



TASE: BLLCF.TA / OTCQX: BLLCF

**HALF-YEAR 2018 CONSOLIDATED FINANCIAL
RESULTS - AUGUST 30, 2018**

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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," "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. Gross mining profit and Gross mining margin are measures used to quantify power and infrastructure costs in cryptocurrency production, the single biggest 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) finance expenses; (ii) income tax expense; and (iii) depreciation and amortization. "EBITDA margin" is defined as the percentage obtained when dividing EBITDA by Revenue. "Gross mining profit" is defined as Revenue minus Energy and infrastructure expenses for the Mining Operations segment of the Company. "Gross mining margin" is defined as the percentage obtained when dividing Gross mining profit by Revenue for the Mining Operations 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.

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Webcast Presenters

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Wes Fulford
Chief Executive Officer



John Rim
Chief Financial Officer

2018 1st Half operational highlights

OPERATIONAL HIGHLIGHTS



Increased operational capacity

- Purchased and installed > 6,000 ASIC miners



Strong contracted power growth

- New 98MW Hydro Sherbrooke green-energy contract provides opportunity to increase to 5X current operational size



Management team additions

- Wes Fulford, CEO & John Rim, CFO



Public listing completed (TASE: BLLCF.TA)



Ongoing infrastructure buildout

- Building and land acquisition to support phase 1 and 2 buildout in Sherbrooke, QC
- Completed 10MW infrastructure buildout at 5th facility in Magog, QC. Construction was completed at an industry leading cost of \$210K per MW. *Ready to plug.



Vertical integration

- Added 40 in-house electricians through the acquisition of Volta, an electrical services company. Volta specializes in the construction and maintenance of industrial network computing centers and available 24/7
- Established fully operational on-site ASIC equipment repair lab



Operational highlights post June 30th



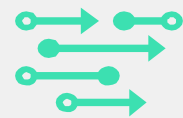
Ongoing infrastructure investment

- Completed investment in first 12 MW of internal distribution equipment at Sherbrooke



Quebec large investment tax holiday

- Secured Tax Holiday in Quebec for planned investment



Completion of proprietary mining pool testing

- Anticipated near-term public launch

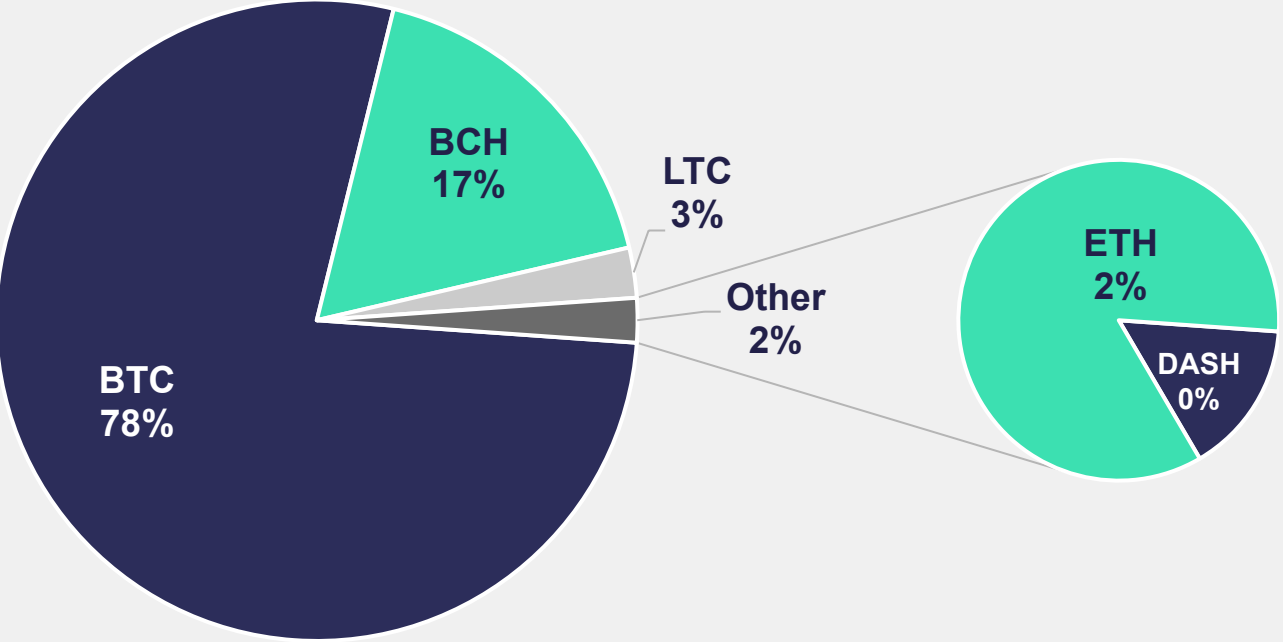






Qualified to trade on the OTCQX® Best Market

Cryptocurrency production & hash power growth

PRODUCTION & HASHPOWER

Coins Mined By % Of \$ Value



	1,923	Bitcoin BTC		3,324	Litecoin LTC
	2,222	Bitcoin Cash BCH		567	Ethereum ETH
				220	Dash DASH

103% growth in operational hash power

Average Monthly Hashrate ⁽¹⁾



⁽¹⁾ Average hash power includes non-operational hardware in repair.

Power efficiency

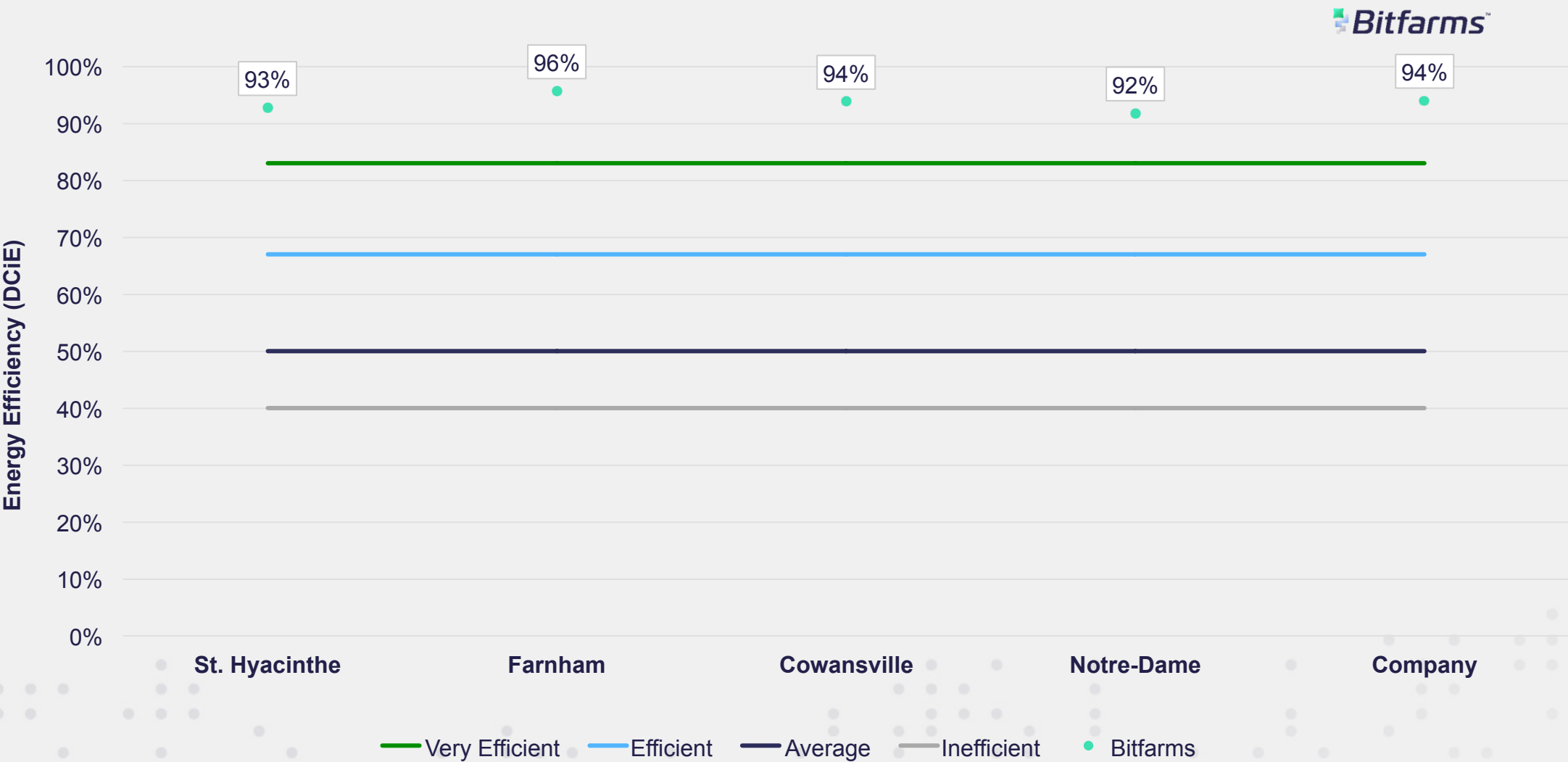
POWER EFFICIENCY

In the cryptocurrency mining industry, energy cost and usage effectiveness have become the single biggest component of operating margins

94%

of all electricity consumed by Bitfarms' in H1 2018 was used for computing power.

Data Center Infrastructure Efficiency



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

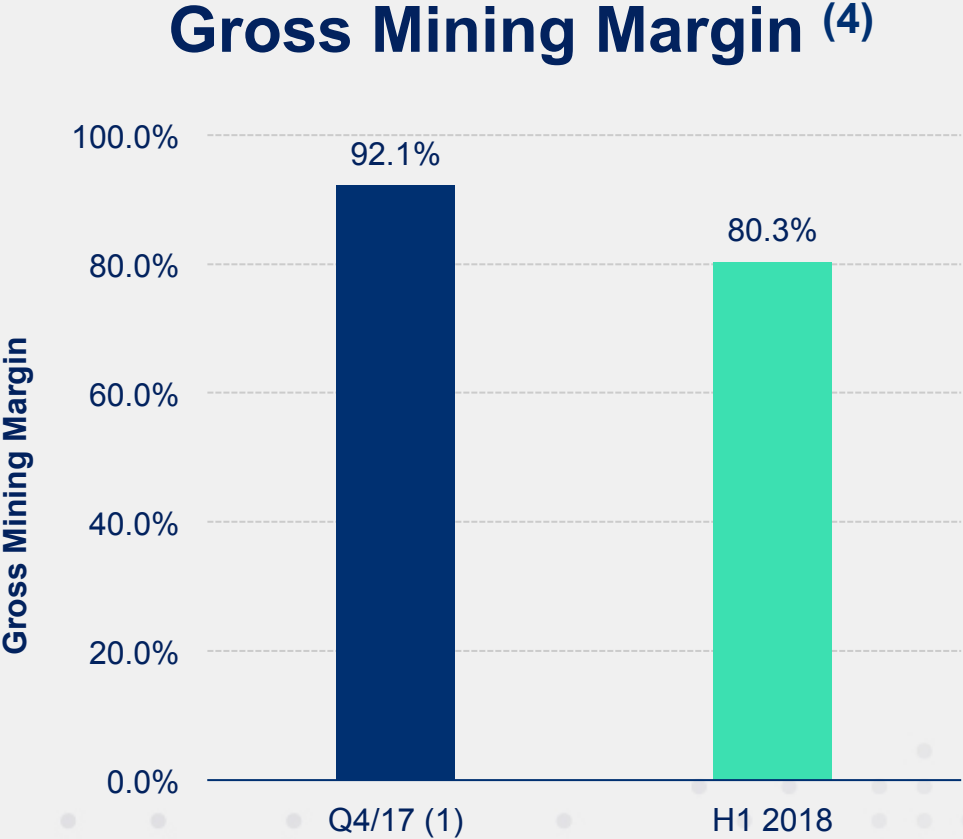
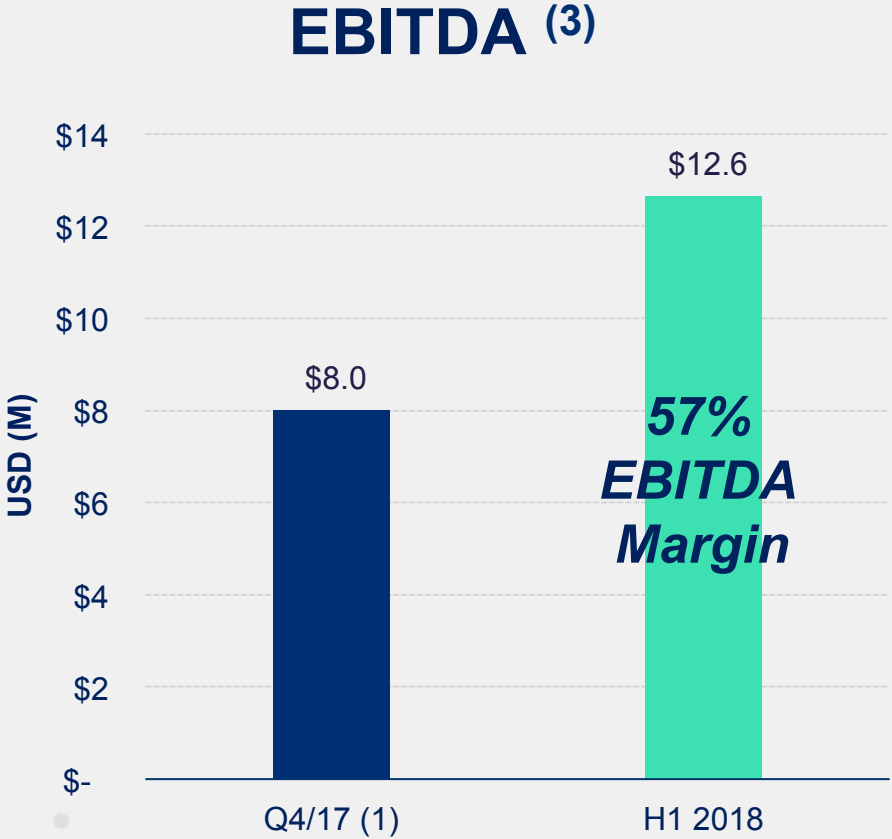
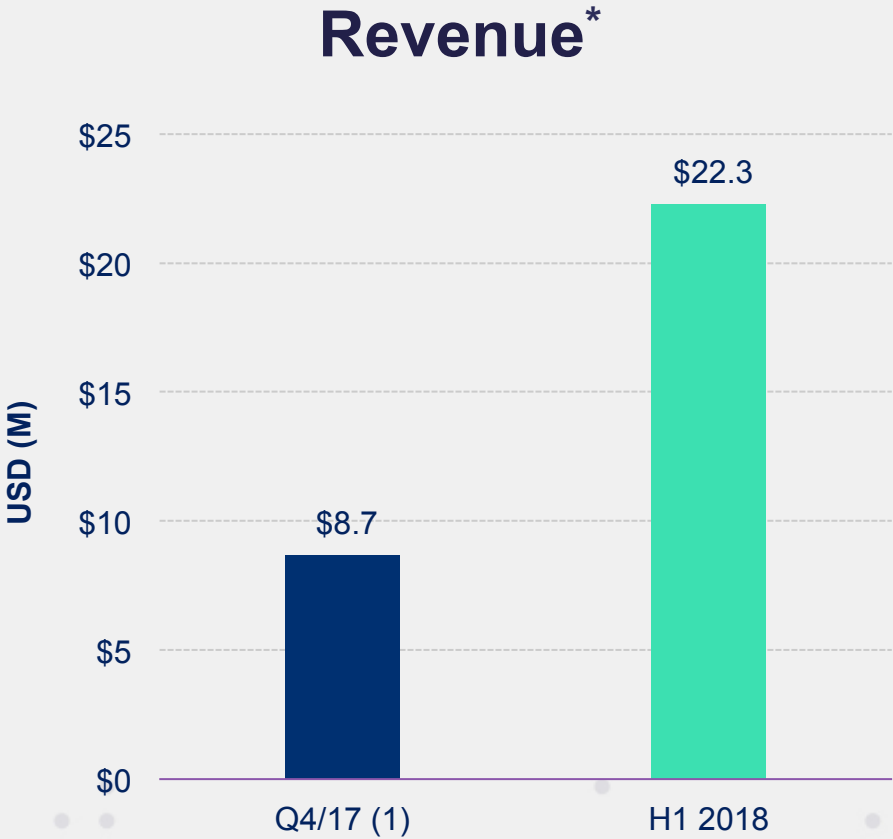
BITFARMS™

Financial Highlights

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Financial highlights

\$1,567 USD / Bitcoin Break-even ⁽²⁾ cost of producing 1 Bitcoin



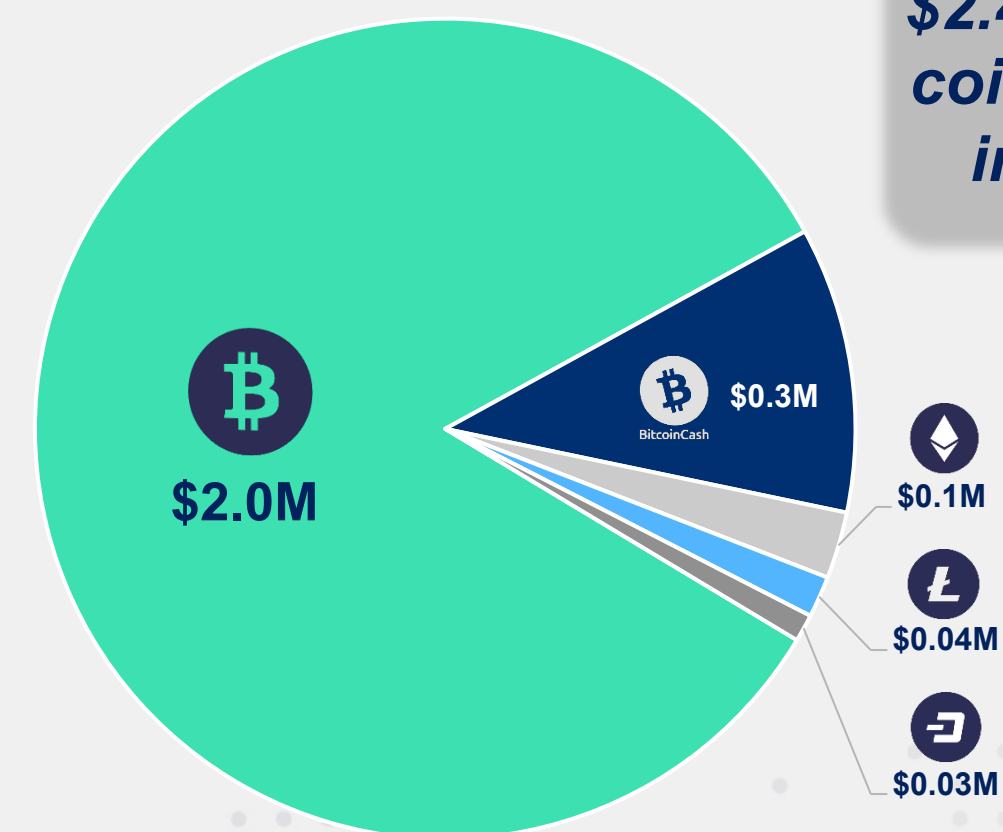
*Revenue is recognized only when mined cryptocurrency is sold (i.e. exchanged into FIAT). Unsold cryptocurrency is held in inventory at mining cost.
⁽¹⁾ Q4 2017 results represent 56 days of activity from Nov. 6 to Dec. 31, 2017.
⁽²⁾ Average break-even cost of producing 1 Bitcoin based on electricity cost only during the period from Jan. 1 to June 30, 2018.
⁽³⁾ EBITDA is calculated as consolidated net income before finance expenses, income tax expense, and depreciation and amortization. EBITDA is a non-IFRS measure.
⁽⁴⁾ Gross mining margin is calculated as revenue less mining energy and infrastructure costs for standalone Backbone. Gross mining margin is a non-IFRS measure.

Financial Position & coin inventory

(USD)	<u>H1 2018</u>
Cash & Cash Equivalents	\$0.6M
Sales Tax Receivable & Prepaids	\$2.8M
Inventory	\$1.6M
Deposits	\$0.4M
PP&E and Intangible Assets	\$47.3M
Total Assets	\$52.7M
Payables	\$6.1M
Vendor Financing	\$1.9M
Other Liabilities	\$1.3M
Total Liabilities	\$9.3M
Total Shareholder Equity	\$43.4M
Total Liabilities & Shareholder Equity	\$52.7M

Fair value of coins mined and not sold **US\$2.4M**

Coin inventory breakdown at fair market value as of June 30, 2018 (US\$M)



⁽¹⁾ Fair market value of inventory as of June 30th, 2018 is based on the following closing market prices: BTC - \$6,404; BCH - \$749; ETH - \$455; LTC - \$81; and DASH - \$238. Source: CoinMarketCap.com.

BITFARMS™

Growth Strategy

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Long-term growth plan

GROWTH OBJECTIVES

Bitfarms™ is committed to becoming a diversified, global-scale blockchain technology and infrastructure company



Continued operational expansion, leveraging our large scale, low cost, contracted green energy pipeline



Secure additional low-cost green energy in other jurisdictions



Further vertical integration



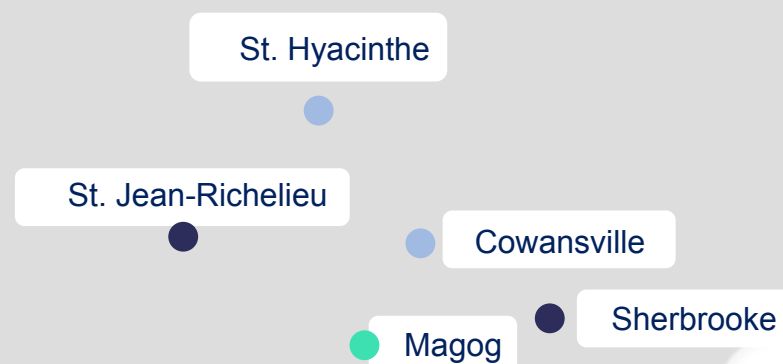
Explore accretive M&A and business partnerships



Develop other related & complementary business verticals: Mining pools, MaaS, private blockchain infrastructure services

Facility Pipeline

135 MW; 1.23 XH/s



COMPLETED FACILITY INFRASTRUCTURE BUILDOUTS

Magog, Quebec, Canada



Facility Size

20k Sq. Ft

Power Capacity

10 MW

Property info

Leased

Energy Source

Hydroelectric

Projected Hashpower

91 PH/s

EXPANSION OF CURRENT OPERATIONS

St-Hyacinthe Phase 2, Quebec, Canada



Facility Size

40k Sq. Ft

Power Capacity

10 MW

Property info

Leased

Energy Source

Hydroelectric

Projected Hashpower

91 PH/s

Cowansville Phase 2, Quebec, Canada



Facility Size

25k Sq. Ft

Power Capacity

12 MW

Property info

Leased

Energy Source

Hydroelectric

Projected Hashpower

109 PH/s

NEW FACILITIES

Sherbrooke 1, 2 & 3 Quebec, Canada



Facility Size

150K Sq. Ft

Power Capacity

98 MW

Property info

Owned

Energy Source

Hydroelectric

Projected Hashpower

892 PH/s

Saint-Jean-Richelieu, Quebec, Canada



Facility Size

25k Sq. Ft

Power Capacity

5 MW

Property info

Leased

Energy Source

Hydroelectric

Projected Hashpower

49 PH/s

Investment highlights

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

- 27.5MW with +15,000 miners installed across 4 operating facilities within the province of Quebec, Canada
- Completion of infrastructure development at new 10MW facility in Magog, QC
- Hardware, infrastructure and hash power is 100% owned and funded primarily through operational cash flow
- Mining facilities powered by 100% green hydro electricity at average of US\$0.04 / kWh
- H1 2018 audited revenue totaling \$22.3M, with 65% EBITDA margins and 80.3% gross mining margins
- 95% ASIC hardware dedicated to mining Bitcoin or Bitcoin Cash

Cost efficiency through scale, vertical integration and operational excellence

- Recently acquired Volta, an electrical contractor with a 40-person staff available to Bitfarms™ on a 24/7 basis
- 100%-owned proprietary software provides chip-level diagnostics on 3-second intervals
- Maximum hardware “up-time” through custom-designed micro electronics repair facility (St-Jean) with staff trained directly by leading hardware manufacturer
- Testing completed on 100%-owned private mining pool with anticipated near-term public launch

Strong, experienced management team

- Proficient capital markets, M&A and business development experience
- Deep relationships within the province of Quebec facilitating aggressive contracted capacity growth – Bitfarms™ now has 162.5 MW of contracted power
- Veteran industrial-scale mining expertise, meaning zero-reliance on high-cost, 3rd party mining service companies or ties to one ASIC vendor

⁽¹⁾ As of June 30, 2018.



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