of one of the largest publicly traded mining companies globally.

I have been with Bitfarms for 5 years and for the last 3 years served the company as Chief Mining Officer where I oversaw mining operations and strategy and worked intimately with every department in the company. I am a Proof of Work CEO and the transition into this new role has been smooth and well received among our team and external stakeholders.

Turning to slide 4:

Over the past 30 days, since my appointment, I have set aside time to speak with every key employee at Bitfarms, in addition to all of our key partners and many of our investors. From these conversations, and from my first month in the new role, I would like to share the following key points:

- We are excellent builders and operators. Our team is highly skilled and passionate, but more importantly, they believe in the Bitfarms vision. From site teams through senior management, we are happy to stay up late and get up early in the morning to do the hard work that is necessary as a miner. Bitfarms is a meritocracy, and a lot of our staff have risen through the ranks due to their proof of work. Everyone here is incredibly excited to be a part of building the new Bitfarms and there is so much energy in the air right now that we could probably mine a block with it.
- This energy and excitement is also shared by our external stakeholders. Over the last few years, I have had the pleasure of representing the company with sell side analysts,

institutional investors and in public speaking forums during which time I have gotten to know many of you and many of you have gotten to know me. I am a known and trusted entity.

- Our energy portfolio and strategic approach to growth sets us apart. We manage what I believe is the best and largest, internationally diversified portfolio of energy contracts in the Bitcoin data center business. We have been able to organically grow our footprint globally while adhering to the decentralization ethos that is core to Bitcoin and the profit maximalism that is core to Bitfarms. Our exposure to different geographies – different sources of energy and providers, different climates, different government authorities - significantly derisks our portfolio and we lead nearly every market we operate in at scale.
- Lastly, the opportunities ahead of us to continue to grow and create value for shareholders are second to none. We believe that we represent one of the best opportunities for investors to gain high quality exposure to Bitcoin's upside through our fleet upgrade program as we continue to scale up our highly efficient operations and as we continue to gain market share.

That said, there are always ways to improve and to grow more efficiently and more effectively.

- While we are growing at a tremendous rate, I have identified areas where our organizational structure can be revamped to better match the scale at which we are operating as well as our ambitions to grow into the future. In the coming weeks we will be reorganizing some of our teams to provide an even stronger foundation that supports an accelerated growth trajectory.
- Additionally, sometimes in the pursuit of growth it is easy to miss out on smaller optimization opportunities. One question I asked every employee was what is the low hanging fruit that you see? Numerous team members throughout the organization have suggested sometimes simple but powerful ideas to improve and optimize performance. In addition to our focus on growth we are also implementing systems that will drive continuous optimization throughout the organization with a focus on cost-effectiveness.

It is important to highlight that our 2024 growth plan and growth targets are not changing with my appointment to CEO. As Chief Mining Officer, I was the key architect behind our fleet upgrade and growth plan this year, and we remain committed to reaching 21 EH/s and 21 w/TH by year-end. That said, we are not stopping at 21 EH/s. I am also laser focused on growth into 2025 and beyond. With our new strategic plan, the board has determined to end the strategic alternatives review process. The company is certain that the best path forward to maximize value for all shareholders is to move forward with our standalone plan.

While it is too early to provide specifics today, I'd like to comment on some of the key initiatives I will be focused on moving forward:

- First, I am committed to continued diversification of our portfolio – both geographic diversification and diversifying beyond Bitcoin mining. Our greatest asset is our portfolio of competitively priced energy assets. As portfolio managers we are constantly reevaluating how to maximize the value of these assets. This does not mean pivoting away from Bitcoin but expanding into synergistic business lines that will increase our profitability and make us better bitcoin miners. Some examples include:

  - HPC/AI
  - Heat recapturing, recycling
  - Energy generation and energy trading.

To reiterate: these activities will not detract from our bitcoin mining operations, but rather be integrated into our portfolio in order to make us more efficient and more profitable.

- Second, over the past two years we have focused on developing our international portfolio. In 2025 and beyond we will be largely focusing on increasing our US exposure. We anticipate that our recently announced deal in Sharon, PA will just be the first of many new sites in the U.S.
- Third, we will be pursuing more miner purchases with creative structures that give strategic advantage to Bitfarms. By way of example last year, we were the first mining company to negotiate and announce a miner purchase option with Bitmain that gave us the right but not the obligation to purchase a significant amount of miners at locked in competitive prices. This structure was so advantageous that nearly every one of our peers followed suit with their own option in the weeks and months after we announced. As we look to the new highly efficient miner models currently being announced, investors can expect Bitfarms to continue leading the industry in utilizing and developing new highly accretive structures that maximize flexibility and value creation for our shareholders.

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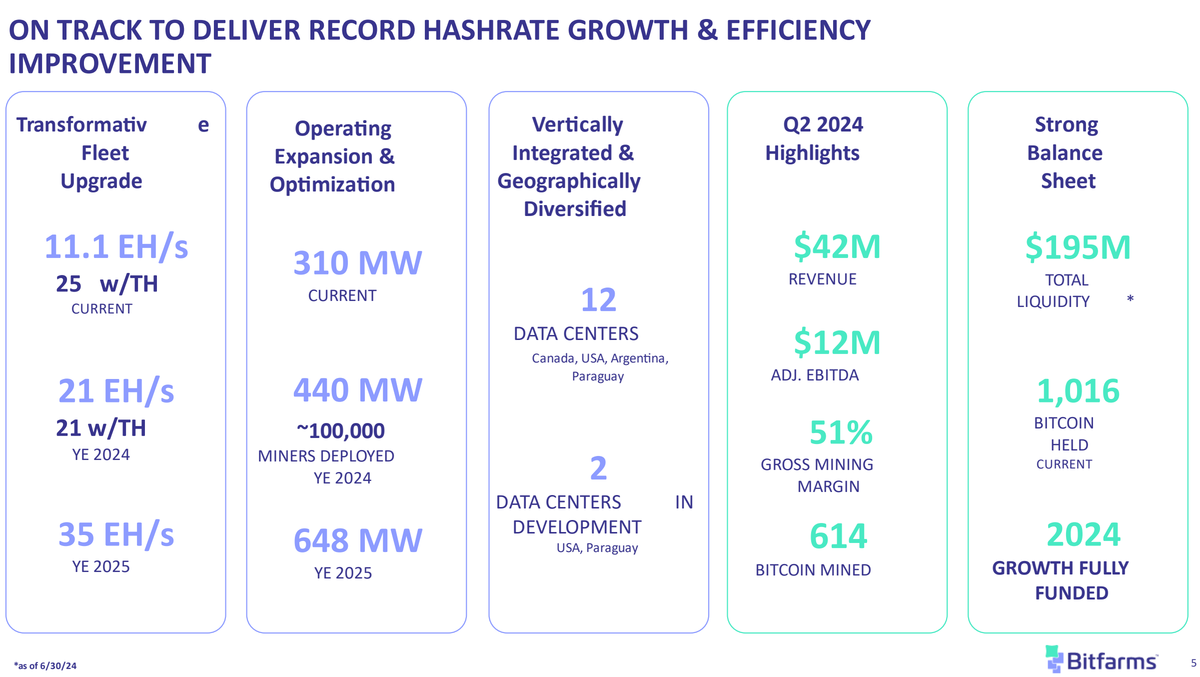
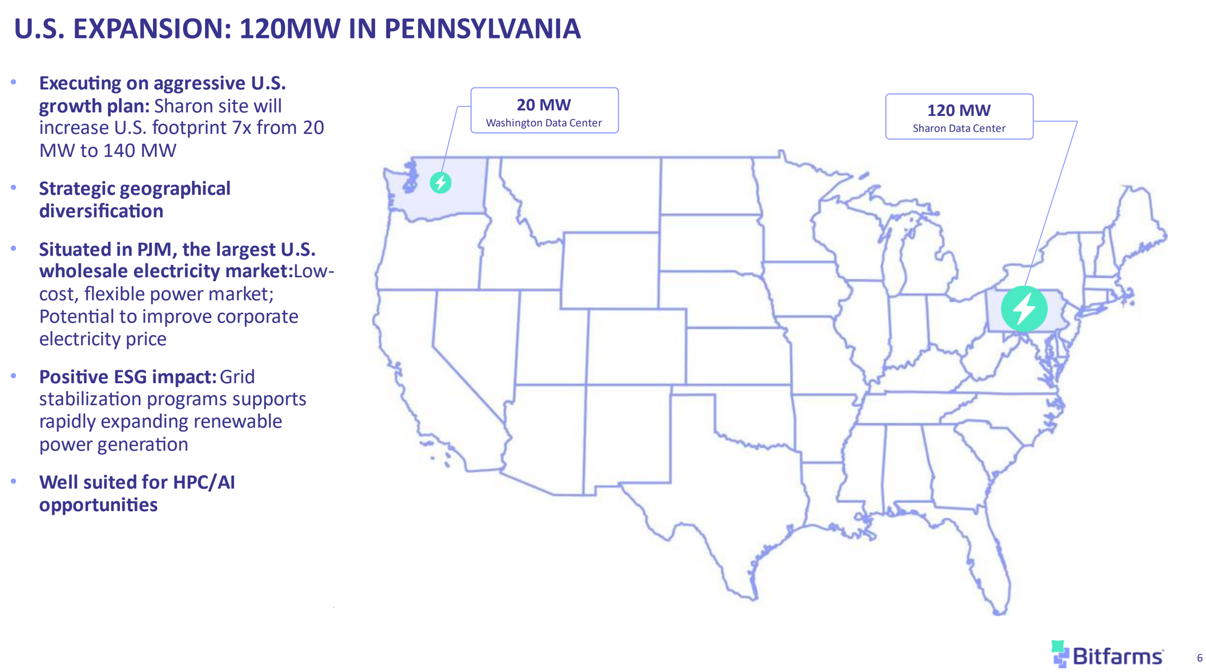


We are on track to deliver record hashrate growth and efficiency improvements in 2024, and we continued to execute on this growth plan in Q2. Here you'll see a snapshot of where we are and where we plan to be by year-end 2024 and 2025. In Q2, we increased our 2025 power capacity by 220 MW with agreements in Paraguay and the US. We grew our hashrate 70% from Q1, and hashrate growth will continue to accelerate in the second half of 2024 and into 2025. I'll let Jeff speak to the financial results in more detail, but I would like to highlight that we have a strong balance sheet with $195M total liquidity at June 30th, and a 2024 growth plan that is fully funded.

Turning to slide 6: Let's talk a little bit more about our new US site, Sharon.



We are excited about this site for a number of reasons:

- First, Sharon will be our first mega site in the US. With over 120 MW of total capacity, this single location will increase our US footprint 7x from 20 MW to 140 MW and kick start our aggressive US growth plan.
- Second, Sharon is located in western Pennsylvania which is close to major metropolitan areas Cleveland, Pittsburgh, Philadelphia and New York and in close proximity to major fiber lines. Pennsylvania is a conservative business friendly jurisdiction with a notably pro-Bitcoin and pro-energy democratic governor.
- Third, the PJM grid is the largest wholesale electricity market in the U.S., offering abundant access to competitively priced, and flexible power that is attractive for multiple uses including Bitcoin mining, energy trading and even HPC/AI.
- Fourth, for Bitcoin mining specifically, the site supports 8 EH/s+ with the latest generation miners, and there are significant curtailment, demand-response & energy trading

opportunities available to effectively hedge our energy costs and bring down the total cost of power.

- Further As PJM is rapidly adding renewable capacity and significantly contributing to the decarbonization of the grid, these grid stabilization programs make the site both economically and environmentally sustainable.
- Given these significant advantages, we are actively engaged in assessing additional new opportunities to expand our presence within the PJM region.

In addition, based on numerous conversations with potential partners, we believe this site is very well-suited for HPC/AI

- One, the PJM market has very reliable power and the grid is much less prone to the weather-related stresses that you'll see in Texas.
- Two, Accessible fibre lines support connectivity and redundancy in close proximity to the four major metropolitan areas I mentioned previously.
- Three, the site is located in a deregulated market and is not tied to any one power provider, providing unparalleled flexibility.
- Four, we have not yet started construction on the site and so we maintain 100% flexibility in terms of the build-out plan. We have a clean slate and would not have to incur retrofitting expenses. This also allows for an expedited deployment schedule capable of meeting AI customers' aggressive timelines.
- We have in fact received so much interest over the past few weeks for US sites in this 100 MW sweet spot that I'd like to spend a minute here discussing the HPC/AI opportunity.

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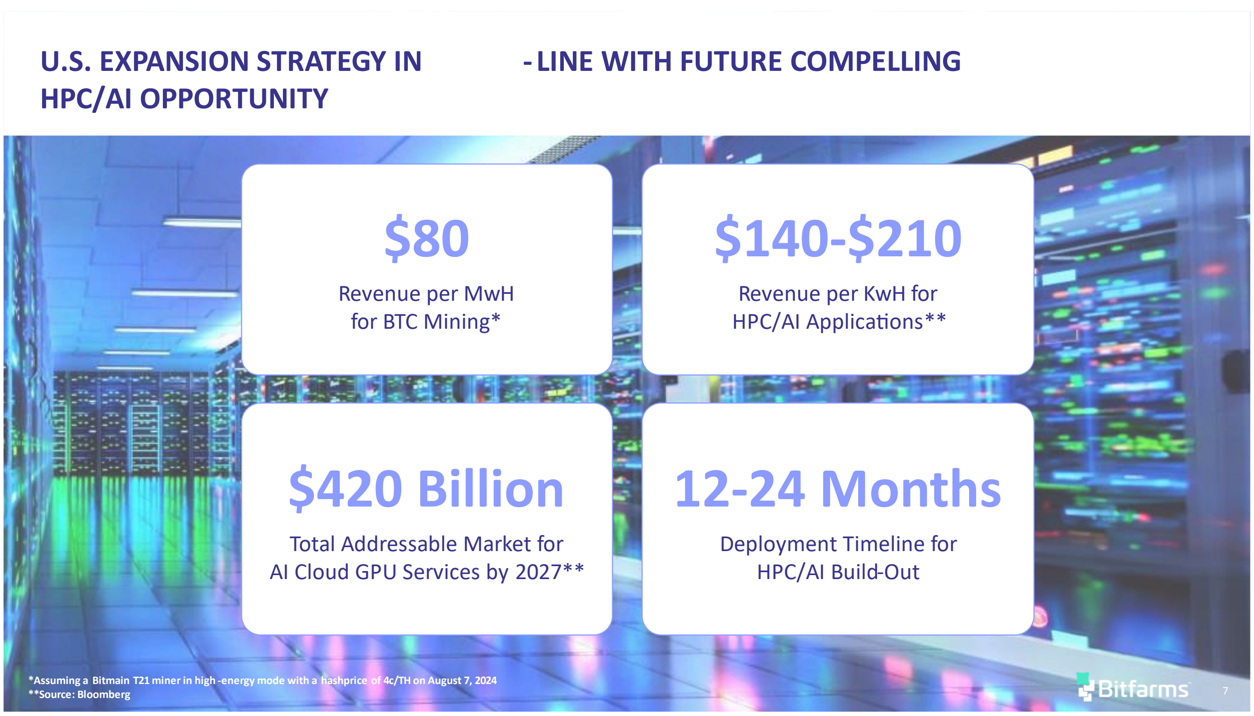

The HPC/AI opportunity is a very exciting one that has been monopolizing the headlines for the past few months and rightfully so. Bloomberg and UBS cite a total addressable market for the AI Cloud GPU services of $28 Billion in 2022 growing to $420 billion in 2027, with related AI infrastructure growing 8x from $26 billion to $195 billion over the same time period. We own and operate a portfolio of high-quality energy assets that are currently monetized through Bitcoin mining. When we take a step back and look at how we get the most value and utilization out of our portfolio of energy assets, we believe that HPC/AI has real potential. Recent HPC/AI deals are boasting revenues from approximately $140-210 per MWh these are potentially very attractive and stable high margin revenue streams not correlated to Bitcoin prices. Comparatively Bitcoin mining with T21 miners yesterday on Aug 7th yielded approximately $80 per MWh. Properly timed, we believe that investments in Bitcoin Mining still provide a better return on invested capital compared to HPC/AI due to their materially lower capex requirements and upside exposure to Bitcoin prices.

That said, we believe that the most attractive opportunity is a combination of the 2, with a potential integration in Q4 2025 or Q1 2026. This would potentially provide us increased diversification and exposure to varied revenue streams at what has historically been the top of the Bitcoin bull market cycle and aligns with HPC customers timelines.

We are still in the early stages of evaluating the opportunities here, but we believe that our North American sites have the potential to be very-well suited for these activities. To help us evaluate and develop this vertical, we are currently recruiting HPC/AI talent, ensuring we have the expertise to capitalize on this huge opportunity. Additionally, our very active corporate development team is constantly assessing new energy assets, and they are now evaluating all opportunities through multiple lenses, including the HPC/AI lens. The key thing to drive home here is that HPC/AI will not replace bitcoin mining for us, but rather seek to complement our current operations in order to create the most upside and value for our shareholders in line with historical market cycles.

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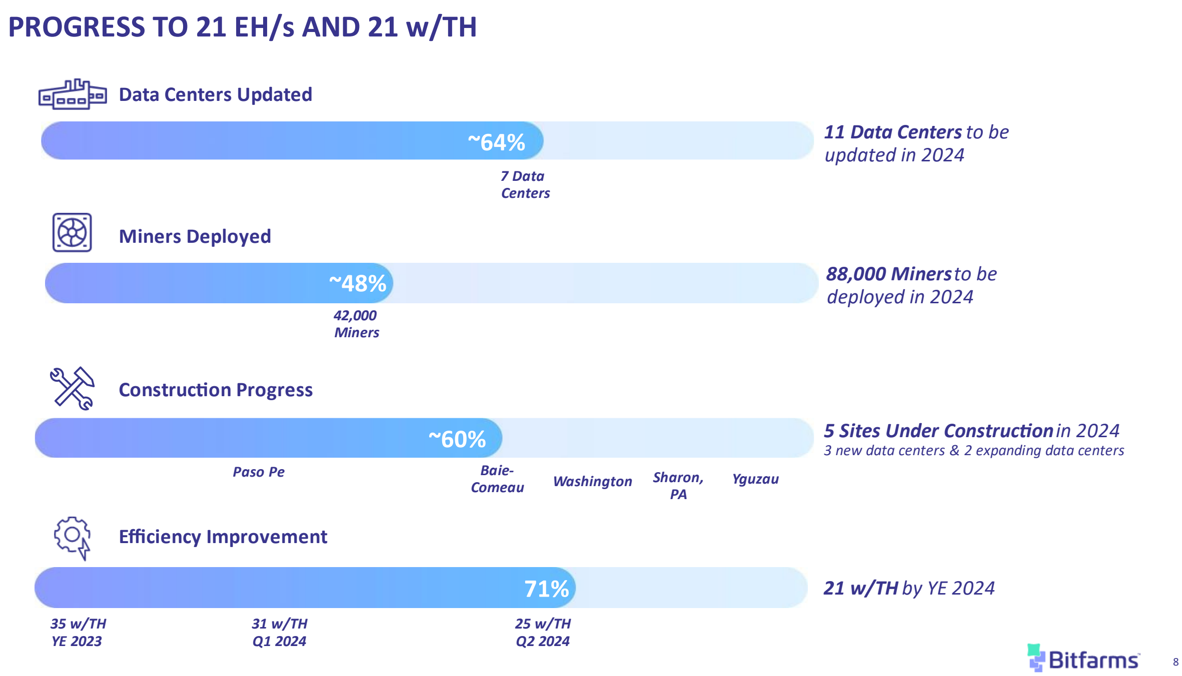


I would now like to switch gears and tell you about our progress to 21 EH/s and 21 w/TH year to date. While we did experience temporary delays in hitting our mid-year target of 12 EH/s we did hit our efficiency target of 25 w/th representing a 19% improvement quarter over quarter and a 29% improvement year to date.

The 12 EH/s milestone was delayed due to some temporary equipment delays as well as a batch of nearly 3,000 miners, representing approximately 700 PH/s that underperformed in even low temperatures. The delayed equipment has since been received and installed and these issues have been addressed with Bitmain and are not expected to be present in future batches of miners including August deliveries. Bitmain is rapidly replacing these miners with new units, at their expense. These new miners are expected to arrive and be installed in 3 weeks.

Our facility upgrades have progressed rapidly and nearly all of our sites in Canada have now been upgraded, resulting in up to a 52% improvement in energy efficiency per site and a 29% improvement in energy efficiency across the company.

With 7 of 11 data center upgrades complete, the only remaining facilities to be upgraded are Villa Rica, Magog, Washington and Argentina. PDUs are currently being shipped to Villa Rica and Magog and new T21 miners are scheduled to be sent in the coming days with upgrades at both sites scheduled to be completed in September. Works are also progressing in Washington which is both a data center upgrade and an expansion. Final works are scheduled to be completed in November.

Lastly, in Argentina we are currently working on a revised data center upgrade to marginally expand the total capacity at the site from 54 to 62 MW. With this expansion to 62 MW we now expect this upgrade to be finalized in December or January. The first batch of PDUs and miners are being shipped to Argentina this month and we are scheduled to begin seeing improvements in hashrate and efficiency as early as October.

On miner deployments, we have now deployed approximately 48% or 42,000 of the 88,000 miners that we ordered for 2024. These miners were mostly deployed in facility upgrades and this replacement of our older less efficient hardware is largely responsible for our rapid improvements in energy efficiency year to date.

Roughly half of the remaining miners will be deployed in the 4 remaining data center upgrades just mentioned further improving our energy efficiency down to 21 w/TH. The other half will be deployed in our new constructions and will be responsible for most of the remaining hashrate growth to 21 EH/s.

In terms of construction progress, we've made significant strides to-date in 2024:

- I am pleased to report that our 70 MW site at Paso Pe is now fully online and is our largest site by both MWs and hashrate.
- Our 12 MW expansion in Baie Comeau is well under way and is on track to be energized in September.
- In Yguazu, we started the year with 100 MW contracted and have since doubled the contracted capacity to 200 MW. This site will represent the largest site in our portfolio in 2025. In terms of construction progress, we have now completed all of the necessary purchase orders and broken ground on 7 of the warehouses. We expect 100 MW to come online in December, contributing approximately 5 EH/s with 20 w/TH efficiency, and an additional 100 MW to come online in the first half of 2025.

Turning to slide 9:

CONSTRUCTION PROGRESS IN YGUAZU, PARAGUAY

I would like to share with you some aerial photos of Yguazu that show the tremendous progress we have made. 4 Months ago it was just a soy field and in 5 months it is expected to be between ½ and ¾ of a % of the entire Bitcoin network powered by 100% renewable energy. From breaking ground to energization the construction schedule is only 9 months, far faster than what is possible in the US. The rapid scale at which we are developing this site is unparalleled and is an incredible testament to our amazing team and capabilities.

Turning to slide 10:

STRENGTHENING BOARD WITH APPOINTMENT OF FANNY PHILIP

- Ms. Philip joins as an Independent Director & will also serve on the Audit & Compensation committees
- Recognized leader and advisor in digital assets and HPC; member of the Mining Committee of the Canadian Blockchain Consortium
- Accomplished finance executive with extensive background in audit, public company reporting, and M&A
- Professional Highlights
  - Currently serves as CFO of SOVIAGO, a European food production company
  - Founder of MTI Counseils, an accounting and outsourced CFO services consulting firm
  - Previously served as CFO and COO of SATO Technologies

I'd like to take a moment to welcome Fanny Philip to our Board of Directors. Fanny is a recognized expert in the blockchain technology field and an accomplished financial executive with an extensive background in audit, public company reporting, and M&A. Her skillset will be invaluable as we continue to drive organic and inorganic growth. Fanny represents our 5th director, 4 of which are now independent.

Turning to slide 11:

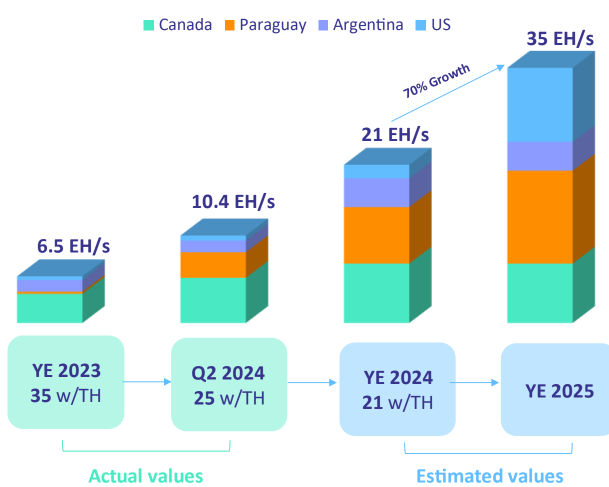
STRONG GROWTH IN 2024 AND 2025

2024 Growth Outperforms BTC Mining Industry

- ✓ 83% Y/Y operating capacity increase
- ✓ 40% Y/Y fleet efficiency improvement
- ✓ 3x Y/Y increase inhashrate

2025 Growth Driven by U.S. & Paraguay Expansion

- ✓ ~50% Y/Y operating capacity increase
- ✓ ~70% Y/Y increase inhashrate



Capturing upside with no debt, rapidly increasing hashrate, improving energy efficiency & cost reductions

I will close out with a summary of our impressive growth stats and trajectory for 2024 and 2025:

- In 2024, we will be tripling our hashrate, increasing our operating capacity by 83%, and improving our efficiency by over 40%. These are industry-leading benchmarks and numbers that I am incredibly proud of.
- We will continue to build on this growth in 2025. We've already added an additional 220 MW to our energy portfolio, supporting over 35 EH/s, and stay tuned cause there is more to come.

Turning to slide 12: With that, I'll turn the call over to CFO Jeff Lucas.

Jeff Lucas

Thanks Ben, and thanks everyone for joining today.

I want to underscore the great advantage of having Ben as our CEO. As a longstanding veteran of Bitfarms and the architect of our growth and profitability improvement programs, we are, under his leadership, positioned to develop and act quickly on our initiatives. In such a fast-evolving environment, this is essential to keeping Bitfarms on the cutting edge of our industry. Now, let's begin with an overview of our Q2 Financials.

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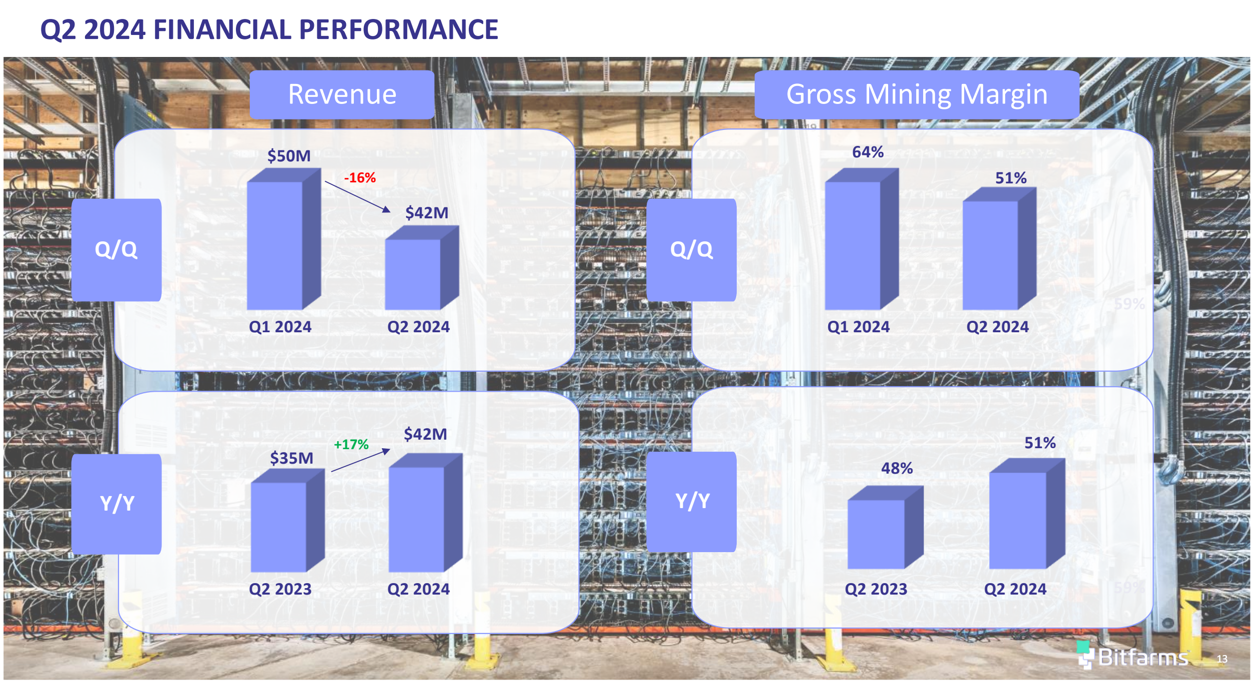

Q2 Revenue of $42 million was down 16% Quarter over Quarter and up 17% Year-over- year. The change was due primarily to the decrease in block rewards following the April halving. During the quarter, we earned 614 Bitcoin, 35% fewer Q/Q, primarily the result of the halving and a 10% increase in average network difficulty.

Mining revenue was $40 million compared to $49 million in the prior quarter. Gross mining profit was $21 million dollars, or 51% of mining revenue, down from $31 million and 64% last quarter and up from 48% in the prior year quarter.

G&A expense, excluding non-cash stock-based compensation and the sales tax refund, was $13 million in comparison to $10 million in Q1. The $3 million increase pertained primarily to unusual costs associated with the strategic alternatives review process, our response to Riot Platform's hostile takeover bid, and the shareholder rights plan, as well as fees related to the employment compensation dispute with the former CEO.

For Q2 our operating loss was $24 million, largely unchanged from the first quarter. The operating loss includes $57 million depreciation on older miners, compared to $39 million depreciation on older miners in Q1. Under our upgrade program, our existing miners are being depreciated on an accelerated basis over the remainder of their expected operating life as they are replaced with more efficient miners. As such, a higher level of depreciation was expected in Q1 and Q2 this year. Depreciation expense is projected to normalize during the third quarter as the miner replacement program wasis largely completed by the end of June.

In Q2, financial expenses include a $1-million-dollar non-cash expense for the revaluation of financial liability for warrants issued in earlier financings, compared to $9 million non-cash gain on the revaluation of this financial liability in Q1. Under IFRS, we are required to recognize a liability for these warrants, even though they cannot be settled for cash.

Net loss for Q2 was $27 million, or a loss of $0.07 per share, compared to a net loss of $6.0 million, or a loss of $0.02 per share, in Q1.

Now let's turn our attention to operating performance and per-bitcoin metrics. Our corporate cost of electricity rate for the quarter was 4.3 cents/kWh, an increase from 4.1 cents/kWh in the first quarter. Quarter over quarter, we benefitted from the Canadian Revenue Agency ruling that allows us to recover the 15% VAT on our Canadian electricity purchases, which we calculate reduced our overall electricity cost by about four-tenths of a cent per kwH. This savings was offset by higher electricity costs in Argentina as we shifted from lower summer to more expensive winter rates beginning in May and a 3.2% increase in Canadian electricity rates effective April 1st. Importantly, with our improvement in electrical efficiency from an average of 35 w/TH in 1Q to 28 w/TH in 2Q, our electricity cost per terahash decreased by 17%, from 3.6 cents per TH per day to 3.0 cents per TH per day.

Our direct mining cost per Bitcoin in the second quarter was $30,600. Our total cash cost to mine BTC was $47,300. And our revenue per Bitcoin was $65,800, resulting in cash profit per Bitcoin of $18,500.

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For 2Q, our Adjusted EBITDA was $12 million, or 28% of revenue, compared to $23 million, or 46% of revenue, in 1Q. The lower Adjusted EBITDA largely reflected the impact of the Halving along with higher G&A expense associated with the expansion of our operating activities.

As we've noted in previous quarterly earnings calls, our Adjusted EBITDA is very straightforward, being purely a measure of the cash profitability of our mining operations and the profit contribution of our Volta electric subsidiary. As an IFRS filer, **we do not mark-to-market** our Bitcoin holdings and do not include this, or any other balance sheet account valuation changes, in our Adjusted EBITDA. Stated simply, our Adjusted EBITDA of $12 million in the second quarter equates to cash profit per Bitcoin of $18,500 multiplied by 614 BTC mined during the quarter plus approximately $300 thousand profit from our Volta electrical subsidiary.

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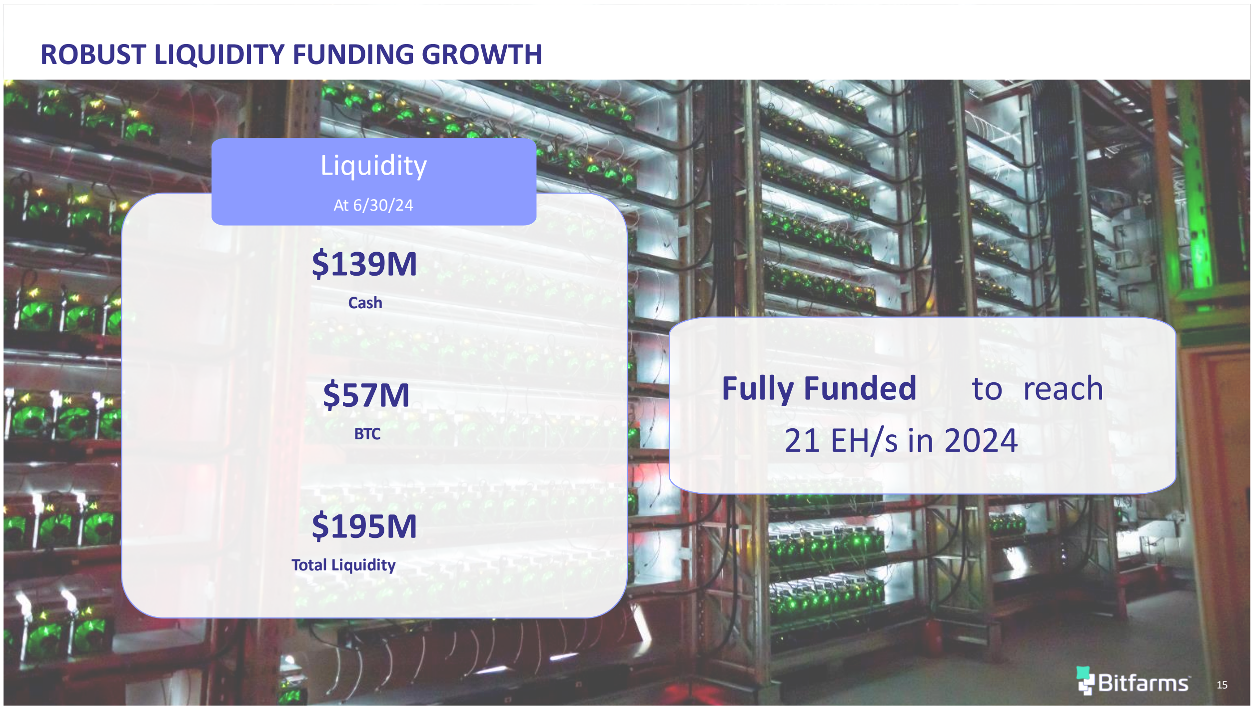

At June 30th, we had total liquidity of $195 million dollars, consisting of cash of $139 million and Bitcoin valued at $57 million dollars.

As we've noted previously, our program to achieve our year-end 2024 targets of 21 EH and 21 wTH is fully funded.

At July 31st, we held 1,016 BTC, up from 905 at the end of June. Our higher BTC Treasury balance reflects our solid cash position and strong cash flow from operations. Further, our synthetic HODL continues to grow, increasing from 208 equivalent Bitcoin at the end of June to 333 Bitcoin currently. As a reminder, under our Synthetic HODL strategy, we utilize excess Bitcoin generated each month to fund our growth at a low cost of capital while maintaining upside potential by applying a portion of the proceeds towards the purchase long-dated Bitcoin call options.

In regard to our ATM facility, which we initiated in March and use solely to fund our growth initiatives and fleet upgrade, we raised $136 million in Q2. Since June 30th, we have raised an additional $68 million under the facility.

Moving to slide 16, I will turn the call back over to Ben for a quick summary.

Ben Gagnon

Thanks, Jeff. Turning to slide 17:

Before opening the call for questions, I want to drive home a few key points:

- We continue to dramatically alter our operating profile via our ongoing fleet upgrades and our geographic expansion. This transformation will only accelerate as I work with the team to continually diversify our assets. We are taking a very close look at all of our MWs and evaluating several opportunities to expand beyond Bitcoin mining, including HPC/AI.
- We have industry-leading Bitcoin mined per EH and industry-leading efficiency – we will continue to distinguish ourselves by improving our operational efficiency and growing our profitability in this highly competitive industry.
- I am very confident in our growth prospects and look forward to updating you as we 1) continue to execute on our 2024 growth plan, and 2) continue to build out our team and expertise to ensure we are well-positioned to capture additional market share both within BTC mining as well as within synergistic and additive business lines.

With that, I will hand the call back to the Operator for Q&A.