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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 6-K

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REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of March 2026

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Commission File Number: 001-40370

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**BITFARMS LTD.**

(Translation of registrant's name into English)

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**110 Yonge Street, Suite 1601, Toronto, Ontario, Canada M5C 1T4**  
(Address of principal executive offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F  Form 40-F

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## EXPLANATORY NOTE

Bitfarms Ltd., a corporation incorporated pursuant to the laws of Canada and continued under the Business Corporation Act (Ontario) (“Bitfarms”), currently qualifies as a foreign private issuer in the United States for purposes of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Although, as a foreign private issuer, Bitfarms is not required to do so, Bitfarms has chosen to file an annual reports on Form 10-K for the year ended December 31, 2026, with the U.S. Securities and Exchange Commission (“SEC”) instead of filing the reporting forms available to foreign private issuers.

On February 6, 2026, Bitfarms announced that its board of directors approved a plan of arrangement (the “Arrangement”) under which Bitfarms will redomicile from Canada to the United States (the “U.S. Redomiciliation”), subject to receipt of shareholder, stock exchange and court approvals. Upon completion of the U.S. Redomiciliation, the ultimate parent company of Bitfarms will be a new corporation formed under the laws of the State of Delaware that will operate under the name Keel Infrastructure Corp. (“Keel Infrastructure”). All approvals having been obtained, the U.S. Redomiciliation is expected to be completed on or about April 1, 2026.

In connection with the U.S. Redomiciliation and Bitfarms’ transition to filing its continuous disclosures as a U.S. domestic issuer, Bitfarms’ prepared its financial statements included in the form 10-K filed with the SEC on the date hereof in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”).

Pursuant to Section 4.3(4) of the Canadian Securities Administrators’ National Instrument 51-102 — *Continuous Disclosure Obligations*, Bitfarms must restate its interim financial reports for the fiscal year ended December 31, 2025 in accordance with US GAAP, such interim financial reports having previously been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

The restated unaudited consolidated interim financial statements and the related Management’s Discussion and Analysis of Financial Condition and Results of Operations for (i) the three months ended March 31, 2025 and 2024; (ii) the three and six months ended June 30, 2025 and 2024; and (iii) the three and nine months ended September 30, 2025 and 2024 (collectively, the “Restated Interim Financial Statements and MD&As”), as restated on March 31, 2026, have been prepared in accordance with US GAAP.

Other than as expressly set forth above, the Restated Interim Financial Statements and MD&As do not, and do not purport to, update or restate the information in the original unaudited consolidated interim financial statements and the related Management’s Discussion and Analysis of Financial Condition and Results of Operations for (i) the three months ended March 31, 2025 and 2024; (ii) the three and six months ended June 30, 2025 and 2024; and (iii) the three and nine months ended September 30, 2025 and 2024 (collectively, the “Original Interim Financial Statements and MD&As”) or reflect any events that occurred after the date of the filing of the Original Interim Financial Statements and MD&As.

The Original Interim Financial Statements and MD&As, which were prepared in accordance with IFRS, were filed with the SEC on Forms 6-K on May 14, 2025, August 12, 2025 and November 13, 2025, respectively. The Restated Interim Financial Statements and MD&As are being filed voluntarily and are attached hereto as Exhibits 99.1 to 99.6, and are incorporated by reference in this Current Report on Form 6-K.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**BITFARMS LTD.**

By: /s/ Rachel Silverstein

Name: Rachel Silverstein

Title: General Counsel

Date: March 31, 2026

## FORM 6-K EXHIBIT INDEX

### Exhibits

99.1	<a href="#">Bitfarms Ltd.'s Restated Unaudited Financial Statements for the three months ended March 31, 2025 and March 31, 2024, as re-presented on March 31, 2026</a>
99.2	<a href="#">Bitfarms Ltd.'s Restated Management's Discussion and Analysis for the three months ended March 31, 2025 and March 31, 2024, as re-presented on March 31, 2026</a>
99.3	<a href="#">Bitfarms Ltd.'s Restated Unaudited Financial Statements for the three and six months ended June 30, 2025 and June 30, 2024, as re-presented on March 31, 2026</a>
99.4	<a href="#">Bitfarms Ltd.'s Restated Management's Discussion and Analysis for the three and six months ended June 30, 2025 and June 30, 2024, as re-presented on March 31, 2026</a>
99.5	<a href="#">Bitfarms Ltd.'s Restated Unaudited Financial Statements for the three and nine months ended September 30, 2025 and September 30, 2024, as re-presented on March 31, 2026</a>
99.6	<a href="#">Bitfarms Ltd.'s Restated Management's Discussion and Analysis for the three and nine months ended September 30, 2025 and September 30, 2024, as re-presented on March 31, 2026</a>
99.7	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**NOTICE OF NO AUDITOR REVIEW**

In accordance with National Instrument 51-102 - Continuous Disclosure Obligations (“NI 51-102”), Bitfarms Ltd. (the “Company”) discloses that its external auditors have not reviewed the accompanying unaudited interim condensed consolidated financial statements.

**NOTICE TO READER**

As of December 31, 2025, Bitfarms Ltd. determined that it would prepare its annual financial statements in accordance with U.S. generally accepted accounting standards (“U.S. GAAP”). As a result, pursuant to section 4.3(4) of NI 51-102 of the Canadian Securities Administrators, the Company must restate its previously filed interim financial reports for the year ended December 31, 2025 in accordance with U.S. GAAP, such interim financial reports having previously been prepared in accordance with IFRS Accounting Standards.

The attached restated unaudited interim condensed consolidated financial statements for the three months ended March 31, 2025 and 2024 (“Q1 2025 Interim Financial Statements”) have been prepared in accordance with U.S. GAAP applicable to interim financial information, and should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2025, filed on March 31, 2026 and available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on EDGAR at [www.sec.gov](http://www.sec.gov). Other than as expressly set forth above, the Q1 2025 Interim Financial Statements do not, and do not purport to, update or restate the information in the original unaudited interim condensed consolidated financial statements or reflect any events that occurred after the date of the filing of the original unaudited interim condensed consolidated financial statements.

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**BITFARMS LTD.**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Restated)  
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024**

(Expressed in thousands of U.S. dollars - unaudited)

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**BITFARMS LTD.**  
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**BITFARMS LTD.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Expressed in thousands of U.S. dollars - unaudited)

	As of March 31, 2025	As of December 31, 2024
<b>Assets</b>		
Current		
Cash	38,546	59,542
Accounts receivable, net	2,680	1,259
Receivable from disposal of business	30,178	—
Other assets	6,855	7,709
Short-term prepaid deposits	9,954	14,554
Digital assets	94,112	87,298
Digital assets - restricted	29,120	32,826
Inventories	4,886	1,180
Derivative assets	2,325	3,418
Assets held for sale	5,474	5,949
<b>Total current assets</b>	<b>224,130</b>	<b>213,735</b>
Non-current		
Property, plant and equipment, net	500,376	342,552
Operating lease right-of-use assets, net	21,375	21,299
Finance lease right-of-use assets, net	3,343	2,587
Long-term deposits and equipment prepayments	12,962	56,367
Refundable deposits	5,355	21,956
Intangible assets, net	4,162	4,636
<b>Total assets</b>	<b>771,703</b>	<b>663,132</b>
<b>Liabilities</b>		
Current		
Accounts payable and accrued expenses	57,778	25,792
Derivative liabilities	773	128
Current portion of long-term debt	520	146
Current portion of operating lease liabilities	2,017	1,959
Current portion of finance lease liabilities	1,299	130
Redemption obligation	20,073	—
Taxes payable	73	—
<b>Total current liabilities</b>	<b>82,533</b>	<b>28,155</b>
Non-current		
Long-term debt	1,915	1,430
Operating lease liabilities	17,126	17,440
Finance lease liabilities	2,811	2,310
Deferred tax liability	65	65
Other non-current liabilities	5,819	2,586
<b>Total liabilities</b>	<b>110,269</b>	<b>51,986</b>
Commitments and contingencies (Note 22)		
<b>Stockholders' equity</b>		
Common stock - no par value; authorized - unlimited number of shares; Issued and outstanding - 553,644,380 shares and 479,332,885 shares, respectively	927,628	837,764
Additional paid-in capital	117,296	101,319
Accumulated deficit	(383,490)	(327,937)
<b>Total stockholders' equity</b>	<b>661,434</b>	<b>611,146</b>
<b>Total liabilities and stockholders' equity</b>	<b>771,703</b>	<b>663,132</b>

See accompanying notes to the condensed consolidated financial statements

**BITFARMS LTD.****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Expressed in thousands of U.S. dollars, except per share amounts - unaudited)

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Revenues</b>	<b>66,620</b>	<b>50,317</b>
Cost of revenues	<b>(67,082)</b>	<b>(61,119)</b>
<b>Gross loss</b>	<b>(462)</b>	<b>(10,802)</b>
<b>Operating expenses</b>		
General and administrative expenses	<b>(20,060)</b>	<b>(13,170)</b>
Change in fair value of digital assets	<b>(23,033)</b>	<b>12,656</b>
Realized gain on sale of digital assets	<b>4,977</b>	<b>11,063</b>
Gain on disposition of property, plant and equipment and deposits	<b>5,586</b>	<b>151</b>
Impairment of long-lived assets and deposits	<b>(18,824)</b>	<b>—</b>
<b>Operating loss</b>	<b>(51,816)</b>	<b>(102)</b>
Interest income	<b>876</b>	<b>680</b>
Interest expense	<b>(218)</b>	<b>(168)</b>
(Loss) gain on derivative assets and liabilities	<b>(3,714)</b>	<b>2,490</b>
Other income (expenses)	<b>81</b>	<b>(247)</b>
Total other (expense) income	<b>(2,975)</b>	<b>2,755</b>
<b>Net (loss) income before income taxes</b>	<b>(54,791)</b>	<b>2,653</b>
Income tax expense	<b>(762)</b>	<b>—</b>
<b>Net (loss) income</b>	<b>(55,553)</b>	<b>2,653</b>
<b>Net (Loss) earnings per common share</b>		
Basic	<b>(0.11)</b>	<b>0.01</b>
Diluted	<b>(0.11)</b>	<b>0.01</b>
Weighted average number of common shares outstanding		
Basic	<b>500,163,441</b>	<b>338,745,134</b>
Diluted	<b>500,163,441</b>	<b>354,779,808</b>

*See accompanying notes to the condensed consolidated financial statements*

**BITFARMS LTD.****CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Expressed in thousands of U.S. dollars, except number of shares - unaudited)

	Number of shares	Common stock	Additional paid-in capital	Accumulated deficit	Total stockholders' equity
<b>Balance as of January 1, 2025</b>	<b>479,332,885</b>	<b>837,764</b>	<b>101,319</b>	<b>(327,937)</b>	<b>611,146</b>
Net loss	—	—	—	(55,553)	(55,553)
Stock-based compensation	—	—	4,268	—	4,268
Issuance of replacement stock-based compensation	—	—	232	—	232
Issuance of common shares	74,311,495	89,864	—	—	89,864
Issuance of equity warrants	—	—	11,477	—	11,477
<b>Balance as of March 31, 2025</b>	<b>553,644,380</b>	<b>927,628</b>	<b>117,296</b>	<b>(383,490)</b>	<b>661,434</b>
<b>Balance as of January 1, 2024</b>	<b>334,153,330</b>	<b>531,401</b>	<b>93,529</b>	<b>(299,572)</b>	<b>325,358</b>
Net income	—	—	—	2,653	2,653
Stock-based compensation	—	—	3,036	—	3,036
Issuance of common shares	16,997,285	37,268	—	—	37,268
Exercise of stock options and warrant	5,141,111	7,998	(1,917)	—	6,081
<b>Balance as of March 31, 2024</b>	<b>356,291,726</b>	<b>576,667</b>	<b>94,648</b>	<b>(296,919)</b>	<b>374,396</b>

*See accompanying notes to the condensed consolidated financial statements*

**BITFARMS LTD.****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in thousands of U.S. dollars - unaudited)

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows used in operating activities</b>		
Net income (loss)	(55,553)	2,653
Adjustment to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	28,364	38,508
Impairment of long-lived assets and deposits	18,824	—
Total other expenses (income)	2,975	(2,755)
Digital assets earned	(64,418)	(49,423)
Stock-based compensation	4,268	3,036
Income tax expense	762	—
Gain on disposition of property, plant and equipment and deposits	(5,586)	(151)
Digital assets exchanged for services	5,179	—
Realized gain on disposition of digital assets	(4,977)	(11,063)
Asset retirement obligation accretion expense	73	64
Change in fair value of digital assets	23,033	(12,656)
Interest income received	411	902
Interest expenses paid	(646)	(378)
Income taxes paid	(78)	(260)
Changes in non-cash working capital components	28,528	(207)
<b>Net change in cash related to operating activities</b>	<b>(18,841)</b>	<b>(31,730)</b>
<b>Cash flows used in investing activities</b>		
Proceeds from sale of digital assets	37,263	49,570
Purchase of property, plant and equipment	(43,337)	(3,920)
Proceeds from sale of property, plant and equipment and assets held for sale	2,139	1,043
Purchase of marketable securities	(6,540)	(2,284)
Proceeds from disposition of marketable securities	6,931	2,622
Purchase of derivative assets and liabilities	(30,055)	—
Settlement of derivative assets and liabilities	28,472	—
Equipment and construction prepayments	(4,481)	(74,015)
Proceeds from disposal of business	32,038	—
Acquisition of business	(48,084)	—
<b>Net change in cash related to investing activities</b>	<b>(25,654)</b>	<b>(26,984)</b>
<b>Cash flows from financing activities</b>		
Issuance of common shares	23,608	37,268
Repayment of long-term debt	(15)	(4,075)
Proceeds from long-term debt, net of transaction costs	—	1,695
Repayment of finance lease liabilities	(25)	(338)
Exercise of stock options and warrants	—	6,027
<b>Net change in cash related to financing activities</b>	<b>23,568</b>	<b>40,577</b>
<b>Net decrease in cash</b>	<b>(20,927)</b>	<b>(18,137)</b>
Cash, beginning of the period	59,542	84,038
Exchange rate differences on currency translation	(69)	60
<b>Cash, end of the period</b>	<b>38,546</b>	<b>65,961</b>

See accompanying notes to the condensed consolidated financial statements

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 1: ORGANIZATION**

Bitfarms Ltd.'s (the "Company" or "Bitfarms") activities are comprised mainly of selling its computational power used for hashing calculations for the purpose of cryptocurrency Mining in multiple jurisdictions, including Canada, the United States, Paraguay and Argentina. 9159-9290 Québec Inc. ("Volta"), a wholly-owned subsidiary of the Company, assists the Company in building and maintaining its data centers and provides electrician services to both commercial and residential customers in Québec, Canada.

Bitfarms primarily owns and operates data centers housing computers (referred to as "Miners") designed for the purpose of validating transactions on the Bitcoin Blockchain (referred to as "Mining"). Bitfarms generally operates its Miners 24 hours per day to produce computational power used for hashing calculations (measured by hashrate) that Bitfarms sells to Mining pool operators under a formula-driven rate commonly known in the industry as Full Pay Per Share ("FPPS"). Under FPPS, Mining pool operators compensate Mining companies for their computational power used for hashing calculations, measured by hashrate, based on what the Mining pool operator would expect to generate in revenue for a given time period if there was no randomness involved. The fee paid by a Mining pool operator to Bitfarms for its computational power used for hashing calculations may be in cryptocurrency, U.S. dollars, or another currency. However, the fees are paid to the Company on a daily basis in Bitcoin (as defined below). Bitfarms accumulates the cryptocurrency fees it receives or exchanges them for U.S. dollars through reputable and established cryptocurrency trading platforms.

As described in Note 3, the Company acquired Stronghold Digital Mining, Inc. ("Stronghold") on March 14, 2025 (the "Stronghold Transaction"). Through the acquisition of Stronghold, the Company now owns and operates two refuse power generation facilities in Pennsylvania, United States. To support each site's data centers, the Company's primary fuel source at these facilities is waste which is provided by various third parties. Waste tax credits ("WTCs") are earned by the Company by utilizing refuse to generate electricity. The Company either consumes the energy internally to support computational activities related to hashing calculations or sells the energy it produces to the open market (the "Grid").

**Terms and definitions**

In these financial statements, the terms below have the following definitions:

	<b>Term</b>	<b>Definition</b>
1	Backbone	Backbone Hosting Solutions Inc.
2	Backbone Argentina	Backbone Hosting Solutions SAU
3	Backbone Paraguay	Backbone Hosting Solutions Paraguay SA
4	Backbone Mining	Backbone Mining Solutions LLC
5	Backbone Paso Pe	D&N Ingenieria SA
6	Backbone Yguazu	Zunz SA
7	Volta	9159-9290 Québec Inc.
8	BVVE	Blockchain Verification and Validation Equipment (primarily Miners and Mining-related equipment)
9	MW	Megawatt
10	ARS	Argentine pesos
11	BTC	Bitcoin
12	CAD	Canadian dollars
13	USD	U.S. dollars

**BITFARMS LTD.**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

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**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

There have been no material changes to the Company's significant accounting policies, as compared to the significant accounting policies described in the Company's 2024 consolidated financial statements, presented as comparative information to the audited consolidated financial statements for the year ended December 31, 2025.

***Basis of preparation and principles of consolidation***

These condensed financial statements include the accounts of the Company and its wholly-owned subsidiaries. The Company also consolidates certain variable interest entities ("VIEs") for which the Company is the primary beneficiary, generally as a result of having the power to direct the activities that most significantly affect the VIE's economic performance and holding variable interests that convey to the Company the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIEs. Subsidiaries that are not considered VIEs are consolidated as the Company owns, directly or indirectly, a controlling interest in the entities. The Company performs an assessment at inception and regularly reevaluates whether the entity is a VIE and whether the Company continues to be the primary beneficiary. All intercompany balances and transactions have been eliminated in consolidation.

The condensed consolidated financial statements are presented in USD and have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") and regulations of the U.S. Securities and Exchange Commission (the "SEC") applicable to interim financial information, which permit the omission of certain information to the extent it has not changed materially since the latest annual financial statements.

In the opinion of the Company, the accompanying unaudited interim condensed financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of its balance sheet as of March 31, 2025 and its results of operations for the three months ended March 31, 2025, and 2024, and cash flows for the three months ended March 31, 2025, and 2024. The balance sheet as of December 31, 2024, was derived from 2025 audited annual financial statements but does not contain all of the footnote disclosures from the annual financial statements.

These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes for the year ended December 31, 2025.

Additionally, since there are no differences between net income (loss) and comprehensive income (loss), all references to comprehensive income (loss) have been excluded from the condensed consolidated financial statements.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)*****Use of estimates***

The preparation of financial statements in conformity with U.S. GAAP requires Management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated balance sheets and the reported amounts of revenue and expenses during the reporting periods. Actual results may differ materially from those estimates. The most significant accounting estimates inherent in the preparation of the Company's consolidated financial statements include revenue recognition; measurement of digital assets; determination of the useful lives, residual values, depreciation method and recoverability of long-lived assets; impairment analysis of property, plant and equipment; allocating the fair value of purchase consideration to assets acquired and liabilities assumed in business combinations and measurement of financial instruments.

***Impairment of financial assets***

The Company recognizes an allowance for potentially uncollectable accounts under the current expected credit loss ("CECL") impairment model in accordance with ASC 326, *Financial Instruments – Credit Losses*, for all financial assets measured at amortized cost, including accounts receivable and refundable deposits. The CECL impairment model requires an estimate of expected credit losses measured over the contractual life of an instrument, which considers forecasts of future economic conditions in addition to information about past events and current conditions. Based on this model the Company considers many factors, including the aging of the balances, collection history, the counterparty's credit rating, current economic conditions, and reasonable and supportable forecasts, among other factors. The allowance is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, which may be discounted at the original effective interest rate ("EIR"), when the effect of discounting is material. Bad debts are written off against the allowance after all collection efforts have ceased.

***Recently issued accounting pronouncements***

In March 2025, the Financial Accounting Standards Board ("FASB") issued ASU No. 2025-02, *Liabilities (Topic 405): Amendments to SEC Paragraph Pursuant to SEC Staff Accounting Bulletin No. 122* ("ASU 2025-02"). ASU 2025-02 amends the Accounting Standard Codification to remove the text of SEC Staff Accounting Bulletin ("SAB") 121, as rescinded by SAB 122. The new standard is effective immediately and did not have a material impact on the Company's condensed consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"). ASU 2024-03 requires additional disclosures of certain expenses in the notes of the financial statements, to provide enhanced transparency into the expense captions presented on the condensed Consolidated Statements of Operations. Additionally, in January 2025, the FASB issued ASU 2025-01, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date* ("ASU 2025-01"), to clarify the effective date of ASU 2024-03. The new standard is effective for the Company for its annual periods beginning January 1, 2027 and for interim periods beginning January 1, 2028, with early adoption permitted. The Company is currently evaluating the impact of adopting the standard.

**NOTE 3: BUSINESS COMBINATION**

On March 14, 2025 (the “Acquisition Date”), the Company acquired 100% of the issued share capital of Stronghold Digital Mining, Inc. (“Stronghold”) in a stock-for-stock merger transaction. Under the terms of the merger agreement, each Stronghold shareholder received 2.52 shares of Bitfarms for each Stronghold share they owned. A total of 59,866,852 common shares and 12,893,650 warrants were issued. In addition, the Company paid \$51,060 on closing to retire Stronghold’s outstanding loans and other closing costs. The acquisition was accounted for as a business combination using the acquisition method of accounting in accordance with ASC 805, Business Combinations. The fair value of the 59,866,852 shares issued as part of the consideration paid for Stronghold was based on the published share price on March 14, 2025 of \$1.11 per share. Issuance costs of \$196, which were directly attributable to the issuance of the shares, were netted against the deemed proceeds.

As a result of the business combination, the pre-existing hosting agreements between the Company and Stronghold were effectively settled. A gain of \$945 was recognized on the settlement of the Refundable Hosting Deposits. Refer to Note 13 and Note 16 for more details.

Stronghold is a vertically integrated power generation and data center company focused on environmental remediation and reclamation services in Pennsylvania, United States. The Stronghold Transaction is aligned with the Company’s strategic objectives to diversify its operations and expand its presence in the United States through vertical integration of power generation and energy arbitrage capabilities.

The purchase price allocation for the acquisition reflects fair value estimates which are subject to change within the measurement period. As of March 31, 2025, the Company has substantially determined the fair values of most net assets except for property, plant and equipment and accounts payable and accrued expenses. The fair values of certain tangible assets remain preliminary and are subject to change as the Company continues to assess the condition and useful lives of the assets. Accounts payable and accrued expenses remain subject to change pending final confirmation of completeness. Measurement period adjustments that the Company determines to be material will be recognized in the period in which it determines the amounts, including the effect on earnings of any amounts it would have recognized in previous periods if the accounting had been completed at the acquisition date.

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 3: BUSINESS COMBINATION (Continued)**

Details of the final purchase price allocation and the fair value of the net assets acquired on March 14, 2025 are as follows:

	<b>As of March 14, 2025</b>
<b>Purchase consideration</b>	
Cash paid through repayment of debts	44,982
Reimbursement of Stronghold's acquisition-related costs	6,078
Fair value of shares issued	66,452
Fair value of warrants issued	11,477
Fair value of replacement stock-based compensation	232
Settlement of Refundable Hosting Deposits	15,474
<b>Fair value of consideration transferred</b>	<b>144,695</b>
<b>Net identifiable assets acquired</b>	
Cash	2,976
Accounts receivable, net	1,305
Short-term prepaid deposits	1,835
Other assets (current)	118
Inventories	3,269
Property, plant and equipment, net	158,289
Intangible assets, net	18
Operating and finance lease right-of-use assets, net	1,594
Other non-current assets	1,550
Accounts payable and accrued expenses	(20,804)
Current portion of long-term debt	(420)
Current portion of operating and finance lease liabilities	(800)
Long-term debt	(460)
Non-current operating and finance lease liabilities	(756)
Other non-current liabilities	(3,019)
<b>Total net identifiable assets acquired</b>	<b>144,695</b>

Total acquisition-related costs that were not directly attributable to the issuance of shares amounted to \$7,081, of which \$1,571 were incurred during the three months ended March 31, 2025 and \$5,510 were expensed during the year ended December 31, 2024. These amounts were included in general and administrative expenses in the condensed consolidated statements of operations.

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 3: BUSINESS COMBINATION (Continued)**

From the acquisition date through March 31, 2025, Stronghold's total revenue and net loss (net of tax) included in the condensed consolidated statements of operations was \$3,880 and \$652, respectively.

**Revenue and profit and loss contribution**

The following pro-forma summary presents consolidated information of the Company as if the business combination had occurred on January 1, 2024 for the indicated periods:

(unaudited)	Three months ended March 31,	
	2025	2024
Revenue	81,196	77,839
Net loss, net of tax	(63,223)	(985)

The unaudited pro forma financial information should not be considered indicative of actual results that would have been achieved had the acquisition of Stronghold actually been consummated on the date indicated and does not purport to be indicative of the Company's future financial position or operating results. These pro forma results include the impact of depreciation and amortization of property, plant and equipment and intangible assets acquired, and the impact of the acquisition on interest expense and income tax expense. No adjustments have been reflected in the pro forma financial information for anticipated growth and efficiency opportunities. There were no material nonrecurring pro forma adjustments directly attributable to the acquisition included within the unaudited pro forma financial information.

The following table presents the supplemental cash flow information:

	Three months ended March 31,
	2025
<b>Cash outflow, net of cash acquired</b>	
Cash consideration	51,060
Less: cash balances acquired	(2,976)
<b>Net cash outflow related to investing activities</b>	<b>48,084</b>

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 4: SALE OF THE YGUAZU BITCOIN DATA CENTER**

On March 17, 2025, the Company completed the sale of its 200 MW Bitcoin data center under development in Yguazu, Paraguay to HIVE Digital Technologies Ltd. (“HIVE”) pursuant to a January 24, 2025 share purchase agreement. The transaction involved the sale of the Company’s 100% ownership stake in the Yguazu Bitcoin data center and resulted in the derecognition of the subsidiary’s assets and liabilities. \$63,260 The transaction details are as follows:

	<b>As of March 17</b>
	<b>2025</b>
<b>Consideration</b>	
Advance received in January 2025 upon signing the LOI	20,000
Cash received upon closing	12,050
Receivable over 6 equal monthly payments following the closing date*	31,000
Other costs assumed by HIVE	222
<b>Total consideration</b>	<b>63,272</b>
<b>Net assets transferred**</b>	
Current assets	2,590
Property, plant and equipment	34,006
Intangible asset	309
Long-term deposits and equipment prepayments	18,321
Security deposit for energy	2,809
<b>Total net assets transferred</b>	<b>58,035</b>
<b>Gain on disposal of subsidiary</b>	<b>5,237</b>

\* During the three months ended March 31, 2025, the Company recognized an allowance of \$822 in Other income (expenses) in the condensed consolidated statements of operations, for a net receivable from the disposal of Yguazu Bitcoin data center of \$30,178. The receivable is interest-free.

\*\* Following the receipt of the closing calculation, the purchaser has a 45-day period to object which has not yet elapsed as of March 31, 2025.

**NOTE 5: ACCOUNTS RECEIVABLE**

The balance of the allowance for credit losses on accounts receivable is as follows:

	<b>As of March 31,</b>	As of December 31,
	<b>2025</b>	2024
	three-month	twelve-month
	period	period
Balance as of January 1,	(63)	(51)
Current period allowance	—	(17)
Write offs charged against allowance	—	—
Recoveries collected	—	—
Allowances for credit losses	—	5
<b>Balance as of ending period</b>	<b>(63)</b>	<b>(63)</b>

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 6: DIGITAL ASSETS**

Bitcoin transactions and the corresponding values for the three months ended March 31, 2025 and 2024 were as follows:

	<b>Three months ended March 31,</b>			
		<b>2025</b>	<b>2024</b>	
	<b>Quantity</b>	<b>Value (\$)</b>	<b>Quantity</b>	<b>Value (\$)</b>
Balance of digital assets including restricted digital assets and digital assets collateralized as of January 1,	<b>1,285</b>	<b>120,124</b>	804	33,971
Bitcoin earned*	<b>693</b>	<b>64,075</b>	943	49,423
Hosting revenue received in Bitcoin	<b>6</b>	<b>343</b>	—	—
Bitcoin earned, not received	<b>(9)</b>	<b>(812)</b>	—	—
Bitcoin exchanged for cash	<b>(428)</b>	<b>(37,263)</b>	(941)	(49,571)
Bitcoin exchanged for services	<b>(55)</b>	<b>(5,179)</b>	—	—
Realized gain on disposition of digital assets	—	<b>4,977</b>	—	11,063
Change in fair value of digital assets	—	<b>(23,033)</b>	—	12,656
<b>Balance of digital assets including restricted digital assets as of March 31,</b>	<b>1,492</b>	<b>123,232</b>	806	57,542
Less restricted digital assets as of March 31,**	<b>(353)</b>	<b>(29,120)</b>	—	—
<b>Balance of digital assets excluding restricted digital assets as of March 31,</b>	<b>1,139</b>	<b>94,112</b>	806	57,542

\* Management estimates the fair value of Bitcoin earned on a daily basis as the quantity of cryptocurrency received multiplied by the price quoted on Coinbase Prime on the day it was received. Management considers the prices quoted on Coinbase Prime to be a level 1 input under ASC 820, Fair Value Measurement.

\*\* As of March 31, 2025, the restricted digital assets comprises of i) 293 Bitcoin for the Bitcoin payment (“Bitcoin Pledged”) to a third party as a deposit of Miners presented as restricted digital assets. As the Company has the right to redeem the Bitcoin Pledged, the ability of the third party to control the asset is limited, and the Bitcoin Pledged does not meet the definition of a sale. Refer to Note 8, 12 and 16 for more details; and ii) 60 Bitcoin held by a financial institution in connection with Bitcoin selling contracts. Refer to Note 8 for more details.

**NOTE 7: INVENTORIES**

	<b>As of March 31,</b>	<b>As of December 31,</b>
	<b>2025</b>	<b>2024</b>
Waste, limestone and fuel oil*	<b>2,617</b>	—
Electronic and networking components	<b>2,269</b>	1,180
	<b>4,886</b>	1,180

\* On the Acquisition Date, inventories from the Stronghold business combination amounted to \$3,269. Refer to Note 3 for more details.

**NOTE 8: DERIVATIVE ASSETS AND LIABILITIES****Bitcoin option and selling contracts**

The Company purchased Bitcoin option contracts that provide it the right, but not the obligation, to sell digital assets at a fixed price. The Company also entered into contracts and earned premiums by agreeing to sell Bitcoin if the price reached specific targets.

**Bitcoin redemption option and redemption obligations**

Beginning November 2024, the Company entered into purchase orders of Miners with a supplier which allows the Company to pay for the Miners in cash, Bitcoin or a combination of both. In the event that the Company elects to pay using Bitcoin (Bitcoin Pledged, as defined in Note 6) either full or partial, the Company has the option to redeem the Bitcoin Pledged at the price originally pledged in four quarterly installments (“Bitcoin Installments”) within 12 months after the redemption period starts. The redemption period starts when the Miners are shipped. If the Company elects not to redeem one of the Bitcoin Installments, the Company forfeits the right to redeem the remaining Bitcoin Installments. The right to redeem the Bitcoin (“Bitcoin Redemption Option”) meets the definition of an embedded derivative.

In November 2024, the Company paid for the Miners ordered using 351 Bitcoin valued at \$33,200, i.e. 351 Bitcoin Pledged. On initial recognition, the Company recorded derivative assets of \$1,349 with a corresponding reduction in long-term deposit and equipment prepayments as the Miners were not yet shipped. On January 30, 2025, the Company exercised its option to redeem the first installment of the Bitcoin Pledged and redeemed 87 Bitcoin for \$8,308.

On March 12, 2025, an exchange agreement (“2025 Miners Swap Order”) was entered into to return 4,160 Bitmain T21 Miners. In consideration for the returned products, Bitmain provided the Company with a \$9,484 credit. Simultaneously, the Company placed another purchase order for 3,660 Bitmain S21+ Miners at a purchase price of \$11,858. The Company has the option to pay the net amount of \$2,374 in cash or in Bitcoin. On March 13, 2025, the Company paid the net \$2,374 in Bitcoin which can be redeemed on a quarterly basis, i.e. 29 Bitcoin Pledged. On initial recognition, the Company recorded derivative assets of \$393 with a corresponding reduction in long-term deposit and equipment prepayments as the Miners had not yet been shipped.

A redemption obligation was recognized for the remaining Bitcoin Redemption Options for which Miners have been shipped, reflecting the Company’s obligation to either redeem the Bitcoin Pledged for cash or use the Bitcoin Pledged for the purchase of the Miners. As of March 31, 2025, the redemption obligation amounted to \$20,073, which represented the value of Miners delivered, for which Bitcoin payments were made, and reduced by the value of the Bitcoin redeemed. During the three months ended March 31, 2025, the Company exercised its option to redeem one installment of the Bitcoin pledged and redeemed and aggregate 87 Bitcoin for \$8,308.

No redemption obligation was recognized as of December 31, 2024, as the Miners ordered, for which the deposit payment in Bitcoin was made, had not yet been shipped.

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 8: DERIVATIVE ASSETS AND LIABILITIES (Continued)**

The following table summarizes the Bitcoin Redemption Options:

	As of March 31, 2025	
	Quantity of restricted Bitcoin	Redemption Obligation
2023 Purchase Order and March 2024 Purchase Order	351	\$ 28,381
Redemption of Bitcoin	(87)	(8,308)
2025 Swap Order	29	—
	293	\$ 20,073

Refer to Note 6, Note 12 and Note 22 for more details.

The following table summarizes the derivatives and reconciles the fair value measurement, which are classified within Level 2 of the fair value hierarchy:

	As of March 31, 2025			As of December 31, 2024		
	Bitcoin redemption options	Bitcoin option and selling contracts		Bitcoin redemption options	Bitcoin option and selling contracts	
	Derivative Assets	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Assets	Derivative Liabilities
Balance as of January 1,	3,418	—	(128)	—	1,281	—
Remeasurement recognized in statement of operations	(2,165)	(3,291)	1,742	2,069	15,871	(121)
Purchases	—	27,265	2,790	—	13,610	351
Initial recognition	393	—	—	1,349	—	—
Settlement	—	(23,295)	(5,177)	—	(30,762)	(358)
Balance as of period end	1,646	679	(773)	3,418	—	(128)
Total derivative assets	2,325			3,418		
Total derivative liabilities	(773)			(128)		

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 8: DERIVATIVE ASSETS AND LIABILITIES (Continued)**

The following gain (loss) on derivatives is recognized in the condensed consolidated statements of operations:

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Gain (loss) on Bitcoin options and selling contracts derivatives</b>		
Unrealized change in fair value of outstanding contracts	<b>(6,338)</b>	2,128
Realized gain on settled contracts	<b>4,789</b>	362
	<b>(1,549)</b>	2,490
<b>Gain (loss) on Bitcoin redemption options</b>		
Unrealized change in fair value	<b>(3,180)</b>	—
Realized gain on settled options	<b>1,015</b>	—
	<b>(2,165)</b>	—
<b>Total (loss) gain</b>	<b>(3,714)</b>	2,490

**NOTE 9: ASSETS HELD FOR SALE**

As of March 31, 2025 and December 31, 2024, assets held for sale consisted of the following:

	<b>As of March 31,</b>	<b>As of December 31,</b>
	<b>2025</b>	<b>2024</b>
Miners	<b>4,808</b>	4,832
Mining electrical components	<b>666</b>	1,117
	<b>5,474</b>	5,949

As of March 31, 2025 and December 31, 2024, the Company determined it had surplus Miners and Mining electrical equipment that either met the criteria as “assets held for sale” under ASC 360-10-45 as of the respective balance sheet dates. These assets were measured at the lower of their carrying amount and fair value less costs to sell at the time of the classification. These assets were not determined to be discontinued operations as their planned sale did not represent a strategic shift on the Company’s operations and financial results.

The fair value of the asset was determined by the Company using the market approach, which is based on recent sales prices for similar Miners and equipment. Such fair value measurements are a non-recurring Level 3 measurement under the fair value hierarchy. The key assumption used by Management to determine fair value is the most recent amount contracted with a third party for a comparable Miner or equipment sold.

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 10: IMPAIRMENT**

The following table summarizes the impairment loss in the condensed consolidated statements of operations:

	<b>Three months ended March 31,</b>				
	<b>2025</b>				
	<b>Equipment and construction prepayments</b>	<b>Assets held for sale</b>	<b>ROU assets</b>	<b>Property, plant and equipment</b>	<b>Total</b>
Argentina asset group	181	—	74	17,249	17,504
Miners held for sale	—	1,320	—	—	1,320
	<b>181</b>	<b>1,320</b>	<b>74</b>	<b>17,249</b>	<b>18,824</b>

During the three months ended March 31, 2025, due to indicators of impairment including the decline of the Company's market capitalization and Bitcoin price, the Company performed recoverability tests for operating Bitcoin data centers in Canada, United States, Paraguay and Argentina. The Company also experienced an increase in gas prices which affected the Company's cost of energy in Argentina.

In performing a recoverability test, the Company calculated the sum of the estimated undiscounted future cash flows from continued use and eventual disposition for the Argentina asset group, and determined it was lower than its carrying amount, therefore the Argentina asset group was not recoverable, and an impairment loss in the amount of \$17,504 was recognized to write down the carrying amount of the asset group to its fair value.

To measure the impairment loss, fair value was determined using an income approach under ASC 820 based on a discounted cash flow model incorporating management's estimates of future cash flows, expected Bitcoin prices, projected operating expenses, and a market-based discount rate. Due to the use of significant unobservable inputs, the fair value measurement was classified within Level 3 of the fair value hierarchy.

Changes in the following assumptions would result in further impairment on the Argentina asset group as follows:

	<b>Increase in impairment loss</b>
A decrease of 5% of revenue	2,922
An increase of 5% in the discount rate	1,955
An increase of 5% in energy prices	1,351

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**NOTE 10: IMPAIRMENT (Continued)**

The key assumptions used in the fair value calculation for the Argentina asset group (categorized as Level 3 in the fair value hierarchy) were as follows:

<b>Key assumptions</b>	<b>Management's Assumption</b>	<b>Key metrics used in valuation</b>
<b>Revenues*</b>	Two optimistic and two pessimistic scenarios and one status quo scenario, each with an estimated future revenue per Terahash, were used to project revenues and associated cash flows from cryptocurrency Mining. Management assigned probabilities to each scenario to calculate weighted average expected outcomes.	The weighted average daily revenue per Terahash was \$0.05/Terahash
<b>Discount rate and period</b>	The discount rate reflects Management's assumptions regarding the unit's specific risk. The pre-tax discount rate used was estimated with some of the risk already being implicitly reflected through management's allocation of probabilities to the various scenarios included in the revenue calculation.	The fair value of the asset group was determined based on the present value of the expected cash flows over a four-year period discounted at an annual pre-tax rate of 30% in varying scenarios
<b>Energy prices</b>	Energy costs for the forecast period were estimated based on current market conditions and operational expectations. Management estimated that energy prices for the duration of the forecasted years will be approximately:	\$0.05 per kilowatt hour
<b>Terminal values</b>	Management estimated the terminal value of the Miners included in the asset group for the purposes of the impairment testing to be derived from the Miners direct margin applied to the ending hashrate for a period of:	Approximately 1 year

\* Changes in Bitcoin price and Bitcoin network difficulty that can lead to changes in expected revenues were considered in the various scenarios listed above.

Refer to the discussion in Note 23 - Subsequent events (Argentina Operations), the outcome of which may result in further impairment in subsequent periods.

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(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 11: PROPERTY, PLANT AND EQUIPMENT, NET**

As of March 31, 2025 and December 31, 2024, property, plant and equipment (“PPE”) consisted of the following:

	<b>As of March 31,</b>	As of December 31,
	<b>2025</b>	2024
BVVE	<b>481,167</b>	433,394
Land and buildings	<b>25,343</b>	34,452
Power plants	<b>92,228</b>	—
Machinery and Equipment	<b>18,439</b>	—
Leasehold improvements	<b>67,161</b>	60,021
Vehicles	<b>3,534</b>	1,754
	<b>687,872</b>	529,621
Accumulated Depreciation	<b>(187,496)</b>	(187,069)
Carrying amount	<b>500,376</b>	342,552

**Assets not subject to depreciation**

As of March 31, 2025, property, plant and equipment that are not yet placed into service amounted to \$12,928 and are not yet subject to depreciation.

**Dispositions**

Through the sale of the Yguazu Bitcoin data center, the Company sold \$34,006 of property, plant and equipment to HIVE, comprising \$18,395 of BVVE and \$15,611 attributed to land and building asset. Refer to Note 4 for more details.

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 12: LONG-TERM DEPOSITS AND EQUIPMENT PREPAYMENTS**

	As of March 31, 2025	As of December 31, 2024
March 2024 Purchase Order	—	34,791
Other BVVE and electrical components	3,042	3,499
Cash deposits on construction work and materials*	1,544	13,564
Equipment and construction prepayments	4,586	51,854
Insurance prepaids, security deposits for energy and rent	8,376	4,513
	<b>12,962</b>	<b>56,367</b>

\* Deposits for construction work and materials mainly related to the Argentina, Paraguay and United States expansions.

Following the sale of the Yguazu Bitcoin data center, the Company sold \$18,321 of long-term deposits and equipment prepayments to HIVE. Refer to Note 4 for more details.

*i. March 2024 Purchase Order*

During the first quarter of 2024, the Company ordered 19,369 Bitmain T21 Miners, 3,975 Bitmain S21 Miners and 762 Bitmain S21 Hydro Miners (collectively defined as the “March 2024 Purchase Order”) for \$51,285, \$13,608 and \$4,338, respectively, with deliveries scheduled from April 2024 to November 2024. In November 2024, the Company amended the March 2024 Purchase Order and upgraded 12,853 Bitmain T21 Miners to 12,853 S21 Pro Miners for \$22,654. The amendment had a Bitcoin Redemption Option that qualified as an embedded derivative, which was initially recognized at a fair value of \$1,349, reducing the Company’s Long-term deposits and equipment prepayments.

As of March 31, 2025, the deposit balance for the March 2024 Purchase Order is detailed as follows:

	Value (\$)	As of March 31, 2025 Quantity of Miners ordered (received or in transit)*
Non-refundable deposit on the March 2024 Purchase Order	69,234	25,583
Bitmain T21 Miners received or in transit	(17,108)	(6,664)
Bitmain S21 Miners received	(13,608)	(3,975)
Bitmain S21 Hydro Miners received or in transit	(4,338)	(762)
Bitmain S21 Pro Miners received	(34,180)	(6,723)
S21 received unrelated to deposits (unpaid Miners)	—	(6,384)
Balance**	—	1,075

\* The total hashrate from the Miners received corresponds to the total hashrate specified in the initial agreements. The quantity of Miners received may vary based on the individual specifications of each Miner.

\*\* Remaining Miners to be received that were paid with Bitcoin Pledged and were not included in deposits.

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 13: REFUNDABLE DEPOSITS**

	<b>As of March 31,</b>	As of December 31,
	<b>2025</b>	2024
Security deposits for energy	<b>5,005</b>	7,740
Refundable Hosting Deposits	—	14,216
Other	<b>350</b>	—
	<b>5,355</b>	21,956

*Security deposits for energy*

The security deposits for energy consumption related to the operational Paso Pe and in-construction Yguazu data centers in Paraguay, for which the undiscounted amounts represented \$5,931 and nil, respectively, as of March 31, 2025 (December 31, 2024: \$5,931 and \$3,379, respectively), as the latter was disposed on March 17, 2025. Refer to Note 4 for more details.

*Refundable Hosting Deposits*

In September 2024 and in October 2024, the Company entered into two Miner hosting agreements (the “Panther Creek Hosting Agreement” and the “Scrubgrass Hosting Agreement”) with Stronghold Digital Mining Hosting, LLC, a subsidiary of Stronghold, which commenced on October 1, 2024 and November 1, 2024, respectively. In connection with the execution of these two Miner Hosting Agreements, the Company made two deposits of \$7,800 with Stronghold (the “Panther Creek Refundable Deposit” and “Scrubgrass Refundable Deposit”, collectively, the “Refundable Hosting Deposits”). The Refundable Hosting Deposits bear an annual interest rate at Secured Overnight Financing Rate (“SOFR”) + 1% (the “Annual Interest Rate”). The Refundable Hosting Deposits were initially planned to be repaid in full to the Company within one business day from the end of the initial term expiring on December 31, 2025. Following the acquisition of Stronghold on March 14, 2025, the Panther Creek Hosting Agreement and Scrubgrass Hosting Agreement were terminated, settling the Refundable Hosting Deposits. Refer to Note 16 for more details on the financial instruments details.

**NOTE 14: ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

	<b>As of March 31,</b>	As of December 31,
	<b>2025</b>	2024
Accounts payable and accrued expenses*	<b>43,985</b>	21,813
Government remittances	<b>8,153</b>	3,736
Bitcoin option and selling contracts payable	<b>5,640</b>	243
	<b>57,778</b>	25,792

\* On the Acquisition Date, additions from the business combination amounted to \$20,804 for accounts payable and accrued expenses. Refer to Note 3 for more details.

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**NOTE 15: SHARE CAPITAL****Common shares**

The Company's authorized share capital consists of an unlimited number of common shares without par value and are fully paid. Each share entitles the holder to one vote per share and to receive equally any dividends declared by the Company and the remaining property and assets of the Company in the event Bitfarms undergoes a liquidation, dissolution or winding up.

The following table details the movement of the number of common shares:

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Outstanding, January 1,	479,332,885	334,153,330
Issuance through at-the market equity offering program	14,444,643	16,997,285
Issuance through business combination	59,866,852	—
Exercise of stock options	—	30,000
Exercise of warrants	—	5,111,111
Outstanding, March 31,	553,644,380	356,291,726

*At-The-Market Equity Offering Program ("ATM Program")*

Bitfarms commenced an ATM Program on March 11, 2024 (the "2024 ATM Program"), pursuant to which the Company could, at its discretion and from time-to-time, sell common shares of the Company, resulting in the Company receiving aggregate gross proceeds of up to \$375,000.

During the three months ended March 31, 2025, the Company issued 14,444,643 common shares in exchange for gross proceeds of \$24,386 at an average share price of approximately \$1.69. The Company received net proceeds of \$23,608 after paying commissions of \$732 to the sales agent and \$47 in other transaction costs.

**Equity warrants**

Details of the outstanding number of warrants are as follows:

	<b>Three Months Ended March 31,</b>		<b>Three Months Ended March 31,</b>	
	<b>2025</b>		<b>2024</b>	
	<b>Number of Warrants</b>	<b>Weighted average exercise price (USD)</b>	<b>Number of Warrants</b>	<b>Weighted average exercise price (USD)</b>
Outstanding, January 1,	10,841,482	1.17	35,009,390	2.83
Granted	12,893,650	1.30	—	—
Exercised	—	—	(5,111,111)	1.17
Expired	—	—	(25,000)	3.47
Outstanding, March 31,	23,735,132	1.24	29,873,279	3.11

The weighted average contractual life of the warrants as of March 31, 2025, was 4.0 years (December 31, 2024: 1.9 years).

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 15: SHARE CAPITAL** (Continued)

In November 2023, the Company completed a private placement that included 22,222,223 warrants and 3,000,000 broker warrants to purchase common shares (the "2023 Private Placement"). The warrants and broker warrants are convertible for a fixed number of common shares of the Company which results in a classification of the warrants and broker warrants as equity instruments.

In February 2024, 5,000,000 warrants and 111,111 broker warrants related to the 2023 Private Placement were exercised resulting in the issuance of 5,111,111 common shares for proceeds of approximately \$5,986.

On March 11, 2024, 25,000 warrants relating to the acquisition of the Garlock building in Sherbrooke, Québec, Canada issued during 2022 expired. These warrants were recognized as equity instruments.

On March 14, 2025, the Company issued 12,893,650 warrants at an average exercise price of \$1.30 as part of the consideration paid to acquire Stronghold. The total value was \$11,477 using the Black-Scholes valuation model. Refer to Note 3. The warrants are convertible into a fixed number of common shares of the Company, which are classified as equity instruments.

The Black-Scholes option-pricing model utilized the following weighted-average assumptions to determine the initial fair value of the warrants granted during the three months ended March 31, 2025:

<b>Measurement date</b>	<b>March 14, 2025</b>
Dividend yield (%)	—%
Expected share price volatility (%)	101%
Risk-free interest rate (%)	4.15%
Expected life of warrants (years)	5.96
Share price (CAD)	\$ 1.11
Exercise price (USD)	\$ 1.30
Fair value of warrants (USD)	\$ 0.89
Number of warrants issued	12,893,650

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(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 16: FINANCIAL INSTRUMENTS****a. Measurement categories and fair value**

The following table presents the fair values of the Company's financial instruments and their level within the fair value hierarchy:

Measurement		As of March 31, 2025	As of December 31, 2024
<b>Financial assets at amortized cost</b>			
Cash	Level 1	38,546	59,542
Accounts receivable, net	Level 2	2,680	1,259
Other receivables	Level 2	1,638	1,387
Security deposits for energy	Level 2	5,005	7,740
Refundable Hosting Deposits	Level 2	—	14,216
Other refundable deposits	Level 3	350	—
Receivable from disposal of business	Level 2	30,178	—
<b>Financial assets at fair value through profit and loss</b>			
Derivative assets	Level 2	2,325	3,418
<b>Total carrying amount and fair value of financial assets</b>		<b>80,722</b>	<b>87,562</b>
<b>Financial liabilities at amortized cost</b>			
Accounts payable and accrued expenses	Level 2	49,625	22,056
Redemption obligation	Level 2	20,073	—
Long-term debt	Level 2	2,435	1,576
<b>Financial liabilities at fair value through profit and loss</b>			
Derivative liabilities	Level 2	773	128
<b>Total carrying amount and fair value of financial liabilities</b>		<b>72,906</b>	<b>23,760</b>
<b>Net carrying amount and fair value</b>		<b>7,816</b>	<b>63,802</b>

There were no transfers between Level 1, 2 or 3 of the fair value hierarchy during the three months ended March 31, 2025 and year ended December 31, 2024.

In addition to assets and liabilities that are measured at fair value on a recurring basis, the Company also measures certain assets and liabilities at fair value on a non-recurring basis. The Company's long-lived assets, including intangible assets, operating lease right-of-use assets, and property, plant and equipment, are measured at fair value when there is an indication of impairment and the carrying amount exceeds the asset's projected undiscounted cash flows. These assets are measured at fair value only when an impairment loss is recognized.

The carrying amounts of cash, accounts receivable, net, other receivables, security deposits for energy, Refundable Hosting Deposits, other refundable deposits, receivable from disposal of business and accounts payable and accrued expenses, redemption obligations and long-term debt presented in the table above are a reasonable approximation of their fair value due to their short-term maturity or they are valued using the income approach valuation technique.

**NOTE 16: FINANCIAL INSTRUMENTS (Continued)**

**a. Measurement categories and fair value (Continued)**

**Derivatives assets and liabilities**

The fair value of derivatives is categorized as Level 2 as applicable, in the fair value hierarchy and is presented under derivative assets and liabilities in the condensed consolidated balance sheets when there is an outstanding contract at period end. The derivatives are measured at fair values on a recurring basis.

*i. Bitcoin option and selling contracts (derivatives)*

Fair value of derivative financial instruments generally reflects the estimated amounts that the Company would receive or pay, taking into consideration the counterparty credit risk or the Company's credit risk at each reporting date. The Company uses market data such as Bitcoin option futures to estimate the fair value of option contracts at each reporting date.

*ii. Bitcoin Redemption Option (embedded derivative)*

The purchase order agreements explained in Note 8 provide the Company with the option to redeem the Bitcoin Pledged at a market price determined when the Bitcoin was first pledged ("Agreed Bitcoin Price").

The right to redeem the Bitcoin Pledged meets the definition of an embedded derivative as the derivative that is embedded in the non-financial contract is not closely related to the economic characteristics and risks of the host non-financial contract. The fair value of the embedded derivative is determined using a combination of the Monte Carlo simulation model to simulate future Bitcoin prices based on probability factors and the Black-Scholes Model to estimate the value of each Bitcoin Redemption Option.

At each reporting date, the fair value is determined by multiplying the number of redeemable Bitcoin pledged by the present value of the difference between the Agreed Bitcoin Price and the simulated spot price of Bitcoin while considering the likelihood of exercising the quarterly installments. Change in fair value is recognized in Other income (expenses).

Due to the use of significant unobservable inputs, including assumptions regarding the probability and timing of exercise of the redemption options, the fair value measurement is classified within Level 2 of the fair value hierarchy.

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 16: FINANCIAL INSTRUMENTS (Continued)****a. Measurement categories and fair value (Continued)****Refundable deposits**

The refundable deposits are measured at amortized cost using the effective interest rate (“EIR”) method and are classified as Level 2 according to the Company’s fair value hierarchy. Their fair values are a recurring measurement. The valuation technique used is the income approach (discounted future cash flows). Refer to Note 13 for more details.

*i. Refundable Hosting Deposits*

The Refundable Hosting Deposits are accounted for as financial assets and measured at fair value on initial recognition based on the contractual right to receive each refundable hosting deposit plus interest at the end of the term. Following the acquisition of Stronghold on March 14, 2025, the Panther Creek and the Scrubgrass Hosting Agreements were terminated, settling the Refundable Hosting Deposits.

*ii. Security deposits for energy*

Security deposits for energy have a 6% EIR over an approximately three-year period. Following the disposal of the Yguazu Bitcoin data center, the deposits related to this project were derecognized.

The following table details the movement in the refundable deposits:

	<b>Panther Creek</b>	<b>Scrubgrass</b>	<b>Refundable Hosting Deposits</b>	<b>Security deposits for energy</b>	<b>Other</b>	<b>TOTAL</b>
Balance as of January 1, 2024	—	—	—	277	—	277
Additions	7,800	7,800	15,600	9,034	—	24,634
Initial loss on recognition	(675)	(258)	(933)	(1,571)	—	(2,504)
Fair value at initial recognition	7,125	7,542	14,667	7,740	—	22,407
Interest income	261	103	364	—	—	364
CECLs	(409)	(406)	(815)	—	—	(815)
Balance as of December 31, 2024	6,977	7,239	14,216	7,740	—	21,956
Addition from business combination	—	—	—	—	350	350
Interest Income	187	126	313	74	—	387
Gain on settlement	603	342	945	—	—	945
Derecognition	(7,767)	(7,707)	(15,474)	(2,809)	—	(18,283)
<b>Balance as of March 31, 2025</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5,005</b>	<b>350</b>	<b>5,355</b>

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 17: (LOSS) EARNINGS PER SHARE**

The following table presents the computation of basic and diluted (loss) earnings per share:

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Numerator:</b>		
Net (loss) income	(55,553)	2,653
<b>Denominator:</b>		
Denominator for basic loss per share - weighted average shares outstanding	500,163,441	338,745,134
The effect of dilutive potential common shares	—	16,034,674
Denominator for diluted loss per share - weighted average shares outstanding from continuing operations	500,163,441	354,779,808
<b>Loss per common share attributable to common shareholders</b>		
Basic	(0.11)	0.01
Diluted	(0.11)	0.01

For the three months ended March 31, 2025, potentially dilutive securities have not been included in the calculation of diluted loss per share because the inclusion would be anti-dilutive.

The following table presents potentially dilutive securities that are not included in the computation of diluted (loss) earnings per share when their inclusion would be anti-dilutive:

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Options	1,703,868	7,641,947
Warrants	1,381,644	7,760,037
RSUs	1,772,666	632,690
	<b>4,858,178</b>	<b>16,034,674</b>

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 18: STOCK-BASED COMPENSATION**

Stock-based compensation expense is recognized within general and administrative expenses in the consolidated statements of operations. The stock-based compensation expense related to stock options (“Options”) and restricted stock units (“RSUs”) for employees, directors, consultants and former employees and share awards for a former executive of Stronghold received was as follows:

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Options	<b>2,205</b>	2,478
RSUs	<b>1,905</b>	558
Share awards	<b>158</b>	—
	<b>4,268</b>	3,036

**Options**

During the three months ended March 31, 2025, the Board approved Options grants to purchase 540,000 common shares in accordance with the Long-Term Incentive Plan (the “LTIP Plan”) adopted on May 18, 2021 (three months ended March 31, 2024: nil common shares). All Options issued according to the LTIP Plan become exercisable when they vest and can be exercised for a maximum period of 5 years from the date of the grant. In addition, the Company granted 302 Options to certain employees of Stronghold as part of the business combination described in Note 3.

Details of the outstanding stock options are as follows:

	<b>Three months ended March 31,</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Number of Options</b>	<b>Weighted Average Exercise Price (\$CAD)</b>	<b>Number of Options</b>	<b>Weighted Average Exercise Price (\$CAD)</b>
<b>Outstanding, January 1,</b>	<b>26,865,764</b>	<b>2.64</b>	20,939,387	2.41
Granted	<b>540,302</b>	<b>2.27</b>	—	—
Exercised	—	—	(30,000)	1.85
Forfeited	<b>(57,500)</b>	<b>3.10</b>	(105,000)	2.95
Expired	<b>(12,500)</b>	<b>3.03</b>	—	—
<b>Outstanding, March 31,</b>	<b>27,336,066</b>	<b>2.63</b>	20,804,387	2.41
<b>Exercisable, March 31,</b>	<b>2,113,900</b>	<b>0.54</b>	9,911,000	1.79

The weighted average remaining contractual life of the outstanding Options as of March 31, 2025 was 3.5 years (March 31, 2024: 3.8 years).

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 18: STOCK-BASED COMPENSATION (Continued)****Options (Continued)**

The assumptions used to value the stock option grants using the Black-Scholes model are as follows:

Grant date	January 10, 2025
Dividend yield (%)	—
Expected share price volatility (%)*	80%
Risk-free interest rate (%)	4.46%
Expected life of stock options (years)	3
Share price (CAD)	\$ 2.27
Exercise price (CAD)	\$ 2.27
Fair value of options (USD)	\$ 0.79
Vesting period (years)	1.5
Number of options granted	540,000

\* Expected share price volatility is estimated based on a combination of the Company's stock price and Bitcoin price data.

**RSUs**

Details of the RSUs are as follows:

	Three months ended March 31,			
	2025		2024	
	Number of RSUs	Weighted Average Grant Price (\$CAD)	Number of RSUs	Weighted Average Grant Price (\$CAD)
<b>Outstanding, January 1,</b>	<b>897,666</b>	<b>3.61</b>	624,998	4.05
Granted	<b>1,890,000</b>	<b>1.59</b>	175,000	2.95
<b>Outstanding, March 31,</b>	<b>2,787,666</b>	<b>2.24</b>	799,998	3.81

During the three months ended March 31, 2025, the Company granted 1,890,000 RSUs to certain employees and executive Management of Stronghold as part of the business combination described in Note 3. 1,631,700 RSUs were fully vested upon grant and 258,300 RSUs vest approximately 17% every 3 months. The fair value of the RSUs is based on the Company's share price at the date of grant.

During the three months ended March 31, 2024, the Board approved the grant of 175,000 RSUs to certain members of senior Management which vest 50% approximately one month from the grant date and an additional 25% every 6 months.

**Share awards**

During the three months ended March 31, 2025, following the Stronghold transaction, the Company entered into a stock award agreement as well as a consulting agreement with a former executive management of Stronghold and granted 1,542,320 share awards. The share awards shall fully vest in September 2025, subject to continued provision of services through this date. Notwithstanding the forgoing, the share awards can be accelerated and fully vested if certain conditions are met.

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 19: SEGMENT AND GEOGRAPHICAL INFORMATION****Reportable segment**

The Company has aggregated all of its Cryptocurrency Mining operating segments into a single operating segment, which is the Company's only reportable segment, Cryptocurrency Mining. The CODM manages segment performance and resource allocation based upon net income (loss). The CODM uses consolidated net income (loss) to evaluate the overall financial performance of the Company, to compare actual results against internal budgets and forecasts and to inform capital allocation decisions, including the prioritization of investments across the Company's Bitcoin Mining Operations. The measure of segment assets is reported on the consolidated balance sheets as total consolidated assets. Significant expenses reviewed by the CODM include those that are presented in the consolidated statements of operations and the more detailed component disclosed in Note 20.

**Revenues**

Revenues by country are as follows:

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>North America</b>		
Canada	<b>29,122</b>	32,138
United States	<b>18,529</b>	4,887
	<b>47,651</b>	37,025
<b>South America</b>		
Paraguay	<b>12,014</b>	1,716
Argentina	<b>6,955</b>	11,576
	<b>18,969</b>	13,292
<b>Global total</b>	<b>66,620</b>	50,317

Revenues are presented based on the geographical contribution of computational power used for hashing calculations (measured by hashrate) or sales to external customers. During the three months ended March 31, 2025 and 2024, the Company earned 97% and 98% of its revenues, respectively, from one Mining pool operator. Such revenues are reported under the cryptocurrency Mining segment. The Company has the ability to switch Mining Pools or to mine independently at any time.

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 19: SEGMENT AND GEOGRAPHICAL INFORMATION (Continued)****Property, Plant and Equipment and other non-current assets**

The carrying amount of property, plant and equipment and other non-current assets (excluding financial assets, intangible assets and deferred tax assets) by country is as follows:

	As of March 31, 2025			As of December 31, 2024		
	PPE	Other	Total non-current assets	PPE	Other	Total non-current assets
<b>North America</b>						
Canada	104,384	16,390	120,774	117,025	52,819	169,844
United States	291,855	19,851	311,706	63,147	14,535	77,682
	<b>396,239</b>	<b>36,241</b>	<b>432,480</b>	180,172	67,354	247,526
<b>South America</b>						
Paraguay	66,780	971	67,751	105,297	12,101	117,398
Argentina	37,357	468	37,825	57,083	798	57,881
	<b>104,137</b>	<b>1,439</b>	<b>105,576</b>	162,380	12,899	175,279
<b>Global Total</b>	<b>500,376</b>	<b>37,680</b>	<b>538,056</b>	342,552	80,253	422,805

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 20: ADDITIONAL DETAILS TO THE STATEMENT OF OPERATIONS****Disaggregated revenues**

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Cryptocurrency Mining	<b>64,863</b>	49,423
Cryptocurrency Hosting	<b>343</b>	—
Electrical services	<b>1,094</b>	894
Energy sales	<b>320</b>	—
	<b>66,620</b>	50,317

**Cost of revenues**

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Energy	<b>(26,389)</b>	(19,347)
Depreciation and amortization	<b>(28,364)</b>	(38,508)
Hosting expenses	<b>(7,735)</b>	—
Infrastructure expenses	<b>(4,698)</b>	(2,556)
Electrical components and salaries	<b>(877)</b>	(708)
	<b>(68,063)</b>	(61,119)

**Inventories**

During the three months ended March 31, 2025, the cost of electrical component inventory and waste, limestone and fuel oil recognized as an expense and included in cost of revenues was \$678 (three months ended March 31, 2024: \$526).

**General and administrative expenses**

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Salaries and wages	<b>(6,170)</b>	(6,047)
Stock-based compensation	<b>(4,268)</b>	(3,036)
Professional services	<b>(5,687)</b>	(1,658)
Insurance, duties and other	<b>(3,160)</b>	(1,989)
Travel, motor vehicle and meals	<b>(470)</b>	(246)
Telecom hosting and telecommunications	<b>(187)</b>	(78)
Advertising and promotion	<b>(118)</b>	(116)
	<b>(20,060)</b>	(13,170)

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 20: ADDITIONAL DETAILS TO THE STATEMENT OF OPERATIONS (Continued)****Other income (expenses)**

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Gain on derecognition of warrants	—	61
Gain on settlement of Refundable Hosting Deposits	945	—
Gain on disposition of marketable securities	391	338
Loss on foreign exchange	(163)	(61)
Other financial expenses	(1,092)	(585)
	<b>81</b>	<b>(247)</b>

**Gain on disposition of marketable securities**

During the three months ended March 31, 2025 and 2024, the Company funded its expansion in Argentina through the acquisition of marketable securities and the in-kind contribution of those securities to the Company's subsidiary in Argentina. The subsequent disposition of those marketable securities in exchange for ARS gave rise to a gain as the amount received in ARS exceeded the amount of ARS the Company would have received from a direct foreign currency exchange.

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(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 21: ADDITIONAL DETAILS TO THE STATEMENTS OF CASH FLOW**

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Changes in working capital components:</b>		
Decrease (increase) in accounts receivable, net	702	(15)
Decrease in other current assets	3,608	885
Increase in inventories	(429)	—
Decrease (increase) in deposits	11,234	(1,670)
Increase in accounts payable and accrued expenses	12,719	550
Increase in operating lease liabilities	743	116
Decrease in taxes payable	(188)	(73)
Increase in other non-current liabilities	139	—
	<b>28,528</b>	<b>(207)</b>
<b>Significant non-cash transactions:</b>		
Issuance of common shares, warrants and RSUs in connection with the acquisition of Stronghold	78,161	—
Addition of ROU assets and related lease liabilities	134	91
Purchase of PPE financed by short-term credit	2,416	3,142
Equipment prepayments realized as additions to PPE	40,357	26,717
Computational power revenue and its related service expense	788	—
<b>Depreciation and Amortization</b>		
Property, plant and equipment, net	27,928	37,918
Finance lease right-of-use assets	254	509
Intangible assets, net	182	81
	<b>28,364</b>	<b>38,508</b>

**NOTE 22: COMMITMENTS AND CONTINGENCIES****Contingent liability**

In 2021, the Company imported Miners into Washington State, United States, that the vendor located in China claimed originated in Malaysia. In early 2022, U.S. Customs and Border Protection challenged the origination of the Miners, asserting that the Miners were manufactured in China, and notified the Company of a potential assessment of a U.S. importation duty of 25%.

During the third quarter of 2023 and the first quarter of 2025, the Company submitted supporting documentation to U.S. Customs and Border Protection in defense of its position that the Miners were manufactured outside China and the associated custom duties in the amount of \$9,424 do not apply. While the final outcome of this matter is uncertain at this time, Management has determined it is not probable that a liability had been incurred and, as such, no provision was recognized as of March 31, 2025.

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 22: COMMITMENTS AND CONTINGENCIES (Continued)****Lawsuits**

	As of March 31, 2025	As of December 31, 2024
FERC Matters	1,065	—
Shareholder Securities Lawsuit	1,816	—
<b>Total settlement accruals</b>	<b>2,881</b>	<b>—</b>
Less current portion	(991)	—
Effect of discounting	(117)	—
<b>Non-current portion</b>	<b>1,773</b>	<b>—</b>

The undiscounted legal settlement accruals amounted to \$2,881 as of March 31, 2025. The current portion and the non-current portion were recognized in accounts payable and accrued expenses and in other non-current liabilities, respectively, in the condensed consolidated balance sheets (December 31, 2024: nil).

*Federal Energy Regulatory Commission (“FERC”) Matters*

On November 19, 2021, Scrubgrass received a notice of breach from PJM Interconnection, LLC alleging that Scrubgrass breached Interconnection Service Agreement – No. 1795 (the “ISA”) by failing to provide advance notice to PJM Interconnection, LLC and Mid-Atlantic Interstate Transmission, LLC pursuant to ISA, Appendix 2, section 3, of modifications made to the Scrubgrass Plant. On May 11, 2022, the Division of Investigations of the FERC Office of Enforcement (“OE”) informed the Company that the OE was conducting a non-public preliminary investigation concerning Scrubgrass’ compliance with various aspects of the PJM tariff.

On January 30, 2025, the Federal Energy Regulatory Commission (the “Commission”) approved a Stipulation and Settlement Agreement between the OE and Scrubgrass (the “Settlement Agreement”). Pursuant to the Settlement Agreement, Scrubgrass agreed to: (a) disgorge to PJM \$679 in capacity revenues received during the relevant period; (b) pay a civil penalty of \$741 for a total of \$1,420 to the United States Treasury; and (c) provide compliance training to relevant personnel and compliance monitoring reports. Scrubgrass is to pay the settlement amount over a period of three years. In the first year, Scrubgrass is to pay a lump sum of \$355, which Scrubgrass paid in February of 2025. In the second and third years, Scrubgrass shall make 8 payments of \$133 on a calendar quarter basis. For a period of five years following the effective date of the Settlement Agreement, Scrubgrass is to provide annual compliance training focused primarily on the applicable tariff and related rules, regulations, and requirements applicable to operating generators, to all personnel whose job responsibilities relate to the generators’ participation in Commission jurisdictional markets. As of March 31, 2025, the settlement accrual was \$1,065 and represents the 8 installment payments.

*Shareholder Securities Lawsuit*

On April 14, 2022, Stronghold, and certain of its former directors, officers and underwriters were named in a putative class action complaint filed in the United States District Court for the Southern District of New York (Winter v. Stronghold Digital Mining, Case No. 1:22-cv-3088). On October 18, 2022, the plaintiffs filed an amended complaint, alleging that the Company made misleading statements and/or failed to disclose material facts in violation of Section 11 of the Securities Act, 15 U.S.C. §77k and Section 15 of the Securities Act of 1933, as amended (the “Securities Act”), about the Company’s business, operations, and prospects in the Company’s registration statement on Form S-1 related to its initial public offering, and when subsequent disclosures were made regarding these operational issues when the Company announced its fourth quarter and full year 2021 financial results, the Company’s stock price fell, causing significant losses and damages.

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 22: COMMITMENTS AND CONTINGENCIES (Continued)****Lawsuits (Continued)**

On December 16, 2024, the District Court issued an Order granting Preliminary Approval of the Class Action Settlement, Approving Form and Manner of Notice, and Setting Date for Hearing on Final Approval of Settlement. The Company agreed to pay \$4,750 in cash and 25 Bitcoin. On January 15, 2025, \$2,500 was covered by the Company's insurance providers and Stronghold paid the remaining \$2,250 into escrow. One Bitcoin will be paid monthly for two years. The cash value of each Bitcoin is expected to be calculated monthly according to a price set by the Nasdaq Bitcoin reference price index. As of March 31, 2025, the settlement accrual was \$1,816 and represents the value of the remaining 22 Bitcoin to paid.

**Commitments**

As of March 31, 2025, in relation to the March 2024 Purchase Order, the Company is committed to purchase 1,075 S21 Pro Miners yet to be delivered, for which Bitcoin was pledged.

In addition, in relation to the 2025 Miners Swap Order, the Company is committed to return 4,160 Bitmain T21 Miners and to purchase 3,660 Bitmain S21+ Miners. In consideration for the returned products, the Company will receive a \$9,484 credit refund that will be applied against the purchase price of \$11,858. On March 13, 2025, the Company paid the net \$2,374 in Bitcoin.

As of March 31, 2025, the Company's total remaining payment exposure obligations in connection with the Miner purchase orders were \$27,296 for 293 Bitcoin Pledged that can be redeemed in installments. Of the potential obligation of \$27,296, \$20,073 was recognized as redemption obligation in the condensed consolidated balance sheets as the Miners were shipped.

The Company is not obligated to redeem all or any of the Bitcoin installments. If the Company elects not to redeem one of the Bitcoin Installments, the Company forfeits the right to redeem the remaining Bitcoin Installments. In January 2025 and April 2025, the Company exercised the first and second Bitcoin Installment relating to the March 2024 Purchase Order, respectively. Refer to Note 6 and Note 8 for more details.

	<b>As of March 31,</b>	
	<b>2025</b>	
	<b>Quantity of restricted Bitcoin</b>	<b>Potential Obligation</b>
2023 Purchase Order and March 2024 Purchase Order	<b>351</b>	<b>33,230</b>
Redemption of Bitcoin*	<b>(87)</b>	<b>(8,308)</b>
2025 Swap Order	<b>29</b>	<b>2,374</b>
	<b>293</b>	<b>27,296</b>

\* The redemption of Bitcoin in April 2025 for the second Bitcoin installment is not included.

**NOTE 23: SUBSEQUENT EVENTS**

Management has evaluated subsequent events from April 1, 2025 to May 13, 2025.

**Credit Facility**

On April 1, 2025, the Company signed a credit facility for up to \$300,000 (the "Credit Facility") with Macquarie Equipment Capital, Inc. ("Macquarie"). The initial draw for \$50,000 ("Initial Tranche") will be used for project development soft costs of the Panther Creek data center and other general corporate purposes. The remaining \$250,000 ("Second Tranche") will be drawable as the Company achieves specific development milestones at the Panther Creek location and secured at the project level at which time the Initial Tranche will be rolled into the project facility. The facility expires two years from the closing date and incurs an annual interest rate of 8%.

In connection with the Initial Tranche, Macquarie received warrants for the purchase of \$5,000 in shares of the Company. Under the loan agreement, up to \$125,000 having been drawn under the Second Tranche for the Panther Creek development, Macquarie will receive additional warrants equal to 10% of the amount drawn under the Credit Facility.

The Credit Facility for the Initial Tranche includes various covenants for the Company and its subsidiaries including restrictions on dispositions, dividends, the incurrence of debt and liens, material changes in the nature of its business, related party transactions and investments.

The Company is subject to financial and non-financial covenants. As of May 13, 2025, the Company was not in breach of any of its Credit Facility covenants.

**Redemption options of Bitcoin**

On April 30, 2025, the Company exercised its option to redeem the second installment of the Bitcoin Pledged in relation to the purchase of Miners under the March 2024 purchase order. The Company redeemed 87 Bitcoin for \$8,308. See Note 6 for more details.

**NOTE 23: SUBSEQUENT EVENTS** (Continued)**Argentina Operations**

On April 30 2025, the Company was informed that its electricity supplier at Rio Cuarto, Argentina, Generación Mediterránea S.A. (“GMSA”), appointed local and international financial advisors to conduct a process with their creditors regarding the restructuring of all its financial debt, but confirmed that the Company would be able to continue consuming power at the Rio Cuarto site. GMSA is currently negotiating with its commercial suppliers. On May 12, 2025, the Company was informed by GMSA that, effective immediately, they were halting the supply of electricity to the Company’s Rio Cuarto, Argentina facility until further notice. At this stage, there is uncertainty around the potential resumption of the supply of electricity and the timing thereof. This event has necessitated a pause in the Company’s cryptocurrency Mining activities in Argentina and, unless resolved, may significantly impact the operations in that country. The Company is evaluating all of its options for its Argentina operations. The impact of this subsequent event is considered a non-adjusting subsequent event and not factored into the Company’s impairment analysis discussed in Note 10.

**Class Action Lawsuit**

On May 9, 2025, a purported shareholder filed a putative class action complaint in the United States District Court for the Eastern District of New York, in a case titled *Olympio v. Bitfarms Ltd., Benjamin Gagnon, Jeffrey Lucas, and Geoff Morphy*, case no 1:25-cv-02630, alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5, promulgated thereunder. The lawsuit alleges that the Company, its current CEO, its CFO and its former CEO made materially false and/or misleading statements regarding the Company’s business, operations and internal controls over financial reporting. The Plaintiff seeks class certification, unspecified damages plus interest and attorney and expert witness fees and other costs on behalf of a purported class consisting of all persons and entities (subject to specified exceptions) that purchased or otherwise acquired Company common stock from March 21, 2023 and December 9, 2024. The Company cannot predict the duration or outcome of this lawsuit at this time. As a result, the Company is unable to estimate the reasonably possible loss or range of reasonably possible loss arising from this lawsuit. The Company intends to vigorously defend itself in this matter.

**NOTICE TO READER**

As of December 31, 2025, Bitfarms Ltd. (“Company”) determined that it would prepare its financial statements in accordance with U.S. generally accepted accounting standards (“U.S. GAAP”). As a result, pursuant to section 4.3(4) of National Instrument 51-102 - Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company must restate its previously filed interim financial reports for the year ended December 31, 2025 in accordance with U.S. GAAP, such interim financial reports having previously been prepared in accordance with IFRS Accounting Standards.

The attached restated Management’s Discussion and Analysis for the three months ended March 31, 2025 (“Q1 2025 MD&A”) have been prepared in accordance with U.S. GAAP, and should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2025, filed on March 31, 2026 and is available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on EDGAR at [www.sec.gov](http://www.sec.gov). Other than as expressly set forth above, the Q1 2025 MD&A do not, and do not purport to, update or restate the information in the original MD&A or reflect any events that occurred after the date of the filing of the original MD&A.

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**BITFARMS LTD.**

**Management's Discussion & Analysis (Restated)  
For the three months ended March 31, 2025**

**Q1 2025**

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**BITFARMS LTD.**

**Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

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**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

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**1. INTRODUCTION**

The following restated Management's Discussion and Analysis (the "MD&A") for Bitfarms Ltd. (together with its subsidiaries, the "Company" or "Bitfarms") for the three months ended March 31, 2025 (the "Restated MD&A") is being filed in connection with and should be read in conjunction with the Company's unaudited restated condensed consolidated financial statements for the three months ended March 31, 2025 and its accompanying notes (the "Financial Statements"). This Restated MD&A is intended to replace and supersede in its entirety the original MD&A for the three months ended March 31, 2025, which was filed by the Company on SEDAR+ and EDGAR on May 14, 2025. This Restated MD&A is available on SEDAR+ and EDGAR and was filed on March 31, 2026. This Restated MD&A should also be read in conjunction with the Company's 2025 Annual Report on Form 10-K dated March 31, 2026, which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and EDGAR at [www.sec.gov/edgar](http://www.sec.gov/edgar).

Effective the fiscal year 2025, the Company has transitioned from presenting its Financial Statements according to International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), to generally accepted accounting principles in the United States ("U.S. GAAP"). All comparative figures in this Restated MD&A have been adjusted to U.S. GAAP for consistency. The Company's Financial Statements and this MD&A are reported in thousands of U.S. dollars and U.S. dollars, respectively, except where otherwise noted.

Bitfarms' management team ("Management") is responsible for the preparation and integrity of the Financial Statements including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the Financial Statements and MD&A, is complete and reliable.

The Company utilizes non-GAAP financial measures and ratios in assessing operating performance. Non-GAAP financial measures and ratios may exclude the impact of certain items and are used internally when analyzing operating performance. Refer to Section 9 - *Non-GAAP and Other Financial Measures and Ratios* and Section 21 - *Cautionary Note Regarding Non-GAAP and Other Financial Measures and Ratios* of this MD&A for more information.

This MD&A contains forward-looking statements. Refer to the risk factors described in Section 18 - *Risk Factors* of this MD&A and in Section 19 - *Risk Factors* of the Company's MD&A for the year ended December 31, 2024, dated March 26, 2025 and to Section 20 - *Cautionary Note Regarding Forward-Looking Statements* of this MD&A for more information. This MD&A contains various terms related to the Company's business and industry which are defined in Section 23 - *Glossary of Terms* of this MD&A.

In this MD&A, the following terms shall have the following definitions:

<b>Term</b>	<b>Definition</b>
Q1 2025	Three months ended March 31, 2025
Q1 2024	Three months ended March 31, 2024

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**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

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**2. COMPANY OVERVIEW**

Founded in 2017, Bitfarms (Nasdaq/TSX: BITF) is a global, publicly traded energy and compute infrastructure company. Bitfarms primarily operates vertically integrated Bitcoin data centers with primarily in-house management and company-owned electrical engineering, installation service, and multiple onsite technical repair centers.

Bitfarms primarily owns and operates data centers housing computers (referred to as "Miners") designed for the purpose of validating transactions on the Bitcoin Blockchain (referred to as "Mining"). Bitfarms generally operates its Miners 24 hours per day to produce computational power used for hashing calculations (measured by hashrate) that Bitfarms sells to Mining pool operators under a formula-driven rate commonly known in the industry as Full Pay Per Share ("FPPS"). Under FPPS, Mining pool operators compensate Mining companies for their computational power used for hashing calculations, measured by hashrate, based on what the Mining pool operator would expect to generate in revenue for a given time period if there was no randomness involved. The fee paid by a Mining pool operator to Bitfarms for its computational power used for hashing calculations may be in cryptocurrency, U.S. dollars, or another currency. However, the fees are paid to the Company on a daily basis in Bitcoin. Bitfarms accumulates the cryptocurrency fees it receives or exchanges them for U.S. dollars through reputable and established cryptocurrency trading platforms.

As described in Note 3 to the Financial Statements, the Company acquired Stronghold Digital Mining, Inc. ("Stronghold") on March 14, 2025 (the "Stronghold Transaction"). Through the acquisition of Stronghold, the Company now owns and operates two refuse power generation facilities in Pennsylvania, United States. Both facilities qualify as an "Alternative Energy System" under Pennsylvania, United States law because refuse is classified as a Tier II Alternative Energy Source (large-scale hydropower is also classified in this tier). The Company sells its electricity into the Pennsylvania, New Jersey, Maryland ("PJM") Interconnection Merchant Market under a professional services agreement with Customized Energy Solutions, Ltd. To support each site's data centers, the Company's primary fuel source at these facilities is waste which is provided by various third parties. Waste tax credits ("WTCs") are earned by the Company by utilizing refuse to generate electricity. The Company either consumes the energy internally to support computational activities related to hashing calculations or sells the energy it produces to the open market (the "Grid").

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**2. COMPANY OVERVIEW** (Continued)

Bitfarms currently has 15 operating Bitcoin data centers situated in four countries: Canada, the United States, Paraguay and Argentina, powered by long-term competitively priced power contracts.

The Company's ability to operate and secure power through its production sites are summarized as follows:

<b>Region</b>	<b>Energized capacity as of May 13, 2025</b>	<b>Contracted capacity as of May 13, 2025</b>
<b>North America</b>		
Canada	170 MW	180 MW <sup>1</sup>
United States	153 MW	438 MW <sup>2,3</sup>
	323 MW	618 MW
<b>South America</b>		
Paraguay	80 MW	80 MW
Argentina	58 MW	210 MW <sup>4</sup>
	138 MW	290 MW
<b>Total</b>	461 MW	908 MW

<sup>1</sup> The Company has secured the rights for 10 MW of hydro-electricity in the province of Quebec, Canada, but does not currently have a development plan for those 10 MW of power. Bitfarms is continuing its efforts to search for economically viable properties for the available 10 MW of hydro-electricity.

<sup>2</sup> Refer to Section 6 - *Expansion Projects* for details on the timing of the remaining MW not yet operational.

<sup>3</sup> The Company has a hosting contract to operate 21 MW of Miners on behalf of a third party at the Panther Creek Bitcoin data center.

<sup>4</sup> The Company retains the option, subject to the receipt of additional government approvals, to expand the Rio Cuarto operation to the full contracted amount of 210 MW. However, on May 12, 2025, the Company was informed by Generación Mediterránea S.A. ("GMSA") that it will be halting until further notice the supply of electricity to the Company's Rio Cuarto, Argentina facility. At this stage, the Company does not have certainty of the timing for when normal supply of electricity will resume, or whether it will resume at all, and the Company is evaluating all of its options for the Argentina operations including, but not limited to, discontinuing operations at Rio Cuarto, Argentina if normal operations cannot resume in the near term. Refer to Section 19 - *Risk Factors* (*The Company's operations in Rio Cuarto have been suspended due to a halt in its supply of electrical power*).

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**3. FINANCIAL HIGHLIGHTS**

(U.S.\$ in thousands except where indicated)	Three months ended March 31,	
	2025	2024
Revenues	66,620	50,317
Gross loss	(462)	(10,802)
Gross margin <sup>(1)</sup>	(1)%	(21)%
Operating loss	(51,816)	(102)
Operating margin <sup>(1)</sup>	(78)%	—%
Net (loss) income	(55,553)	2,653
Basic and diluted loss per share	(0.11)	0.01
Gross Mining profit <sup>(2)</sup>	27,022	30,751
Gross Mining margin <sup>(2)</sup>	42%	62%
Adjusted EBITDA <sup>(2)</sup>	13,781	22,703
Adjusted EBITDA margin <sup>(2)</sup>	21%	45%

	As of March 31,	As of December 31,
	2025	2024
Total assets	771,703	663,132
Current financial liabilities	70,991	22,330
Non-current financial liabilities	1,915	1,430

There have not been any distributions or cash dividends declared per share for the periods disclosed above.

<sup>1</sup> Gross margin and Operating margin are supplemental financial ratios; refer to Section 9 - *Non-GAAP and Other Financial Measures and Ratios*.

<sup>2</sup> Gross Mining profit, Gross Mining margin, Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures or ratios; refer to Section 9 - *Non-GAAP and Other Financial Measures and Ratios*.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

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**4. FIRST QUARTER 2025 FINANCIAL RESULTS AND OPERATIONAL HIGHLIGHTS****Financial**

- Revenues of \$66.6 million;
- Gross Mining profit<sup>2</sup> of \$27.0 million (42% Gross Mining margin<sup>2</sup>);
- Adjusted EBITDA<sup>2</sup> of \$13.8 million (21% Adjusted EBITDA margin<sup>2</sup>);
- Gross loss of \$0.5 million (Gross margin<sup>1</sup> of negative 1%) including non-cash depreciation and amortization expense of \$28.4 million, operating loss of \$51.8 million (Operating margin<sup>1</sup> of negative 78%) including an impairment loss of \$18.8 million, and net loss of \$55.6 million; and
- Non-cash impairment loss of \$17.5 million on Argentina asset group, as a result of macroeconomic and mining economic events.

**Operations**

- Increased Hashrate under Management from 12.8 EH/s at December 31, 2024 to 19.5 EH/s at March 31, 2025, an increase of 52%, through the acquisition of Stronghold, which contributed 2.9 EH/s, and the installation of approximately 21,000 more efficient Miners;
- Earned 693 Bitcoin at an average direct cost of \$47,800 per Bitcoin<sup>2</sup> or an average total cash cost of \$73,800 per Bitcoin<sup>2</sup>, and received 6 Bitcoin through hosting revenue;
- Held 1,492 Bitcoin valued at approximately \$123.2 million as of March 31, 2025;
- Sold 428 Bitcoin at an average price of \$87,100 per Bitcoin for total proceeds of \$37.3 million, a portion of which was used to pay capital expenditures to support the Company's growth and efficiency improvement objectives; and
- Bitcoin One realized and unrealized loss of \$1.5 million on Bitcoin option and selling contracts.

**Business Acquisition**

- Completed the acquisition of Stronghold for total consideration of \$144.7 million, which provides up to 307 MW of additional power capacity to the Company's operations and 648 MW of long-term power applications that the Company believes are well suited for infrastructure for HPC/AI, Bitcoin Mining and energy trading.

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<sup>1</sup> Gross margin and Operating margin are supplemental financial ratios; refer to Section 9 - *Non-GAAP and Other Financial Measures and Ratios*.

<sup>2</sup> Gross Mining profit, Gross Mining margin, Adjusted EBITDA, Adjusted EBITDA margin, Direct Cost per Bitcoin and Total Cash Cost per Bitcoin are non-GAAP measures or ratios; refer to Section 9 - *Non-GAAP and Other Financial Measures and Ratios*.

**BITFARMS LTD.**

**Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

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**4. FIRST QUARTER 2025 FINANCIAL RESULTS AND OPERATIONAL HIGHLIGHTS (Continued)**

**Expansions**

- Engaged strategic partners to accelerate HPC/AI development (refer to Section 6b - *Expansion Projects (Development of HPC/AI Business)*); and
- Signed exchange agreements to return 4,160 Bitmain T21 Miners and purchase 3,660 Bitmain S21+ Miners ("2025 Miners Swap") for a net payment of \$2.4 million.

**Paraguay**

- Completed the strategic sale of the Yguazu Mining Site for total consideration of \$63.3 million.

**Financing**

- Raised \$23.6 million in net proceeds through the Company's 2024 at-the-market equity offering program ("2024 ATM Program").

**Other**

- Appointed Craig Hibbard to Senior Vice-President of Infrastructure; and
- Appointed James Bond to Senior Vice-President of HPC/AI.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**5. PRODUCTION AND MINING OPERATIONS****Key Performance Indicators**

	<b>Three months ended March 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>% Change</b>
Total Bitcoin earned	<b>693</b>	943	(27)%
Bitcoin received through hosting revenue	<b>6</b>	—	100%
Average Watts/Average TH efficiency*	<b>20</b>	35	(43)%

\* Average Watts represents the average energy consumption of deployed Miners

**Q1 2025 v. Q1 2024**

- 693 Bitcoin earned in Q1 2025, compared to 943 Bitcoin earned in Q1 2024, representing a decrease of 27% as a result of reduced Block Rewards following the April 2024 halving event and a 44% increase in average Network Difficulty, partially offset by an increase in Hashrate from the Company's expansions and upgrades to its Miner fleet with additional and higher efficiency Miners; and
- Improved ending energy efficiency to 19 Watts/TH on March 31, 2025 compared to 34 Watts/TH on March 31, 2024, as a result of the Company upgrading its fleet with more efficient Miners. This improvement resulted in a 20 average Watts/Average TH efficiency during Q1 2025, compared to 35 average Watts/Average TH efficiency during Q1 2024, representing an improvement of 43%.

	<b>As of March 31, As of December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>% Change</b>
Period-end operating EH/s	<b>19.5</b>	12.8	52%
Watts/TH efficiency*	<b>19</b>	21	(10)%
Period-end energized capacity (MW) **	<b>461</b>	394	17%

\* Watts represents the energy consumption of deployed Miners

\*\* Includes 21 MW operated on behalf of a third party through a hosting contract at the Panther Creek Bitcoin data center (as of March 31, 2024: nil)

**As of March 31, 2025 v. as of December 31, 2024**

- 19.5 EH/s online as of March 31, 2025, compared to 12.8 EH/s online as of December 31, 2024, an increase of 52%, as a result of the Company's expansion in United States, including the acquisition of Stronghold, as well as the upgrade of its Miner fleet with higher efficiency Miners;
- Ending energy efficiency of 19 Watts/TH on March 31, 2025 compared to 21 Watts/TH on December 31, 2024, an improvement of 10% as a result of the Company upgrading its fleet with more efficient Miners; and
- 461 MW energized capacity as of March 31, 2025, compared to 394 MW energized capacity as of December 31, 2024, an increase of 17%, mainly due to the acquisition of Stronghold (resulting in an additional 44 MW, including 21 MW used for a hosting contract with a third party), and the installation of miners in Sharon, United States and Baie-Comeau, Canada.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

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**6. EXPANSION PROJECTS**

The Company describes its expansion plans below under the sections entitled "United States Expansion", "Paraguay Expansion", and "Canada Expansion". These expansion projects do not include updates from 2024 or earlier.

As of March 31, 2025, the Company operated 19.5 EH/s under Management across its facilities, an increase of 6.7 EH/s, or 52%, compared to December 31, 2024. The increase is attributed to the installation of additional Miners mainly in the United States, the acquisition of the operations of Stronghold in Pennsylvania, United States (which included assumption of Stronghold's existing hosting agreement with a third party); and the Company upgrading its overall fleet with more efficient Miners.

Through its expansion projects and the investment in its fleet upgrade, the Company achieved its first 2025 targets of 18 EH/s operational and 19 w/TH installed and is executing towards its target of 21 EH/s by June 30, 2025.

The Company continues to prudently explore further opportunities to expand its infrastructure and improve its Mining hardware to increase the Company's Hashrate and Miner efficiency and to monetize the Company's infrastructure to create long-term value for shareholders.

**Cautionary statements**

The estimated costs and timelines to achieve these expansion plans may change based on, among other factors, the cost and supply of Bitcoin Mining equipment, the ability to import equipment into countries where it operates in a cost-effective and timely manner, the supply of electrical and other supporting infrastructure equipment, the availability of construction materials, currency exchange rates and the impact of geopolitical events on the supply chains described above. The Company's expansion plans rely on a consistent supply of electricity at cost-effective rates; refer to Section 19 - *Risk Factors* (Section *Economic Dependence on Regulated Terms of Service and Electricity Rates Risks*) of the MD&A for the year ended December 31, 2024, dated March 26, 2025 for further details, including a description of these and other factors.

**Fleet Upgrade**

The fleet upgrade plan described below underpinned the Company's 2024 expansion strategy. Securing additional Miners was anticipated to benefit the Company by capitalizing on elevated Bitcoin prices and drive rapid and meaningful improvements across three key operating metrics: Hashrate, energy efficiency and operating costs per TH.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**6. EXPANSION PROJECTS (Continued)****Fleet Upgrade (Continued)**

The following table details the status of the latest Miner orders as of May 13, 2025:

Date	Order	Quantity <sup>1</sup>	Miner Model	Miners Energized	Hashrate (EH/s) <sup>2</sup>	Remaining Miners
Q4 2023	Purchase Order	35,898	Bitmain T21	35,898	6.8	—
Q1 2024	Purchase Option	22,234	Bitmain T21	22,234	4.2	—
(amended Q4 2024)	(amended Q4 2024)	6,000	Bitmain S21 Pro	6,000	1.4	—
		28,234		28,234	5.6	—
Q1 2024	March 2024	6,475	Bitmain T21	3,736	0.7	2,739
(amended Q4 2024)	Purchase Order	12,700	Bitmain S21 Pro	9,820	2.3	2,880
	(amended Q4 2024)	3,975	Bitmain S21	3,975	0.9	—
		762	Bitmain S21 hydro	762	0.3	—
		23,912		18,293	4.2	5,619
Q1 2025	2025 Miners	(4,160)	Bitmain T21	—	—	(4,160)
	Swap	3,440	Bitmain S21 Plus	3,058	—	382
		(720)		3,058	—	(3,778)
		87,324		85,483	16.6	1,841

<sup>1</sup> The total Hashrate from the Miners received corresponds to the total Hashrate specified in the initial agreements. The quantity of Miners received may vary based on the individual Hashrate specifications of each Miner.

<sup>2</sup> The Hashrate is based on the average Miner specifications stated in the purchase agreements and the Company's actual realized Hashrate may differ.

On March 12, 2025, in connection with the Purchase Order, an exchange agreement was signed to return 4,160 Bitmain T21 Miners. In consideration for the returned Miners, Bitmain will refund the Company with a \$9.5 million credit. Simultaneously, the Company placed another purchase order ("2025 Miners Swap") for 3,660 Bitmain S21+ Miners at a purchase price of \$11.9 million. On March 13, 2025, the net \$2.4 million obligation was paid in Bitcoin that can be repurchased in four quarterly installments at a predetermined price.

The March 2024 Purchase Order, combined with the Purchase Order and Purchase Option, enabled the Company to reach 19.5 EH/s operating capacity and 19 w/TH efficiency in Q1 2025. The Company intends to continue liquidating older Miners to offset the cost of the capital expenditure. During Q1 2025, the Company sold 11,177 older generation Miners to third parties for approximately \$1.6 million. Refer to Note 9 to the Financial Statements.

**Stronghold and Yguazu data centers**

The Stronghold Transaction and the Yguazu Sale (as defined below) enabled the Company to rebalance its portfolio of MW to approximately 70% in North America and 30% outside of North America and is expected to reduce the Company's average energy costs per kWh by up to 10%. Proceeds from the transaction will be reinvested towards its 1.1 GW growth pipeline as part of the Company's planned United States expansion for Bitcoin and HPC data center operations, which marks a significant milestone in the Company's transition from an international Bitcoin miner to a North American energy and compute infrastructure company.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

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**6. EXPANSION PROJECTS (Continued)****Development of HPC/AI Business**

In January 2025, the Company engaged two separate consultants in HPC/AI, Appleby Strategy Group ("ASG") and World Wide Technology ("WWT"), to conduct formal evaluations of the Company's data centers and energy assets for potential partial or total conversion to HPC/AI. In parallel, ASG and WWT will conduct feasibility assessments, data center engineering, site map planning, construction budgeting, and help build accelerated sales and development strategies. Combined, they will support the building of the Company's operational capabilities and market the Company's sites to potential HPC/AI customers.

In April 2025, phase 1 feasibility assessments from WWT were provided to the Company and confirmed the suitability of all US sites and most Canadian sites for potential conversion to HPC/AI.

**United States Expansion*****Acquisition of Stronghold***

On March 14, 2025, the Company acquired Stronghold in a stock-for-stock merger transaction (the "Transaction"). The Transaction was unanimously approved by the Board of Directors of both companies and was approved by shareholders representing a majority of the outstanding shares of Stronghold on February 27, 2025.

Stronghold shareholders received 2.52 shares of Bitfarms for each share of Stronghold they own. The Company issued 59,866,852 common shares and 12,893,650 warrants in connection with the consummation of the Merger. In addition, the Company paid \$51.1 million on closing to retire Stronghold's outstanding loans and other closing costs.

The Stronghold Transaction added up to 307 MW of power capacity, with an additional 648 MW of incremental potential power capacity, for a total of 955 MW of potential power capacity, to the Company's operations and is aligned with the Company's strategic objectives to diversify its operations and expand its presence in the United States through vertical integration of power generation and energy arbitrage capabilities. This transaction solidifies Bitfarms' standing in the Bitcoin Mining sector and positions it well for expansion into the HPC/AI sector with two strategically located facilities with energy infrastructure and expansion capacity.

During the first quarter of 2025, approximately 14,500 S21 Pro Bitmain Miners were installed at the Scrubgrass and Panther Creek facilities. Following the closing of the Stronghold Transaction on March 14, 2025, the Panther Creek Hosting Agreement and Scrubgrass Hosting Agreement were terminated, settling the \$15.6 million Refundable Hosting Deposits to the Company.

***Sharon 2025 update***

In January 2025, the Company energized 12 MW at the Sharon data center located in Sharon, Pennsylvania, United States, after installing 3,300 Miners. The Company is in the registration process for participation in Economic Demand Response and other grid support programs offered in the deregulated PJM market. Participation in these programs includes both demand response and energy arbitrage strategies that the Company plans to develop in the coming months across its PJM portfolio under Bitfarms' energy program. This program will be critical to maximizing the value of its PJM assets through more effective control of energy prices.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

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**6. EXPANSION PROJECTS (Continued)****United States Expansion (Continued)*****Sharon 2025 update (Continued)***

Through profit sharing plans from future hosting agreements and/or through proprietary compute power dedicated to Bitcoin, the Mining operations are expected to increase the online Hashrate under management up to 1.6 EH/s. Fully energized for computing power dedicated to Bitcoin Mining, the site could support over 7.0 EH/s with current generation Miners. The cost of developing the 110 MW Bitcoin data center for computational power and the installation of the high voltage lines is estimated to range from \$50.0 million to \$60.0 million. A concurrent evaluation of developing all or a portion of the site for HPC/AI is in exploratory stages and may impact estimated capital expenditures and the increase in online Hashrate.

***Sharon Position as of March 31, 2025***

As of March 31, 2025, the Company had placed deposits of \$2.2 million with suppliers for construction costs and for electrical components. As of March 31, 2025, property, plant and equipment ("PPE") included \$12.8 million related to the Sharon data center for facility construction and infrastructure equipment costs.

***Washington State 2025 update***

The Company completed the upgrade of a portion of its current fleet of Miners in Washington during February 2025 with new T21 Miners. The Washington location is also being evaluated for potential conversion to HPC/AI due to its strategic location near a data center cluster.

**B. Paraguay Expansion*****Paso Pe position as of March 31, 2025***

As of March 31, 2025, the Company had placed deposits of \$0.1 million with suppliers for construction costs and for electrical components. As of March 31, 2025, PPE included \$28.2 million related to the Paso Pe Bitcoin data center for warehouse construction and infrastructure equipment costs.

***Sale of Yguazu Bitcoin data center 2025 update***

On January 24, 2025, the Company announced that it had entered into a binding letter of intent to sell its 200 MW Bitcoin data center in Yguazu, Paraguay to HIVE Digital Technologies Ltd. ("HIVE") (the "Yguazu Sale").

On March 14, 2025, the Yguazu Sale closed. HIVE purchased from Bitfarms its 100% ownership stake of its Yguazu, Paraguay Bitcoin data center and the Company's loan receivable from its Yguazu, Paraguay subsidiary, Zunz SA ("Backbone Yguazu"), for \$63.3 million, with Bitfarms receiving:

- \$20.0 million of advance payment made in January 2025 upon signing the letter of intent;
- \$12.1 million upon the closing of the transaction;
- \$31.0 million in equal installments over 6 months following the closing; and
- \$0.2 million of other costs assumed by HIVE.

Refer to Note 4 to the Financial Statements.

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(In U.S. dollars, except where otherwise indicated)

**6. EXPANSION PROJECTS (Continued)****C. Canada Expansion****Baie-Comeau 2025 update**

In January 2025, the energy provider energized the additional 11 MW, increasing the Baie-Comeau data center total to 22 MW.

**Baie-Comeau position as of March 31, 2025**

The Company has \$11.6 million of PPE at the Baie-Comeau data center, including infrastructure equipment that was repurposed from other data centers.

**7. FINANCIAL PERFORMANCE****Consolidated Financial & Operational Results**

(U.S.\$ in thousands except where indicated)	Three months ended March 31,			
	2025	2024	\$ Change	% Change
<b>Revenues</b>	<b>66,620</b>	50,317	16,303	32%
Cost of revenues	(67,082)	(61,119)	(5,963)	10%
<b>Gross loss</b>	<b>(462)</b>	(10,802)	10,340	(96)%
Gross margin <sup>(1)</sup>	(1)%	(21)%	—	—
<b>Operating expenses</b>				
General and administrative expenses	(20,060)	(13,170)	(6,890)	52%
Change in fair value of digital assets	(23,033)	12,656	(35,689)	(282)%
Realized gain on sale of digital assets	4,977	11,063	(6,086)	(55)%
Gain on disposition of property, plant and equipment and deposits	5,586	151	5,435	nm
Impairment of long-lived assets and deposits	(18,824)	—	(18,824)	(100)%
<b>Operating loss</b>	<b>(51,816)</b>	(102)	(51,714)	nm
Operating margin <sup>(1)</sup>	(78)%	—%	—	—
Interest income	876	680	196	29%
Interest expense	(218)	(168)	(50)	30%
(Loss) gain on derivative assets and liabilities	(3,714)	2,490	(6,204)	(249)%
Other (expense) income	81	(247)	328	133%
Total other (expense) income	(2,975)	2,755	(5,730)	(208)%
<b>Net (loss) income before income taxes</b>	<b>(54,791)</b>	2,653	(57,444)	nm
Income tax expense	(762)	—	(762)	(100)%
<b>Net (loss) income</b>	<b>(55,553)</b>	2,653	(58,206)	nm
Basic (loss) earnings per share (in U.S. dollars)	(0.11)	0.01	—	—
Diluted earnings (loss) per share (in U.S. dollars)	(0.11)	0.01	—	—
Gross Mining profit <sup>(2)</sup>	27,022	30,751	(3,729)	(12)%
Gross Mining margin <sup>(2)</sup>	42%	62%	—	—
Adjusted EBITDA <sup>(2)</sup>	13,781	22,703	(8,922)	(39)%
Adjusted EBITDA margin <sup>(2)</sup>	21%	45%	—	—

nm: not meaningful

<sup>1</sup> Gross margin and Operating margin are supplemental financial ratios; refer to Section 9 - *Non-GAAP and Other Financial Measures and Ratios*.

<sup>2</sup> Gross Mining profit, Gross Mining margin, EBITDA, EBITDA margin, Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures or ratios; refer to Section 9 - *Non-GAAP and Other Financial Measures and Ratios*.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**7. FINANCIAL PERFORMANCE (Continued)****A. Revenues**

(U.S.\$ in thousands except where indicated)	Three months ended March 31,			
	2025	2024	\$ Change	% Change
Cryptocurrency Mining	64,863	49,423	15,440	31%
Cryptocurrency Hosting	343	—	343	100%
Electrical services	1,094	894	200	22%
Energy sales	320	—	320	100%
	<b>66,620</b>	<b>50,317</b>	<b>16,303</b>	<b>32%</b>

**Q1 2025 v. Q1 2024**

Revenues were \$66.6 million in Q1 2025 compared to \$50.3 million in Q1 2024, an increase of \$16.3 million, or 32%.

The most significant factors impacting the increase in Bitfarms' revenues in Q1 2025 compared to Q1 2024 are presented in the table below. Revenues increased mostly due to an increase in the Company's average Bitcoin Hashrate and average Bitcoin price, partially offset by the increase in Network Difficulty and lower Bitcoin earned resulting from lower Block Rewards following the Bitcoin halving event that occurred on April 19, 2024.

(U.S. \$ in thousands except where indicated)	Note	BTC	\$	% Change
BTC and revenues, including Volta*, for the three months ended March 31, 2024		943	50,317	—
Impact of BTC halving event on April 19, 2024 on Bitfarms' quantity of BTC earned during Q1 2025	1	(679)	(63,552)	(126)%
Impact of increase in Network Difficulty during Q1 2025 as compared to Q1 2024	2	(640)	(59,951)	(119)%
Impact of increase in average Bitfarms' BTC Hashrate during Q1 2025 as compared to Q1 2024	3	1,075	100,661	200%
Impact of difference in average BTC price in Q1 2025 as compared to Q1 2024	4		38,854	77%
Other Mining variance, Computational power sold in exchange for services variance and change in Volta*			291	1%
<b>BTC and revenues, including Volta*, for the three months ended March 31, 2025</b>		<b>699</b>	<b>66,620</b>	<b>33%</b>

\*9159-9290 Québec Inc. ("Volta") is a wholly-owned subsidiary of the Company, assists the Company in building and maintaining its data centers and provides electrician services to both commercial and residential customers in Quebec, Canada

## Notes

- 1 Calculated as the theoretical BTC earned based on Bitfarms' actual Hashrate during Q1 2025 assuming the BTC halving event did not occur, compared to actual BTC earned during the same period multiplied by average BTC price earned.
- 2 Calculated as the difference in BTC earned in Q1 2025 compared to Q1 2024, based on the change in Network Difficulty, multiplied by Q1 2025 average BTC price earned.
- 3 Calculated as the difference in BTC earned in Q1 2025 compared to Q1 2024, based on the change in Bitfarms' average Hashrate, multiplied by Q1 2025 average BTC price earned.
- 4 Calculated as the difference in average BTC price in Q1 2025 compared to Q1 2024 multiplied by BTC earned in Q1 2024.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**7. FINANCIAL PERFORMANCE (Continued)****A. Revenues (Continued)****Q1 2025 v. Q1 2024 (Continued)**

The following tables summarize the Company's revenues and average Hashrate for Q1 2025 and Q1 2024 by country:

<b>Revenues</b> (U.S.\$ in thousands except where indicated)	<b>Three months ended March 31,</b>			
	<b>2025</b>	<b>2024</b>	<b>\$ Change</b>	<b>% Change</b>
<b>North America</b>				
Canada	<b>29,122</b>	32,138	(3,016)	(9)%
United States	<b>18,529</b>	4,887	13,642	279%
	<b>47,651</b>	37,025	10,626	29%
<b>South America</b>				
Paraguay	<b>12,014</b>	1,716	10,298	600%
Argentina	<b>6,955</b>	11,576	(4,621)	(40)%
	<b>18,969</b>	13,292	5,677	43%
	<b>66,620</b>	50,317	16,303	32%

<b>Average Operational Hashrate under Management*</b> (Average Hashrate in EH/s except where indicated)	<b>Three months ended March 31,</b>			
	<b>2025</b>	<b>2024</b>	<b>Change</b>	<b>% Change</b>
<b>North America</b>				
Canada	<b>5.7</b>	3.7	2.0	54%
United States	<b>4.0</b>	0.6	3.4	567%
	<b>9.7</b>	4.3	5.4	126%
<b>South America</b>				
Paraguay	<b>2.4</b>	0.2	2.2	nm
Argentina	<b>1.4</b>	1.4	—	—%
	<b>3.8</b>	1.6	2.2	138%
	<b>13.5</b>	5.9	7.6	129%

nm: not meaningful

\* Average operational hashrate reflects the hashrate of the Miners that the Company owns and operates.

Bitfarms earned most of its revenues during Q1 2025 from its Canadian operations, which accounted for 44% of total revenues, compared to 64% in Q1 2024. The Company's operations in United States, Paraguay, and Argentina accounted for 28%, 18%, and 10% of total revenues in Q1 2025, respectively, compared to 10%, 3%, and 23% in Q1 2024, respectively.

In Q1 2025, revenues from the Company's operations in United States and Paraguay increased by \$13.6 million and \$10.3 million, respectively, compared to Q1 2024. The increases are mainly due to the average Hashrate increase of the United States and Paraguay operations of 3.4 EH/s and 2.2 EH/s, respectively, and the increase in average Bitcoin price, partially offset by the decrease in Bitcoin Block Rewards following the Bitcoin halving event that occurred on April 19, 2024 and the increase in Network Difficulty. The Company's acquisition of Stronghold's facilities as part of the Stronghold Transaction contributed to 1.4 EH/s, or 18% of the Hashrate increase. Revenues from the Company's operations in Argentina and Canada decreased by \$4.6 million and \$3.0 million, respectively, in Q1 2025, as compared to Q1 2024 due to the factors mentioned above, partially offset by the average Hashrate increase in Canada.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**7. FINANCIAL PERFORMANCE (Continued)****B. Cost of Revenues**

(U.S.\$ in thousands except where indicated)	Three months ended March 31,			
	2025	2024	\$ Change	% Change
Energy	(26,389)	(19,347)	(7,042)	36%
Depreciation and amortization	(28,364)	(38,508)	10,144	(26)%
Hosting expenses	(7,735)	—	(7,735)	(100)%
Infrastructure expenses	(4,698)	(2,556)	(2,142)	84%
Electrical components and salaries	(877)	(708)	(169)	24%
	(68,063)	(61,119)	(6,944)	11%

**Q1 2025 v. Q1 2024**

Bitfarms' cost of revenues for Q1 2025 was \$67.1 million, compared to \$61.1 million for Q1 2024. The increase in cost of revenues was mainly attributable to:

- A \$7.0 million, or 36%, increase in energy expenses, mainly due to:
  - The Company adding new and more efficient Miners, which increased energy utilization to an average of 279 MW during Q1 2025 versus 214 MW for the same period in 2024, partially offset by Canadian sales taxes on its energy and infrastructure expenses that were refundable in Q1 2025 compared to being expensed in Q1 2024, resulting in a net increase in total electricity costs of \$3.9 million. Refer to Note 25d - Additional Details to the Statement of Operations (*Canadian sales tax refund*) to the 2025 Annual Financial Statements; and
  - A \$2.2 million increase due to fuel expenses from its power plants to generate revenues following the acquisition of Stronghold in Q1 2025.
- A \$7.7 million, or 100%, increase in hosting expenses, mainly due to:
  - A non-recurring increase of \$3.3 million in hosting expenses as the Company had its Miners hosted at Stronghold's Panther Creek and Scrubgrass facilities in the United States in Q1 2025, prior to the acquisition of Stronghold; and
  - A \$4.4 million increase in electricity costs incurred for hosting at the Panther Creek and Scrubgrass facilities in the United States.
- A \$2.1 million, or 84%, increase in infrastructure expenses, mainly due to:
  - The ongoing work at the Panther Creek, Scrubgrass and Sharon facilities in the United States to increase operational capacity; and
  - The site preparation cost for hydro Miners in Baie-Comeau, Canada and the higher repairs and maintenance costs related to the Miner installation.

The increase was partially offset by:

- A \$10.1 million decrease in non-cash depreciation and amortization expense due to the accelerated depreciation recorded in Q1 2024 related to the upgrade program, which decreased the anticipated useful life of older miners.

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(In U.S. dollars, except where otherwise indicated)

**7. FINANCIAL PERFORMANCE** (Continued)**C. General & Administrative Expenses**

(U.S.\$ in thousands except where indicated)	<b>Three months ended March 31,</b>			
	<b>2025</b>	2024	\$ Change	% Change
Salaries and wages	<b>(6,170)</b>	(6,047)	(123)	2%
Stock-based compensation	<b>(4,268)</b>	(3,036)	(1,232)	41%
Professional services	<b>(5,687)</b>	(1,658)	(4,029)	243%
Insurance, duties and other	<b>(3,160)</b>	(1,989)	(1,171)	59%
Travel, motor vehicle and meals	<b>(470)</b>	(246)	(224)	91%
Telecom hosting and telecommunications	<b>(187)</b>	(78)	(109)	140%
Advertising and promotion	<b>(118)</b>	(116)	(2)	2%
	<b>(20,060)</b>	(13,170)	(6,890)	52%

**Q1 2025 v. Q1 2024**

Bitfarms' general and administrative ("G&A") expenses were \$20.1 million in Q1 2025, compared to \$13.2 million for Q1 2024. The increase of \$6.9 million, or 52%, was largely due to:

- A \$4.0 million increase in professional services related to legal and accounting fees associated with non-recurring activities including the Stronghold Transaction and related filing fees.
- A \$1.2 million increase in stock-based compensation due to higher outstanding stock options and restricted stock units ("RSUs") during Q1 2025 compared to Q1 2024.
- A \$1.2 million increase in insurance, duties and other due to increases in property and liability insurance expense as a result of expanded infrastructure and a larger number of Miners deployed as well as increases in property taxes, other taxes, permits and software licenses to support the global expansion.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**7. FINANCIAL PERFORMANCE (Continued)****D. Total other (expense) income**

(U.S.\$ in thousands except where indicated)	Three months ended March 31,			
	2025	2024	\$ Change	% Change
Interest income	876	680	196	29%
Interest expense	(218)	(168)	(50)	30%
Gain on derecognition of warrants	—	61	(61)	(100)%
(Loss) gain on derivative assets and liabilities	(3,714)	2,490	(6,204)	(249)%
Gain on settlement of Refundable Hosting Deposits	945	—	945	100%
Gain on disposition of marketable securities	391	338	53	16%
Loss on foreign exchange	(163)	(61)	(102)	167%
Other financial expenses	(1,092)	(585)	(507)	87%
	(2,975)	2,755	(5,730)	(208)%

**Q1 2025 v. Q1 2024**

Bitfarms' total other expense was \$3.0 million for Q1 2025, compared to a \$2.8 million income for Q1 2024. The \$5.7 million unfavorable change was primarily related to:

- A \$6.2 million unfavorable change in (loss) gain on derivative assets and liabilities mainly due to:
  - Net loss of \$2.2 million in Q1 2025 from the Bitcoin Redemption Option. Refer to Note 8 to the Financial Statements.
  - Net loss of \$1.5 million in Q1 2025 from the Bitcoin One Program, which includes an unrealized loss of \$6.3 million on open positions, partially offset by realized gain of \$4.8 million on closed positions. Refer to Section 10b - Capital Resources (*Bitcoin One program for digital assets management*).
  - Net gain of \$2.5 million in Q1 2024, mainly from the unrealized gain on the change in fair value of open Synthetic HODL™ positions. Refer to Note 8 to the Financial Statements for more details.

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(In U.S. dollars, except where otherwise indicated)

**7. FINANCIAL PERFORMANCE (Continued)****E. Impairment**

During the three months ended March 31, 2025, due to indicators of impairment including the decline of the Company's market capitalization and Bitcoin price, the Company performed recoverability tests for operating Bitcoin data centers in Canada, United States, Paraguay and Argentina. The Company also experienced an increase in gas prices which affected the Company's cost of energy in Argentina.

In performing a recoverability test, the Company calculated the sum of the estimated undiscounted future cash flows from continued use and eventual disposition for the Argentina asset group, and determined it was lower than its carrying amount, therefore the Argentina asset group was not recoverable, and an impairment loss.

The impairment loss on the Company's Argentina asset group recorded in Q1 2025 amounted to \$17.5 million, of which \$17.2 million was allocated to PPE, \$0.2 million to equipment and construction prepayments and \$0.1 million to ROU. The impairment loss was recognized in profit or loss under Impairment of long-lived assets, compared to an impairment loss of nil in Q1 2024.

The majority of assets included in the Argentina asset group are funded through a funding mechanism facilitating the favorable conversion of U.S. dollars to Argentine Pesos, which generated a gain on disposition of marketable securities. The gain on disposition of marketable securities is reflected in the value of the assets before any impairment charge is incurred. The combined impact of the cumulative impairment charges on the operating Argentina asset group and the cumulative gain on disposition of marketable securities from Argentina is reflected as an expense of \$37.5 million in profit or loss.

In addition, the Company recorded an impairment loss of \$1.3 million on its Miners held for sale in Q1 2025, compared to nil in Q1 2024.

For more details of the key assumptions used in the calculations, refer to Note 10 - *Impairment* to the Financial Statements.

**8. SELECTED QUARTERLY INFORMATION**

Set forth below is unaudited supplemental quarterly financial information that reflects material retrospective adjustments to our consolidated statements of operations as a result of the transition to U.S. GAAP and is intended to assist investors in evaluating our results of operations on a consistent basis across periods. This data should be read in conjunction with our unaudited condensed consolidated financial statements and audited consolidated financial statements and related notes for the relevant period. These quarterly operating results are not necessarily indicative of our operating results for a full year or any future periods.

(U.S. \$ in thousands except earnings per share)	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Revenues	<b>66,620</b>	56,163	44,853	41,548	50,317	46,255	34,585	35,472
Net (loss) gain	<b>(55,553)</b>	35,774	(38,996)	(27,796)	2,653	(10,063)	(18,880)	(22,881)
Basic (loss) earnings per share	<b>(0.11)</b>	0.08	(0.09)	(0.07)	0.01	(0.03)	(0.07)	(0.10)
Diluted (loss) earnings per share	<b>(0.11)</b>	0.07	(0.09)	(0.07)	0.01	(0.03)	(0.07)	(0.10)

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(In U.S. dollars, except where otherwise indicated)

**9. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS****Non-GAAP financial measures**

The Company utilizes a number of non-GAAP financial measures and ratios in assessing operating performance. Non-GAAP financial measures and ratios may exclude the impact of certain items and are used internally when analyzing operating performance. Refer to Section 21 - *Cautionary Note Regarding Non-GAAP and Other Financial Measures and Ratios* of this MD&A.

<b>Measures</b>	<b>Definition</b>	<b>Purpose</b>
<b>Gross Mining profit</b>	Gross Profit adjusted to exclude: (i) non-Mining revenues; (ii) depreciation and amortization; (iii) purchase of electrical components and other expenses; (iv) electrician salaries and payroll taxes; and (v) sales tax recovery.	<ul style="list-style-type: none"> <li>● To assess profitability after power costs in cryptocurrency production and other infrastructure costs. Power costs are the largest variable expense in Mining.</li> <li>● To provide the users of the MD&amp;A the ability to assess the gross profitability of the Company's digital asset Mining operations.</li> </ul>
<b>EBITDA</b>	Net income (loss) adjusted to exclude: (i) interest expense; (ii) income tax expense; and (iii) depreciation and amortization.	<ul style="list-style-type: none"> <li>● To assess profitability before the impact of different financing methods, income taxes, depreciation of capital assets and amortization of intangible assets.</li> <li>● To provide the users of the MD&amp;A with additional information to assist them in understanding components of the Company's financial results, including a more complete understanding of factors and trends affecting its performance.</li> <li>● Used by Management to facilitate comparisons of cash operating performance excluding the impact of charges and credits associated with financing the operations and growth of the Company from period to period and to prepare annual operating budgets and forecasts.</li> </ul>
<b>Adjusted EBITDA</b>	EBITDA adjusted to exclude: (i) stock-based compensation; (ii) non-cash finance expenses; (iii) asset impairment charges; (iv) (reversal of) revaluation loss on digital assets; (v) gain on disposition of marketable securities, gains or losses on derivative assets and liabilities and discount expense on VAT receivable; (vi) loss (gain) on revaluation of warrants and warrant issuance costs; (vii) loss on currency exchange; (viii) sales tax recovery; and (iv) other non-recurring items that do not reflect the core performance of the Company.	<ul style="list-style-type: none"> <li>● To assess profitability before the impact of all of the items in calculating EBITDA in addition to certain other non-cash expenses.</li> <li>● To provide the users of the MD&amp;A a consistent comparable metric for profitability of the Company's core operations across time periods.</li> <li>● Used by Management to facilitate comparisons of operating performance from period to period and to prepare annual operating budgets and forecasts.</li> </ul>

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**9. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS (Continued)****Non-GAAP financial measures (Continued)**

<b>Measures</b>	<b>Definition</b>	<b>Purpose</b>
<b>Direct Cost</b>	Cost of revenues adjusted to exclude: (i) depreciation and amortization; (ii) purchases of electrical components; (iii) electrician salaries and payroll taxes; (iv) infrastructure; (v) sales tax recovery; and (vi) other direct expenses.	<ul style="list-style-type: none"><li>• To assess the Company's power and hosting costs, the largest variable expense in Mining.</li><li>• To provide the users of the MD&amp;A a metric to evaluate the Company's direct variable cost and marginal cost for its core digital asset Mining operations across time periods.</li><li>• Used by Management to assess the operating performance from period to period and to prepare annual operating budgets and forecasts.</li></ul>
<b>Total Cash Cost</b>	The sum of cost of revenues and general and administrative expenses before: (i) depreciation and amortization; (ii) non-cash service expense (iii) purchases of electrical components; (iv) electrician salaries and payroll taxes; (v) stock-based compensation; (vi) other direct expenses; (vii) sales tax recovery; and (viii) other non-recurring items that do not reflect the core performance of the Company.	<ul style="list-style-type: none"><li>• To assess the total cash cost of the Company's core digital asset Mining operations.</li><li>• To provide the users of the MD&amp;A a consistent comparable metric for the liquidity impact of the Company's mining activities across time periods.</li><li>• Used by Management to assess the operating performance from period to period and to prepare annual operating budgets and forecasts.</li></ul>

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**9. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS (Continued)****Non-GAAP financial ratios**

<b>Ratios</b>	<b>Definition</b>	<b>Purpose</b>
<b>Gross Mining margin</b>	The percentage obtained when dividing Gross Mining profit by Mining related revenues.	<ul style="list-style-type: none"><li>• To assess profitability after power costs in cryptocurrency production, the largest variable expense in Mining.</li><li>• To provide the users of the MD&amp;A the ability to assess the profitability of the Company's core digital asset Mining operations, exclusive of depreciation and amortization and certain general and administrative expenses.</li></ul>
<b>EBITDA margin</b>	The percentage obtained when dividing EBITDA by Revenues.	<ul style="list-style-type: none"><li>• To assess profitability before the impact of different financing methods, income taxes, depreciation of capital assets and amortization of intangible assets.</li><li>• Used by Management to facilitate comparisons of operating performance from period to period and to prepare annual operating budgets and forecasts.</li><li>• Useful for providing users of the MD&amp;A with additional information to assist them in understanding components of the Company's financial results, including a more complete understanding of factors and trends affecting its performance.</li></ul>
<b>Adjusted EBITDA margin</b>	The percentage obtained when dividing Adjusted EBITDA by Revenues.	<ul style="list-style-type: none"><li>• To assess profitability before the impact of all of the items in calculating EBITDA in addition to certain other non-cash expenses.</li><li>• To provide a consistent comparable metric for profitability of the Company's core performance across time periods.</li><li>• Used by Management to facilitate comparisons of operating performance from period to period and to prepare annual operating budgets and forecasts.</li></ul>

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**9. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS (Continued)****Non-GAAP financial ratios (Continued)**

<b>Ratios</b>	<b>Definition</b>	<b>Purpose</b>
<b>Direct Cost per Bitcoin</b>	The amount obtained when dividing Direct Cost by the quantity of Bitcoin earned.	<ul style="list-style-type: none"> <li>• To assess the Company's power costs, the largest variable expense in Mining.</li> <li>• To provide the users of the MD&amp;A a metric to evaluate the Company's direct variable cost for its core digital asset Mining operations across time periods.</li> <li>• Used by Management to assess the operating performance from period to period and to prepare annual operating budgets and forecasts.</li> </ul>
<b>Total Cash Cost per Bitcoin</b>	The amount obtained when dividing Total Cash cost by the quantity of Bitcoin earned.	<ul style="list-style-type: none"> <li>• To assess the total cash cost of the Company's core digital asset Mining operations.</li> <li>• To provide the users of the MD&amp;A a consistent comparable metric for the liquidity impact of the Company's mining activities across time periods.</li> <li>• Used by Management to assess the operating performance from period to period and to prepare annual operating budgets and forecasts.</li> </ul>

**Supplemental financial ratios**

The Company utilizes the following supplemental financial ratios in assessing operating performance.

<b>Ratios</b>	<b>Definition</b>	<b>Purpose</b>
<b>Gross margin</b>	The percentage obtained when dividing Gross profit by Revenues.	<ul style="list-style-type: none"> <li>• To assess profitability of the Company across time periods.</li> </ul>
<b>Operating margin</b>	The percentage obtained when dividing Operating income (loss) by Revenues.	<ul style="list-style-type: none"> <li>• To assess operational profitability of the Company across time periods.</li> </ul>

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**9. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS (Continued)****A. Reconciliation of Consolidated Net Income (loss) to EBITDA and Adjusted EBITDA**

(U.S.\$ in thousands except where indicated)	Three months ended March 31,			
	2025	2024	\$ Change	% Change
<b>Revenues</b>	<b>66,620</b>	50,317	16,303	32%
<b>Net (loss) income before income taxes</b>	<b>(54,791)</b>	2,653	(57,444)	<i>nm</i>
Interest income	(876)	(680)	(196)	29%
Interest expense	218	168	50	30%
Depreciation and amortization	28,364	38,508	(10,144)	(26)%
<b>EBITDA</b>	<b>(27,085)</b>	40,649	(67,734)	(167)%
<b>EBITDA margin</b>	<b>(41)%</b>	81%	—	—
Stock-based compensation	4,268	3,036	1,232	41%
Realized gain on sale of digital assets	(4,977)	(11,063)	6,086	(55)%
Change in fair value of digital assets	23,033	(12,656)	35,689	282%
Impairment of long-lived assets and deposits	18,824	—	18,824	100%
Gain (loss) on derivative assets and liabilities	3,714	(2,490)	6,204	249%
Gain on derecognition of warrants	—	(61)	61	100%
Gain on disposition of marketable securities	(391)	(338)	(53)	16%
Gain on settlement of Refundable Hosting Deposits	(945)	—	(945)	(100)%
Professional services not associated with ongoing operations	1,671	—	1,671	100%
Sales tax recovery - prior years - energy and infrastructure and G&A expenses (1)	—	2,387	(2,387)	100%
Net financial (income) expense and other	(4,331)	3,239	(7,570)	(234)%
<b>Adjusted EBITDA</b>	<b>13,781</b>	22,703	(8,922)	(39)%
<b>Adjusted EBITDA margin</b>	<b>21%</b>	45%	—	—

<sup>1</sup> Sales tax recovery relating to energy and infrastructure and general and administrative expenses have been allocated to their respective periods; refer to Note 25d - Additional Details to the Statement of Operations (*Canadian sales tax refund*) to the 2025 Annual Financial Statements.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**9. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS (Continued)****B. Calculation of Gross Mining Profit and Gross Mining Margin**

(U.S.\$ in thousands except where indicated)	Three months ended March 31,			
	2025	2024	\$ Change	% Change
<b>Gross loss</b>	<b>(462)</b>	<b>(10,802)</b>	<b>10,340</b>	<b>(96)%</b>
Non-Mining revenues <sup>1</sup>	(1,757)	(894)	(863)	97%
Depreciation and amortization	28,364	38,508	(10,144)	(26)%
Electrical components and salaries	877	708	169	24%
Sales tax recovery - prior years - energy and infrastructure <sup>2</sup>	—	2,028	(2,028)	100%
Other	—	1,203	(1,203)	100%
<b>Gross Mining profit</b>	<b>27,022</b>	<b>30,751</b>	<b>(3,729)</b>	<b>(12)%</b>
<b>Gross Mining margin</b>	<b>42%</b>	<b>62%</b>	<b>—</b>	<b>—</b>

nm: not meaningful

(1) Non-Mining revenues reconciliation:

(U.S.\$ in thousands except where indicated)	Three months ended March 31,			
	2025	2024	\$ Change	% Change
<b>Revenues</b>	<b>66,620</b>	<b>50,317</b>	<b>16,303</b>	<b>32%</b>
Less Mining related revenues for the purpose of calculating gross Mining margin:				
Mining revenues <sup>3</sup>	(64,863)	(49,423)	(15,440)	31%
<b>Non-Mining revenues</b>	<b>1,757</b>	<b>894</b>	<b>863</b>	<b>97%</b>

nm: not meaningful

(2) Sales tax recovery relating to energy and infrastructure expenses has been allocated to their respective periods; refer to Note 25d - Additional Details to the Statement of Operations (*Canadian sales tax refund*) to the 2025 Annual Financial Statements.

(3) Mining revenues include revenues from sale of computational power used for hashing calculations and revenues from computational power sold in exchange of services.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**9. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS (Continued)****C. Calculation of Direct Cost and Direct Cost per Bitcoin**

(U.S.\$ in thousands except where indicated)	Three months ended March 31,			
	2025	2024	\$ Change	% Change
<b>Cost of revenues</b>	<b>67,082</b>	61,119	5,963	10%
Depreciation and amortization	(28,364)	(38,508)	10,144	(26)%
Electrical components and salaries	(877)	(708)	(169)	24%
Infrastructure expenses	(4,698)	(2,556)	(2,142)	84%
Sales tax recovery - prior years - energy and infrastructure <sup>(1)</sup>	—	(2,028)	2,028	100%
Other	—	—	—	—%
<b>Direct Cost</b>	<b>33,143</b>	17,319	15,824	91%
Quantity of BTC earned	<b>693</b>	943	(250)	(27)%
<b>Direct Cost per BTC (in U.S. dollars)</b>	<b>47,800</b>	18,400	29,400	160%

**D. Calculation of Total Cash Cost and Total Cash Cost per Bitcoin**

(U.S.\$ in thousands except where indicated)	Three months ended March 31,			
	2025	2024	\$ Change	% Change
<b>Cost of revenues</b>	<b>67,082</b>	61,119	5,963	10%
<b>General and administrative expenses</b>	<b>20,060</b>	13,170	6,890	52%
	<b>87,142</b>	74,289	12,853	17%
Depreciation and amortization	(28,364)	(38,508)	10,144	(26)%
Non-cash service expense <sup>(2)</sup>	(785)	—	(785)	(100)%
Electrical components and salaries	(877)	(708)	(169)	24%
Stock-based compensation	(4,268)	(3,036)	(1,232)	41%
Professional services not associated with ongoing operations	(1,671)	—	(1,671)	(100)%
Sales tax recovery - prior years - energy and infrastructure and G&A expenses <sup>(1)</sup>	—	(2,387)	2,387	100%
Other	—	(2,744)	2,744	100%
<b>Total Cash Cost</b>	<b>51,177</b>	26,906	24,271	90%
Quantity of BTC earned	<b>693</b>	943	(250)	(27)%
<b>Total Cash Cost per BTC (in U.S. dollars)</b>	<b>73,800</b>	28,500	45,300	159%

<sup>1</sup> Sales tax recovery relating to energy and infrastructure and general and administrative expenses have been allocated to their respective periods; refer to Note 25d - Additional Details to the Statement of Operations (*Canadian sales tax refund*) to the 2025 Annual Financial Statements.

<sup>2</sup> Non-cash service expense, included in infrastructure, which was exchanged for computational power sold.

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**10. LIQUIDITY AND CAPITAL RESOURCES**

As discussed below, the Company's current financing strategy involves (a) strategically selling the Bitcoin it earns and the Bitcoin it holds in treasury and (b) utilizing short-term debt, long-term debt and equity instruments (including the 2024 ATM Program) to fund its expansion activities, operating expenses and debt service requirements. The Company may require additional funds to complete its 2025 and 2026 growth plans discussed in Section 6 - *Expansion Projects* of this MD&A.

Although the Company operates through its subsidiaries, there are no material legal restrictions and generally no practical restrictions on the ability of the subsidiaries to transfer funds to the Company, except that the Company may be subject to practical limitations on transferring funds from its Argentinian subsidiary. Beginning in the second half of 2019, the Argentine government instituted certain foreign currency exchange controls that could restrict the Company's Argentinian subsidiary's access to foreign currency, including the U.S. dollar, for making payments abroad or transferring funds to its parent without prior authorization from the Argentine Central Bank. These regulations have continued to evolve and may become more stringent depending on the Argentine government's perception of the availability of sufficient national foreign currency reserves. Further, recent changes, as well as any future changes, in national and provincial leadership may result in changing governmental perceptions and actions surrounding importation policies and the availability of foreign currency reserves for commerce. In late 2023, Argentina held a presidential election resulting in the election of a new president, Javier Milei. Many of the foreign exchange restrictions implemented in 2019 are still in place, particularly for imports and dividend payments related to transactions before December 13, 2023.

On April 11, 2025, the International Monetary Fund approved a new \$20.0 billion Extended Fund Facility program for Argentina with a term of 48 months. Concurrently, the Central Bank of Argentina ("BCRA") announced a new floating exchange rate regime with a range of 1,000 and 1,400 Argentine Pesos per U.S. dollar, which will widen at a 1% monthly crawl. The official exchange rate was 1,078 Argentine Peso per U.S. dollar on the day of the announcement. The BCRA will intervene in the foreign exchange market when the exchange rate falls outside the range. Interventions will not be sterilized. The tight capital and exchange rate controls were also significantly relaxed, allowing individuals unrestricted access to the official exchange rate market and significantly liberalizing conditions for businesses and importers. To deal with the stock of dividends accrued before 2025, the BCRA will work on the issuance of BOPREAL bonds. Businesses, in turn, will be able to access the official market for their flow needs and the payment of dividends to foreign shareholders for fiscal year 2025 and onwards. The conditions and timing to access dollars were also considerably relaxed for importers. The ongoing implications for economic and monetary policy, and its impact on Bitfarms, cannot be ascertained as of May 13, 2025.

The Company sends funds periodically to its Argentinian subsidiary to fund its expansion and operations based on supplier invoices that are paid by the Argentinian subsidiary. The Argentinian subsidiary provides Hashrate services for a market-based fee to its Canadian parent which, in turn, purchases that Hashrate to consolidate and sell to a third-party Mining Pool for which the Canadian parent is compensated in Bitcoin. Accordingly, the Argentinian subsidiary is not structured or contemplated to generate substantial cash flows above its internal requirements.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**10. LIQUIDITY AND CAPITAL RESOURCES (Continued)****A. Cash Flows**

(U.S. \$ in thousands except where indicated)	<b>Three months ended March 31,</b>			
	<b>2025</b>	2024	\$ Change	% Change
<b>Cash, beginning of the period</b>	<b>59,542</b>	84,038	(24,496)	(29)%
Cash flows from (used in):				
Operating activities	<b>(18,841)</b>	(31,730)	12,889	(41)%
Investing activities	<b>(25,654)</b>	(26,984)	1,330	(5)%
Financing activities	<b>23,568</b>	40,577	(17,009)	(42)%
Exchange rate differences on currency translation	<b>(69)</b>	60	(129)	(215)%
<b>Cash, end of the period</b>	<b>38,546</b>	65,961	(27,415)	(42)%

**Cash Flows used in Operating Activities**

Cash flows used in operating activities decreased by \$12.9 million during Q1 2025 compared to Q1 2024.

The decrease in cash flow used in operating activities is driven primarily by:

- An increase in working capital of \$28.7 million as explained in Section 11 - *Financial Position* of this MD&A.

The decrease was partially offset by:

- Higher cash G&A expenses, net of sales tax refund, of \$5.7 million as explained in Section 7C - *Financial Performance - General & Administrative expenses* of this MD&A; and
- Higher cash energy cost of \$7.0 million and hosting expenses of \$7.7 million, as explained in Section 7B - *Financial Performance - Cost of Revenues* of this MD&A.

**Cash Flows used in Investing Activities**

Cash flows used in investing activities decreased by \$1.3 million during Q1 2025 compared to Q1 2024.

The decrease in cash flow used in investing activities is driven primarily by:

- \$32.0 million of proceeds received from the sale of the Yguazu Mining Site, as described in Note 4 - *Sale of the Yguazu Bitcoin data center* to the Financial Statements; and
- \$4.5 million in advance payments Q1 2025, compared to \$74.0 million in advanced payments during Q1 2024, mainly for the fleet upgrade.

The decrease was partially offset by:

- \$41.2 million of net additions of PPE during Q1 2025, compared to \$2.9 million for the same period in 2024, primarily due to the acquisition of Miners and infrastructure build-out;
- \$1.6 million of net payments from disposition of derivative assets and liabilities in Q1 2025, as described in Note 8 - *Derivative Assets and Liabilities* to the Financial Statements, compared to nil in Q1 2024;
- A decrease in proceeds from sale of digital assets earned of \$12.3 million as a result of selling 428 Bitcoin in Q1 2025 compared to 941 Bitcoin in Q1 2024; and
- The acquisition of Stronghold for \$48.1 million in Q1 2025, as described in Note 3 - *Business Combination* to the Financial Statements, compared to nil in Q1 2024.

**BITFARMS LTD.**

**Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

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**10. LIQUIDITY AND CAPITAL RESOURCES (Continued)**

**A. Cash Flows (Continued)**

***Cash Flows from Financing Activities***

Cash flows from financing activities decreased by \$17.0 million from \$40.6 million for Q1 2024 to \$23.6 million for Q1 2025.

*Q1 2025*

- The Company raised \$23.6 million of net proceeds from its 2024 ATM Program as discussed below.

*Q1 2024*

- The Company raised:
  - \$38.1 million of net proceeds from its 2024 ATM Program as discussed below, partially offset by \$0.9 million of capitalized professional fees and registration expenses to initiate the 2024 ATM Program;
  - \$6.0 million of net proceeds from the exercise of stock options and warrants; and
  - \$1.7 million from the sale and leaseback of its Garlock (Quebec) data center.
- The amounts raised were partially offset by scheduled and one-time payments relating to:
  - Principal repayments of \$4.0 million to fully repay the NYDIG loan, which matured and expired in February 2024.

**BITFARMS LTD.**

**Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

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**10. LIQUIDITY AND CAPITAL RESOURCES (Continued)**

**A. Cash Flows (Continued)**

*Cash Flows from Financing Activities (Continued)*

*At-The-Market Equity Offering Program*

Bitfarms commenced the 2024 ATM Program on March 11, 2024, by means of a prospectus supplement dated March 8, 2024 ("March Supplement"), to the Company's short form base shelf prospectus dated November 10, 2023 ("Base Shelf"), and U.S. registration statement on Form F-10, which included a prospectus supplement related to the 2024 ATM Program. The Company may, at its discretion and from time-to-time, sell common shares of the Company in the 2024 ATM Program as for aggregate gross proceeds of up to \$375.0 million.

The Company filed amended and restated prospectus supplements dated October 4, 2024, and December 17, 2024, providing disclosure regarding the Stronghold Transaction and the restatement of the Company's 2023 annual consolidated financial statements and MD&A for the year ended December 31, 2023 and interim consolidated financial statements and MD&A for the nine months ended September 30, 2024, respectively, and amending and restating the March Supplement, to the Company's existing \$375.0 million Base Shelf, with both the Base Shelf and amended and restated prospectus supplement forming a part of the Company's registration statement on Form F-10.

***Q1 2025 v. Q1 2024***

During the three months ended March 31, 2025, the Company issued 14,444,643 common shares through the 2024 ATM Program in exchange for gross proceeds of \$24.3 million at an average share price of approximately \$1.69. The Company received net proceeds of \$23.6 million after paying commissions of \$0.7 million to the sales agent.

During the three months ended March 31, 2024, the Company issued 16,997,285 common shares through the 2024 ATM Program in exchange for gross proceeds of \$39.3 million at an average share price of approximately \$2.31. The Company received net proceeds of \$38.1 million after paying commissions of \$1.2 million to the sales agent.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**10. LIQUIDITY AND CAPITAL RESOURCES (Continued)****A. Cash Flows (Continued)*****Cash Flows from Financing Activities (Continued)****Use of Proceeds*

The Company has used and intends to continue to use the proceeds from the 2024 ATM Program prudently to support the growth and development of the Company's Mining operations, as described in Section 6 -*Expansion Projects* of this MD&A, as well as for working capital and general corporate purposes. Described below are the actual use of proceeds from the commencement of the 2024 ATM Program through March 31, 2025:

(U.S. \$ in thousands except where indicated)

<b>Categories</b>	<b>Use of proceeds from March 11, 2024 to March 31, 2025</b>
Miner fleet upgrade	222,261
Paso Pe (Paraguay) expansion	27,506
Baie-Comeau (Canada) expansion	9,200
Yguazu (Paraguay) expansion	31,506
Stronghold (United States) expansion	23,607
Used proceeds	314,080
Commissions to sales agents and other transaction costs	10,211
Total proceeds raised	324,291
Maximum proceeds	375,000
Remaining proceeds	50,709

*Private placements****Q1 2025 v. Q1 2024***

During the three months ended March 31, 2024, 5,000,000 warrants and 111,111 broker warrants related to the 2023 private placement were exercised, resulting in the issuance of 5,111,111 common shares for proceeds of approximately \$6.0 million. During the three months ended March 31, 2025, no warrants were exercised.

**B. Capital Resources**

Bitfarms' capital management objective is to provide financial resources that will enable the Company to maximize the return to its shareholders while optimizing its cost of capital and ensuring the Company has sufficient liquidity to fund its operating and growth activities. In order to achieve this objective, the Company monitors its capital structure and makes adjustments as required in light of the Company's funding requirements, changes in economic conditions, the cost of providing and availability of financing, and the risks to which the Company is exposed. The Company's financing strategy is to maintain a flexible capital structure that optimizes the cost of capital at an acceptable level of risk, to preserve its ability to meet financial obligations as they come due, and to ensure the Company has sufficient financial resources to fund its organic and acquisitive growth.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**10. LIQUIDITY AND CAPITAL RESOURCES (Continued)****B. Capital Resources (Continued)**

Based on the current capital budget and Bitcoin prices, the Company currently anticipates that additional financing will be required to fund its 2025 and 2026 expansion plans and to complete construction of additional data centers, if the Company elects to do so. In order to achieve its business objectives, the Company may sell or borrow against the Bitcoin that are held in treasury as of the date hereof as well as Bitcoin received from its ongoing operations, which may or may not be possible on commercially attractive terms. Bitfarms intends to continue to manage its capital structure by striving to reduce operating expenses and unnecessary capital spending, disposing of inefficient or underutilized assets, obtaining short-term and long-term debt financing and issuing equity.

*Digital Asset Management Program*

In early January 2021, the Company implemented a digital asset management program under which it holds Bitcoin for its intrinsic value and as a source of liquidity. The Company has internal controls over the management of its digital assets which it evaluates and, as appropriate, enhances on a quarterly basis. On August 1, 2022, Management received approval from the Board to sell daily production, in addition to any sale of up to 1,000 Bitcoin from treasury, should market conditions and the Company's projected financing requirements justify such sales in Management's discretion.

Presented below are the total Bitcoin sold and proceeds in Q1 2025, which was used to fund operations and expansion plans:

	<b>Three months ended</b>
(U.S. \$ in thousands except where indicated)	<b>March 31, 2025</b>
Quantity of Bitcoin sold	<b>428</b>
Total proceeds	<b>37,263</b>

The sale of Bitcoin as described above, while the Company continued to earn Bitcoin, resulted in total holdings of 1,492 BTC as of March 31, 2025, of which 353 BTC are restricted, valued at approximately \$123.2 million based on a Bitcoin price of approximately \$82,600, as of March 31, 2025.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

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**10. LIQUIDITY AND CAPITAL RESOURCES (Continued)****B. Capital Resources (Continued)***Custody of digital assets*

The Company's Bitcoin received from the Mining pool operators for its computational power used for hashing calculations is delivered to multi-signature wallets that the Company controls or directs to external third-party custodians. On a regular basis, the Company transfers Bitcoin from its multi-signature wallets to external third-party custodians, Coinbase Custody Trust Company, LLC ("Coinbase Custody"), a subsidiary of Coinbase Global, Inc. ("Coinbase") and Anchorage Digital Bank National Association ("Anchorage Digital"). Coinbase Custody provides custody and related services for clients' digital assets as a fiduciary pursuant to the New York State Department of Financial Services under Section 100 of the New York Banking Law. Anchorage Digital is the only federally chartered crypto bank in the U.S., serves as a custodian for digital assets, and is licensed and regulated by the Office of the Comptroller of the Currency. Currently, Coinbase Custody and Anchorage Digital provide only custodial services to the Company and do not use a sub-custodian. Coinbase Custody and Anchorage Digital are not related parties to the Company.

The Company has internal controls in place to evaluate its custodians on a quarterly basis. If the Company was to face challenges with one of its custodians, the Company could transfer digital assets between custodians and has its own multi-signature wallets as a contingency plan that would have a minimal impact on the Company's operations.

As of May 13, 2025, the Company has 1,166 BTC, valued at \$121.4 million on its balance sheet, based on a price of \$104,100 per Bitcoin. As of May 13, 2025, 65% of the Company's Bitcoin are held in custody with Coinbase Custody and Anchorage Digital with the remaining 35% held by third parties and classified as restricted digital assets in the statement of financial position.

Coinbase Custody maintains an insurance policy of \$100.0 million for its cold storage and Anchorage Digital maintains an insurance policy of \$100.0 million for its cold and hot storage; however, the Company cannot ensure that the full limits of those policies would be available to the Company or, if available, would be sufficient to make the Company whole for any Bitcoin that are lost or stolen. The Company is unaware of: (i) any security breaches involving Coinbase Custody or Anchorage Digital which have resulted in the Company's crypto assets being lost or stolen, or (ii) anything with regards to Coinbase Custody's or Anchorage Digital's operations that would adversely affect the Company's ability to obtain an unqualified audit opinion on its audited financial statements. The Company's crypto assets held in custody with Coinbase or Anchorage Digital may not be recoverable in the event of bankruptcy by Coinbase, Anchorage Digital or their affiliates. In Coinbase's quarterly report, on Form 10-Q, filed with the U.S. Securities Exchange Commission on May 8, 2025, Coinbase disclosed that, in the event of a bankruptcy, custodially held crypto assets could be considered to be the property of the bankruptcy estate and that the crypto assets held in custody could be subject to bankruptcy proceedings with Coinbase Custody's customers being treated as general unsecured creditors. Further, regardless of efforts made by the Company to securely store and safeguard assets, there can be no assurance that the Company's cryptocurrency assets will not be defalcated through hacking or other forms of theft.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**10. LIQUIDITY AND CAPITAL RESOURCES (Continued)****B. Capital Resources (Continued)***Bitcoin One program for digital assets management*

In February 2025, the Board approved the launch of the Bitcoin One initiative as the successor to the Company's retired hedging program and Synthetic HODL™ program for digital assets management, which was deployed during February 2025. Bitcoin One is a quantitative investment multi-strategy program that employs a disciplined approach to accelerate Bitcoin accumulation through diversification, strategic leverage, and market timing. The Board authorized the risk management committee to deploy up to (i) 100% of the Company's Bitcoin in treasury, plus (ii) three months of expected forward production calculated on a rolling basis, plus (iii) \$10.0 million under Bitcoin One to be actively managed and participate in volatility-targeting strategies.

Bitcoin One focuses on active Bitcoin treasury management through discretionary and rules-based trading algorithms and an active managed volatility targeting program that trades crypto volatility as an asset class and harvests the risk premium that arises from that volatility.

During the three months ended March 31, 2025, the Company incurred a net loss of \$1.5 million from the Bitcoin One program, which consisted of an unrealized loss of \$6.3 million on open positions, partially offset by realized gain of \$4.8 million on closed positions.

**C. Contractual obligations**

The following are the contractual maturities of financial liabilities and gross lease liabilities (non-financial liabilities) with estimated future interest payments, as applicable, as of March 31, 2025:

(U.S. \$ in thousands)	2025	2026	2027	2028	2029 and thereafter	Total
Accounts payable and accrued expenses	49,625	—	—	—	—	49,625
Long-term debt	509	332	296	307	3,041	4,485
Operating and finance lease liabilities	3,218	4,833	4,640	3,938	16,121	32,750
	53,352	5,165	4,936	4,245	19,162	86,860

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**10. LIQUIDITY AND CAPITAL RESOURCES (Continued)****D. Lawsuits**

		As of March 31,	As of December 31,
		2025	2024
FERC Matters	i.	1,065	—
Shareholder Securities Lawsuit	ii.	1,816	—
<b>Total settlement accruals</b>		<b>2,881</b>	<b>—</b>
Less current portion		(991)	—
Effect of discounting		(117)	—
<b>Non-current portion</b>		<b>1,773</b>	<b>—</b>

The undiscounted legal settlement accruals amounted to \$2.9 million as of March 31, 2025. The current portion and the non-current portion were recognized in accounts payable and accrued liabilities and in other non-current liabilities, respectively, in the condensed consolidated balance sheets of the Financial Statements (December 31, 2024: nil).

*Federal Energy Regulatory Commission ("FERC") Matters*

On November 19, 2021, Scrubgrass received a notice of breach from PJM Interconnection, LLC alleging that Scrubgrass breached Interconnection Service Agreement – No. 1795 (the "ISA") by failing to provide advance notice to PJM Interconnection, LLC and Mid-Atlantic Interstate Transmission, LLC pursuant to ISA, Appendix 2, section 3, of modifications made to the Scrubgrass Plant. On May 11, 2022, the Division of Investigations of the FERC Office of Enforcement ("OE") informed the Company that the OE was conducting a non-public preliminary investigation concerning Scrubgrass' compliance with various aspects of the PJM tariff.

On January 30, 2025, the Federal Energy Regulatory Commission (the "Commission") approved a Stipulation and Settlement Agreement between the OE and Scrubgrass (the "Settlement Agreement"). Pursuant to the Settlement Agreement, Scrubgrass agreed to: (a) disgorge to PJM \$0.7 million in capacity revenues received during the relevant period; (b) pay a civil penalty of \$0.7 million for a total of \$1.4 million to the United States Treasury; and (c) provide compliance training to relevant personnel and compliance monitoring reports. Scrubgrass is to pay the settlement amount over a period of three years. In the first year, Scrubgrass is to pay a lump sum of \$0.4 million, which Scrubgrass paid in February of 2025. In the second and third years, Scrubgrass shall make 8 payments of \$0.1 million on a calendar quarter basis. For a period of five years following the effective date of the Settlement Agreement, Scrubgrass is to provide annual compliance training focused primarily on the applicable tariff and related rules, regulations, and requirements applicable to operating generators, to all personnel whose job responsibilities relate to the generators' participation in Commission jurisdictional markets. As of March 31, 2025, the settlement accrual was \$1.1 million and represents the 8 installment payments.

*Shareholder Securities Lawsuit*

On April 14, 2022, Stronghold, and certain of its former directors, officers and underwriters were named in a putative class action complaint filed in the United States District Court for the Southern District of New York (Winter v. Stronghold Digital Mining, Case No. 1:22-cv-3088). On October 18, 2022, the plaintiffs filed an amended complaint, alleging that the Company made misleading statements and/or failed to disclose material facts in violation of Section 11 of the Securities Act, 15 U.S.C. §77k and Section 15 of the Securities Act of 1933, as amended (the "Securities Act"), about the Company's business, operations, and prospects in the Company's registration statement on Form S-1 related to its initial public offering, and when subsequent disclosures were made regarding these operational issues when the Company announced its fourth quarter and full year 2021 financial results, the Company's stock price fell, causing significant losses and damages.

**BITFARMS LTD.**

**Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

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**10. LIQUIDITY AND CAPITAL RESOURCES (Continued)**

**D. Lawsuits (Continued)**

*ii. Shareholder Securities Lawsuit (Continued)*

On December 16, 2024, the District Court issued an Order granting Preliminary Approval of the Class Action Settlement, Approving Form and Manner of Notice, and Setting Date for Hearing on Final Approval of Settlement. The Company agreed to pay \$4.8 million in cash and 25 Bitcoin. On January 15, 2025, \$2.5 million was covered by the Company's insurance providers and Stronghold paid the remaining \$2.3 million into escrow. One Bitcoin will be paid monthly for two years. The cash value of each Bitcoin is expected to be calculated monthly according to a price set by the Nasdaq Bitcoin reference price index. As of March 31, 2025, the settlement accrual was \$1.8 million and represents the value of the remaining 22 Bitcoin to paid.

**E. Contingent liability**

In 2021, the Company imported Miners into Washington State, United States, that the vendor located in China claimed originated in Malaysia. In early 2022, U.S. Customs and Border Protection challenged the origination of the Miners, asserting that the Miners were manufactured in China, and notified the Company of a potential assessment of a U.S. importation duty of 25%. Since the request for information by U.S. Customs and Border Protection, the Company has been working with the vendor to validate their origination outside of China by visiting contract manufacturer sites and by examining and documenting the manufacture and assembly of the Miners by the vendor and its third-party contractors.

During the third quarter of 2023 and the first quarter of 2025, the Company submitted supporting documentation to U.S. Customs and Border Protection in defense of its position that the Miners were manufactured outside China and the associated custom duties in the amount of \$9.4 million do not apply. While the final outcome of this matter is uncertain at this time, Management has determined it is not probable that a liability had been incurred and, as such, no provision was recognized as of March 31, 2025.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**10. LIQUIDITY AND CAPITAL RESOURCES (Continued)****F. Commitments**

As of March 31, 2025, in relation to the March 2024 Purchase Order, the Company is committed to purchase 1,075 S21 Pro Miners yet to be delivered, for which Bitcoin was pledged.

In addition, in relation to the 2025 Miners Swap Order, the Company is committed to return 4,160 Bitmain T21 Miners and to purchase 3,660 Bitmain S21+ Miners. In consideration for the returned products, the Company will receive a \$9.5 million credit refund that will be applied against the purchase price of \$11.9 million. On March 13, 2025, the Company paid the net \$2.4 million in Bitcoin.

As of March 31, 2025, the Company's total remaining payment exposure obligations in connection with the Miner purchase orders were \$27.3 million for 293 Bitcoin Pledged that can be redeemed in installments. Of the potential obligation of \$27.3 million, \$20.1 million was recognized as redemption obligation in the condensed consolidated balance sheets as the Miners were shipped.

The Company is not obligated to redeem all or any of the Bitcoin installments. If the Company elects not to redeem one of the Bitcoin Installments, the Company forfeits the right to redeem the remaining Bitcoin Installments. In January 2025 and April 2025, the Company exercised the first and second Bitcoin Installment relating to the March 2024 Purchase Order, respectively. Refer to Note 6 and Note 8 to the Financial Statements for more details.

	<b>As of March 31,</b>	
(U.S. \$ in thousands except quantity of Bitcoin)	<b>2025</b>	
	<b>Quantity of restricted</b>	
	<b>Bitcoin</b>	<b>Potential Obligation</b>
2023 Purchase Order and March 2024 Purchase Order	<b>351</b>	<b>33,230</b>
Redemption of Bitcoin*	<b>(87)</b>	<b>(8,308)</b>
2025 Swap Order	<b>29</b>	<b>2,374</b>
	<b>293</b>	<b>27,296</b>

\* The redemption of Bitcoin in April 2025 for the second Bitcoin installment is not included.

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(In U.S. dollars, except where otherwise indicated)

**11. FINANCIAL POSITION****A. Working Capital**

(U.S. \$ in thousands)	As of March 31, As of December 31,		\$ Change	% Change
	2025	2024		
Total Current Assets	224,130	213,735	10,395	5%
Total Current Liabilities	82,533	28,155	54,378	193%
<b>Working Capital</b>	<b>141,597</b>	<b>185,580</b>	<b>(43,983)</b>	<b>(24)%</b>

With the Bitcoin Halving event that occurred on April 19, 2024, the Company continues to place importance on maintaining sufficient liquidity to manage uncertainty and capitalize upon suitable opportunities the Bitcoin Halving may present. The Company also anticipates requiring additional funds to complete its 2025 growth plans discussed in Section 6 - *Expansion Projects* of this MD&A. As of March 31, 2025, Bitfarms had working capital of \$141.6 million, compared to \$185.6 million as of December 31, 2024.

The decrease in working capital was mostly due to:

- A \$32.0 million increase in accounts payables and accrued expenses mainly due to \$20.8 million attributable to the acquisition of Stronghold as explained in Note 3 to the Financial Statements.
- A \$21.0 million decrease in cash as explained by the cash flows. Refer to Section 10A - *Liquidity and Capital Resources - Cash flows* of this MD&A.
- A \$20.1 million increase in redemption obligation, which represented the remaining Bitcoin Redemption Options for which Miners have been shipped, reflecting the Company's obligation to either redeem the Bitcoin Pledged for cash or use the Bitcoin Pledged for the purchase of the Miners. No redemption obligation was recorded as of December 31, 2024, as the Miners ordered, for which a deposit payment in Bitcoin was made, had not yet been shipped.
- A \$4.6 million decrease in short-term prepaid deposits mainly due to the usage of the prepayment of electricity.

The decrease is partially offset by:

- A \$30.2 million increase in receivable from disposal of Yguazu Mining site as explained in Section 6b - *Expansion Projects (Paraguay Expansion)*.
- A \$3.7 million increase in inventories mainly attributable to the acquisition of Stronghold as explained in Note 3 to the Financial Statements.
- A \$3.1 million increase in digital assets resulting from the increase of the Company's balance by 207 Bitcoin and partially offset by the decrease in the Bitcoin price during Q1 2025.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**11. FINANCIAL POSITION (Continued)****B. Property, plant and equipment**

The net book value of PPE by country is as follows:

(U.S. \$ in thousands)	As of March 31, 2025	As of December 31, 2024	\$ Change	% Change
<b>North America</b>				
Canada	104,384	117,025	(12,641)	(11)%
United States	291,855	63,147	228,708	362%
	<b>396,239</b>	180,172	216,067	120%
<b>South America</b>				
Paraguay	66,780	105,297	(38,517)	(37)%
Argentina	37,357	57,083	(19,726)	(35)%
	<b>104,137</b>	162,380	(58,243)	(36)%
	<b>500,376</b>	342,552	157,824	46%

As of March 31, 2025, Bitfarms had PPE of \$500.4 million, compared to \$342.6 million as of December 31, 2024. The increase of \$157.8 million, or 46%, was primarily due to:

- The \$228.7 million increase in United States PPE mainly due to the \$158.3 million increase from the acquisition of Stronghold as explained in Note 3 to the Financial Statements as well as ongoing expansion investments in the United States. Refer to section 6b - *Expansion Projects (United States Expansion)*.

The increase was partially offset by:

- The \$38.5 million decrease in Paraguay PPE primarily due to the sale of the Yguazu Mining Site. Refer to section 6b - *Expansion Projects (Paraguay Expansion)*; and
- The \$12.6 million and \$19.7 million decreases in Canada and Argentina PPE, respectively, mainly due to regular depreciation, which exceeded Miners fleet upgrade and the \$17.2 million impairment on Argentina PPE. Refer to Note 10 - *Impairment* to the Financial Statements.

**C. Right-of-use ("ROU") assets**

As of March 31, 2025, Bitfarms had operating and finance lease ROU assets of \$21.4 million and \$3.3 million, respectively, compared to \$21.3 million and \$2.6 million as of December 31, 2024. The increases of \$0.1 million, or 0%, and \$0.8 million, or 29% were mainly due to additions from the acquisition of Stronghold. Refer to Note 3 to the Financial Statements.

**12. FINANCIAL INSTRUMENTS**

The Company discloses information on the classification and fair value of its financial instruments, as well as on the nature and extent of risks arising from financial instruments, and related risk management in Note 16 to the Financial Statements and Note 24 to the 2025 Annual Financial Statements. Risks are related to foreign currency, credit, counterparty, liquidity, and concentration.

**BITFARMS LTD.**

**Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

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**13. RELATED PARTY TRANSACTIONS**

The Company discloses information on its related party transactions, as defined in *ASC Topic 850*, in Note 24 to the 2024 Annual Financial Statements.

**14. INTERNAL CONTROLS OVER FINANCIAL REPORTING**

**A. Disclosure Controls and Procedures**

Management, under the supervision of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company, has designed or caused to be designed under their supervision disclosure controls and procedures ("DC&P") to provide reasonable assurance that:

- i) material information relating to the Company is made known to them by others, particularly during the period in which the annual filings are being prepared; and
- ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

**B. Management's quarterly report on internal control over financial reporting**

Management, under the supervision of the CEO and CFO, is also responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR"). Management, under the supervision of the CEO and CFO, has designed ICFR, or caused them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP.

***Identified material weakness***

A material weakness is a deficiency, or a combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In 2023, Management identified that the warrants issued in 2021 should have been classified as a financial liability under the Company's former reporting framework (International Financial Reporting Standards) and accounted for at fair value through profit and loss, and not as equity instruments. The restatement to correct the classification and subsequent accounting for those warrants impacted the consolidated financial statements of the Company for the year ended December 31, 2022, which was reflected in the comparative period for the consolidated financial statements of the Company for the year ended December 31, 2023 filed on December 9, 2024.

**BITFARMS LTD.**

**Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

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**14. INTERNAL CONTROLS OVER FINANCIAL REPORTING (Continued)**

**B. Management's quarterly report on internal control over financial reporting (Continued)**

***Identified material weakness (Continued)***

In the fourth quarter of 2024, Management also identified a material error in the statements of cash flows, resulting in a reclassification of sales of digital assets from cash flows from operations to cash flows from investing activities. These errors, which impacted the consolidated financial statements for the year ended December 31, 2023 and 2022, were corrected with the filing of Amendment No. 1 to the Annual Report on Form 40-F for fiscal year ended December 31, 2023.

Management concluded that the control over accounting for complex transactions did not operate effectively in these instances, which constitutes a material weakness in ICFR as of December 31, 2024. Management concluded that the Company's ICFR as of December 31, 2024 was not effective because of the material weakness.

***Status of remediation plan***

Remediation efforts to date comprise expanding the finance team to include more Chartered Professional Accountants (CPAs) with technical expertise and experience in evaluating more complex transactions involving the Company's legal counsel on evaluating complex agreements involving financial instruments and engaging third-party consultants to assist with assessing the accounting for complex transactions and review of financial statements. Management's efforts to hire more CPAs and involving the Company's legal counsel and third-party consultants to assist with complex transactions were in place at the end of 2024, and its remediation plan is expected to be completed after review and testing of controls during 2025.

If these remedial measures are insufficient to address the material weakness described above, or are not implemented timely, or additional deficiencies arise in the future, material misstatements in our interim or annual financial statements may occur in the future and could have the effects described in *Risk Factors* of the Company's MD&A for the year ended December 31, 2024, dated March 26, 2025.

**C. Changes in internal control over financial reporting**

There have been no changes in the Company's ICFR that have materially affected, or are reasonably likely to materially affect, the Company's ICFR during the period beginning on January 1, 2025 and ended March 31, 2025.

**D. Limitation of DC&P and ICFR**

All control systems contain inherent limitations, regardless of how well they are designed. As a result, Management acknowledges that its internal control over financial reporting will not prevent or detect all misstatements due to error or fraud. In addition, Management's evaluation of controls can provide only reasonable, not absolute, assurance that all control issues that may result in material misstatements, if any, have been detected.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

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**14. INTERNAL CONTROLS OVER FINANCIAL REPORTING (Continued)****D. Limitation of DC&P and ICFR (Continued)**

In March 2025, the Company acquired Stronghold in the Stronghold Transaction. The Company is currently in the process of evaluating and integrating Stronghold's controls over financial reporting, which may result in changes or additions to the Company's internal control over financial reporting. Under guidelines established by the SEC and in accordance with National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, companies are permitted to exclude acquisitions from their assessment of internal control over financial reporting during the first year of an acquisition while integrating the acquired company. In the Company's assessment of the scope of disclosure controls and procedures and internal control over financial reporting, the Company has excluded the controls, policies and procedures of Stronghold from the assessment of internal control over financial reporting at March 31, 2025. The Company will continue to evaluate the effectiveness of internal controls over financial reporting as the Company completes the integration of Stronghold.

From March 15, 2025 (the first day following the acquisition) to March 31, 2025, Stronghold generated revenue of \$0.7 million and net loss of \$3.9 million. As of March 31, 2025, Stronghold's current assets and current liabilities represented approximately 0.01% and 26.1% of the Company's consolidated current assets and current liabilities, respectively.

**15. RECENT AND SUBSEQUENT EVENTS**

Management has evaluated subsequent events from April 1, 2025 to May 13, 2025.

**A. Credit Facility**

On April 1, 2025, the Company signed a credit facility for up to \$300.0 million (the "Credit Facility") with Macquarie Equipment Capital, Inc. ("Macquarie"). The initial draw for \$50.0 million ("Initial Tranche") will be used for project development soft costs of the Panther Creek data center and other general corporate purposes. The remaining \$250.0 million ("Second Tranche") will be drawable as the Company achieves specific development milestones at the Panther Creek location and secured at the project level at which time the Initial Tranche will be rolled into the project facility. The facility expires two years from the closing date and incurs an annual interest rate of 8%.

In connection with the Initial Tranche, Macquarie received warrants for the purchase of \$5.0 million in shares of the Company. Under the loan agreement, up to \$125.0 million having been drawn under the Second Tranche for the Panther Creek development, Macquarie will receive additional warrants equal to 10% of the amount drawn under the Credit Facility.

The Credit Facility for the Initial Tranche includes various covenants for the Company and its subsidiaries including restrictions on dispositions, dividends, the incurrence of debt and liens, material changes in the nature of its business, related party transactions and investments.

The Company is subject to financial and non-financial covenants. As of May 13, 2025, the Company was not in breach of any of its Credit Facility covenants.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

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**15. RECENT AND SUBSEQUENT EVENTS (Continued)****B. Redemption options of Bitcoin**

On April 30, 2025, the Company exercised its option to redeem the second installment of the Bitcoin Pledged in relation to the purchase of Miners under the March 2024 purchase order. The Company redeemed 87 Bitcoin for \$8.3 million. See Note 6 to the Financial Statements for more details.

**C. Argentina Operations**

On April 30, 2025, the Company was informed that its electricity supplier at Rio Cuarto, Argentina, Generación Mediterránea S.A. ("GMSA"), appointed local and international financial advisors to conduct a process with their creditors regarding the restructuring of all its financial debt, but confirmed that the Company would be able to continue consuming power at the Rio Cuarto site. GMSA is currently negotiating with its commercial suppliers. On May 12, 2025, the Company was informed by GMSA that, effective immediately, they were halting the supply of electricity to the Company's Rio Cuarto, Argentina facility until further notice. At this stage, there is uncertainty around the potential resumption of the supply of electricity and the timing thereof. This event has necessitated a pause in the Company's cryptocurrency Mining activities in Argentina and, unless resolved, may significantly impact the operations in that country. The Company is evaluating all of its options for its Argentina operations. The impact of this subsequent event is considered a non-adjusting subsequent event and not factored into the Company's impairment analysis discussed in Note 10 to the Financial Statements.

**D. Class Action Lawsuit**

On May 9, 2025, a purported shareholder filed a putative class action complaint in the United States District Court for the Eastern District of New York, in a case titled *Olympio v. Bitfarms Ltd., Benjamin Gagnon, Jeffrey Lucas, and Geoff Morphy*, case no 1:25-cv-02630, alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5, promulgated thereunder. The lawsuit alleges that the Company, its current CEO, its CFO and its former CEO made materially false and/or misleading statements regarding the Company's business, operations and internal controls over financial reporting. The Plaintiff seeks class certification, unspecified damages plus interest and attorney and expert witness fees and other costs on behalf of a purported class consisting of all persons and entities (subject to specified exceptions) that purchased or otherwise acquired Company common stock from March 21, 2023 and December 9, 2024. The Company cannot predict the duration or outcome of this lawsuit at this time. As a result, the Company is unable to estimate the reasonably possible loss or range of reasonably possible loss arising from this lawsuit. The Company intends to vigorously defend itself in this matter.

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(In U.S. dollars, except where otherwise indicated)

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**16. SHARE CAPITAL**

As of May 13, 2025, the Company has 555,961,833 common shares outstanding, 20,928,723 vested and 8,389,670 unvested stock options, 23,735,132 warrants outstanding and 2,920,858 restricted stock units. There are no preferred shares or any other classes of shares outstanding.

**17. REGULATORY COMPLIANCE**

The Company has engaged legal counsel in each jurisdiction in which it maintains operations to monitor changes to the laws and regulations of such jurisdiction and to advise how it can maintain compliance with such laws and regulations. Legal counsel reports directly to the CEO. The following is a discussion of regulatory compliance considerations specific to each such jurisdiction:

**Canada**

The Company operates a total of eight data centers with an aggregate power capacity of 170 MW located in the Province of Quebec, Canada. Refer to Section 7 - *Expansion Projects - C. Canada Expansion* of this MD&A.

There are no material restrictions in Quebec or Canada on the business of operating a data center or conducting the business of the Company as described herein, and as of May 13, 2025, the Company has not received any material notices or statements from regulatory authorities in Quebec or Canada that would negatively impact its current operations in Quebec or Canada. The Company is not relying on any registrations, exemptions, or "no action" letters to conduct its business in Quebec or Canada.

**United States**

The Company operates four data centers with an aggregate power capacity of 153 MW located in the State of Washington and in Pennsylvania, United States. Energy for two of the three data centers is derived from the Company's power facilities and/or the grid. Refer to Section 7 - *Expansion Projects - A. United States Expansion* of this MD&A.

There are no material restrictions in the State of Washington and in Pennsylvania on the business of operating a data center or conducting the business of the Company as described herein, and as of May 13, 2025, the Company has not received any material notices or statements from regulatory authorities in State of Washington or in Pennsylvania that would negatively impact its operations in these jurisdictions. The Company is not relying on any registrations, exemptions, or "no action" letters to conduct its business in Washington and Pennsylvania.

**Paraguay**

The Company operates a total of two Bitcoin data centers with an aggregate power capacity of 80 MW located in the city of Villarrica, Paraguay. Refer to Section 6 - *Expansion Projects - B. Paraguay Expansion* of this MD&A.

There are no material restrictions in Paraguay on the business of operating a data center or conducting the business of the Company as described herein and, as of May 13, 2025, the Company has not received any material notices or statements from regulatory authorities in Paraguay that would negatively impact its operations in Paraguay. The Company is not relying on any registrations, exemptions, or "no action" letters to conduct its business in Paraguay.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

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**17. REGULATORY COMPLIANCE (Continued)****Argentina**

The Company operates one 58 MW Bitcoin data center located in Cordoba, Argentina.

There are no material restrictions in Argentina on the business of operating a server farm or conducting the business of the Company as described herein and, as of the May 13, 2025, the Company has not received any material notices or statements from regulatory authorities in Argentina that would negatively impact its operations in Argentina. The Company is not relying on any registrations, exemptions, or "no action" letters to conduct its business in Argentina.

**18. RISK FACTORS**

The Company is subject to a number of risks and uncertainties and is affected by several factors that could have a material adverse effect on the Company's business, financial condition, operating results, and/or future prospects. These risks should be considered when evaluating an investment in the Company and may, among other things, cause a decline in the price of the Corporation's shares.

The risks and uncertainties that Management considers as the most material to the Company's business are described in the section entitled *Risk Factors* of the Company's MD&A for the year ended December 31, 2024, dated March 26, 2025 and Section 18 - *Risk Factor* in the 2024 AIF. These risks and uncertainties have not materially changed during the three months ended March 31, 2025, other than the risks as described below, and are hereby incorporated by reference.

**The Company is currently subject to securities class action litigation and may be subject to similar or other litigation in the future, which may divert management's attention.**

On May 9, 2025, a purported shareholder filed a putative class action complaint in the United States District Court for the Eastern District of New York, in a case titled *Olympio v. Bitfarms Ltd.*, Benjamin Gagnon, Jeffrey Lucas, and Geoff Morphy, case no 1:25-cv-02630, alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5, promulgated thereunder. The lawsuit alleges that the Company, its current Chief Executive Officer, its Chief Financial Officer and its former Chief Executive Officer made materially false and/or misleading statements regarding the Company's business, operations and internal controls over financial reporting (refer to Section 16. Recent and Subsequent Events).

There may be additional suits or proceedings brought in the future. Monitoring and defending against legal actions, whether or not meritorious, is time-consuming for the Company's Management and detracts from the Company's ability to fully focus its internal resources on its business activities, and the Company cannot predict how long it may take to resolve these matters. In addition, the Company may incur substantial legal fees and costs in connection with litigation. The Company is not currently able to estimate the possible cost to it from these lawsuits, and the Company cannot be certain how long it may take to resolve these lawsuits or the possible amount of any damages that the Company may be required to pay. The Company has not at this time established any reserves for any potential liability relating to these lawsuits. It is possible that the Company could, in the future, incur judgment or enter into settlement of claims for monetary damages. A decision adverse to the Company's interests in this lawsuit could result in the payment of substantial damages and could have a material adverse effect on the Company's business, results of operations and financial condition. In addition, the uncertainty of the currently pending lawsuit could lead to volatility in the price of the Company's common shares.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

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**18. RISK FACTORS (Continued)****The Company's operations in Rio Cuarto have been suspended due to a halt in its supply of electrical power.**

The Company's data center in Rio Cuarto, Argentina, receives electricity pursuant to a power contract with Generacion Mediterranea S.A ("GMSA"), a subsidiary of Grupo Albanesi. Grupo Albanesi is an Argentine private corporate group focused on the energy market, which provides natural gas and electrical energy to its clients from its multiple data centers.

However, on April 30, 2025, the Company was informed that GMSA appointed local and international financial advisors to conduct a process with their creditors regarding the restructuring of all its financial debt. GMSA is currently negotiating with its commercial suppliers. On May 12, 2025, the Company was informed by GMSA that it will be halting until further notice the supply of electricity to the Company's Rio Cuarto, Argentina facility. At this stage, the Company does not have certainty of the timing for when normal supply of electricity will resume, or whether it will resume at all, and the Company is evaluating all of its options for the Argentina operations including, but not limited to, discontinuing operations at Rio Cuarto if normal operations cannot resume in the near term. If operations at Rio Cuarto remain suspended or are discontinued, the Company's operational Hashrate may decrease, and its results of operations and financial condition, as well as the trading price of the Company's common shares, could be materially and adversely affected.

**19. SIGNIFICANT ACCOUNTING POLICIES AND NEW ACCOUNTING POLICIES**

The Company's significant accounting policies and new accounting policies are summarized in Note 2 to the 2025 Annual Financial Statements and Note 2 to the Financial Statements.

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**20. CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This MD&A contains forward-looking statements about the Company's objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects, opportunities and legal and regulatory matters. Specific forward-looking statements in this MD&A include, but are not limited to, statements with respect to the Company's anticipated future results, events and plans, strategic initiatives, future liquidity, and planned capital investments. Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may", "maintain", "achieve", "grow", "should" and similar expressions, as they relate to the Company and its Management.

Forward-looking statements reflect the Company's current estimates, beliefs and assumptions, which are based on management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate under the circumstances. The Company's expectation of operating and financial performance is based on certain assumptions including assumptions about operational growth, anticipated cost savings, operating efficiencies, anticipated benefits from strategic initiatives, future liquidity, and planned capital investments. The Company's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. The Company can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

Numerous risks and uncertainties could cause the Company's actual results to differ materially from those expressed, implied or projected in the forward-looking statements. Such risks and uncertainties include:

- future Bitcoin Halving event;
- insolvency, bankruptcy, or cessation of operations of the Mining Pool operator;
- reliance on a foreign Mining Pool operator;
- counterparty risk;
- emerging markets operating risks;
- reliance on manufacturing in foreign countries and the importation of equipment to the jurisdictions in which the Company operates;
- dependency on continued growth in blockchain and cryptocurrency usage;
- the availability of financing opportunities and risks associated with economic conditions, including Bitcoin price, Bitcoin Network Difficulty and share price fluctuations;
- the ability to attract and retain customers for the Company's hosting business;
- global financial conditions;
- employee retention and growth;
- cybersecurity threats and hacking;
- limited operating history and limited history of de-centralized financial system;
- limited experience of Company's management in AI/HPC
- risk related to technological obsolescence and difficulty in obtaining hardware;
- economic dependence on regulated terms of service and electricity rates;
- costs and demands upon management and accounting and finance resources as a result of complying with the laws and regulations affecting public companies;
- expense and impact of restatement of the Company's historical financial statements;
- lack of comprehensive accounting guidance for cryptocurrencies under U.S. GAAP;
- internal control material weakness;

**20. CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS (Continued)**

- increases in commodity prices or reductions in the availability of such commodities could adversely impact the Company's results of operations;
- permits and licenses;
- server or internet failures;
- tax consequences;
- environmental regulations and liability;
- adoption of environmental, social, and governance practices and the impacts of climate change;
- erroneous transactions and human error;
- data center developments;
- non-availability of insurance;
- competition;
- hazards associated with high-voltage electricity transmission and industrial operations;
- corruption, political and regulatory risk;
- potential being classified as a passive foreign investment company;
- lawsuits and other legal proceedings and challenges;
- conflict of interests with directors and management;
- risks relating to unsolicited take-over bids;
- risks related to the success and profitability of the Company's carbon capture program and related environmental tax credits; or
- the inherent risks, costs and uncertainties associated with integrating the business successfully and risks of not achieving all or any of the anticipated benefits and synergies of the Stronghold Transaction, or the risk that the anticipated benefits and synergies of the Stronghold Transaction may not be fully realized or take longer to realize than expected.

The above is not an exhaustive list of the factors that may affect the Company's forward-looking statements. For a more comprehensive discussion of factors that could affect the Company, refer to the risk factors discussed above. Other risks and uncertainties not presently known to the Company or that the Company presently believes are not material could also cause actual results or events to differ materially from those expressed, implied or projected in its forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect the Company's expectations only as of May 13, 2025. Except as required by law, the Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

**BITFARMS LTD.**

**Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

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**21. CAUTIONARY NOTE REGARDING NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS**

This MD&A makes reference to certain measures that are not recognized under U.S. GAAP and do not have a standardized meaning prescribed by U.S. GAAP. They are therefore unlikely to be comparable to similar measures presented by other companies. The Company uses non-GAAP and other financial measures and ratios including "EBITDA," "EBITDA margin," "Adjusted EBITDA," "Adjusted EBITDA margin," "Gross Mining profit," "Gross Mining margin," "Gross margin," "Operating margin," "Direct Cost," "Direct Cost per Bitcoin," "Total Cash Cost" and "Total Cash Cost per Bitcoin" as additional information to complement U.S. GAAP measures by providing further understanding of the Company's results of operations from Management's perspective. Refer to Section 9 - *Non-GAAP and Other Financial Measures and Ratios* of the MD&A for more details.

These measures are provided as additional information to complement U.S. GAAP 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 U.S. GAAP. Reconciliations from U.S. GAAP measures to non-GAAP measures are included throughout this MD&A.

**22. ADDITIONAL INFORMATION**

Additional information and other publicly filed documents relating to the Company are available through the internet on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on EDGAR at [www.sec.gov/edgar](http://www.sec.gov/edgar).

## 23. GLOSSARY OF TERMS

Terms	Definition
<b>Artificial Intelligence (AI)</b>	A branch of technology enabling computers and machines to replicate human-like abilities, including learning, understanding, problem-solving, decision-making, creativity, and autonomous action.
<b>ASIC</b>	ASIC stands for Application Specific Integrated Circuit and refers primarily to specific computer devices designed to solve the SHA-256 algorithm.
<b>Bitcoin</b>	Bitcoin is a decentralized digital currency that is not controlled by any centralized authority (e.g., a government, financial institution or regulatory organization) that can be sent from user to user on the Bitcoin network without the need for intermediaries to clear transactions. Transactions are verified through the process of Mining and recorded in a public ledger known as the Blockchain. Bitcoin is created when the Bitcoin network issues Block Rewards through the Mining process.
<b>Bitcoin One</b>	Bitcoin One is a quantitative investment multi-strategy program that employs a disciplined approach to accelerate Bitcoin accumulation through diversification, strategic leverage, and market timing.
<b>Block Reward</b>	A Bitcoin Block Reward refers to the new Bitcoin that are awarded by the Blockchain network to eligible cryptocurrency Miners for each block they successfully mine. The current block reward is 3.125 Bitcoin per block.
<b>Blockchain</b>	A Blockchain is a cloud-based public ledger that exists on computers that participate on the network globally. The Blockchain grows as new sets of data, or 'blocks', are added to it through Mining. Each block contains a timestamp and a link to the previous block, such that the series of blocks form a continuous chain. Given that each block has a separate hash and each hash requires information from the previous block, altering information an established block would require recalculating all the hashes on the Blockchain which would require an enormous and impracticable amount of computing power. As a result, once a block is added to the Blockchain it is very difficult to edit and impossible to delete.
<b>Exahash (EH/s)</b>	One quintillion (1,000,000,000,000,000,000) hashes or one million Terahash per second.
<b>Gigawatt (GW)</b>	A gigawatt is 1,000 megawatts of electricity and, in the industry of cryptocurrency Mining, can be a reference to the number of gigawatts of electricity per hour that is available for use.
<b>Hash</b>	A hash is a function that converts or maps an input of letters and numbers into an encrypted output of a fixed length, which outputs are often referred to as hashes. A hash is created using an algorithm. The algorithm used in the validation of Bitcoin transactions is the SHA-256 algorithm.
<b>Hashrate</b>	Hashrate refers to the number of hash operations performed per second and is a measure of computing power in Mining cryptocurrency.
<b>Hashrate Under Management</b>	Hashrate from the Miners the Company owns and from Miners hosted and managed by the Company.
<b>High Performance Computing (HPC)</b>	Advanced computing capability that allows for rapid data processing and complex calculations at exceptionally high speeds, essential for handling large datasets and complex computational tasks.
<b>Hosting</b>	A service in which a company provides infrastructure, power, and cooling solutions to house and operate cryptocurrency mining equipment owned by clients.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**23. GLOSSARY OF TERMS (Continued)**

<b>Terms</b>	<b>Definition</b>
<b>Megawatt (MW)</b>	A megawatt is 1,000 kilowatts of electricity and, in the industry of cryptocurrency Mining, is typically a reference to the number of megawatts of electricity per hour that is available for use.
<b>Miners</b>	ASICs used by the Company and third parties to perform Mining.
<b>Mining</b>	Mining refers to the process of using specialized computer hardware, and in the case of the Company, ASICs, to perform mathematical calculations to confirm transactions and increase security for the Bitcoin Blockchain. As a reward for their services, Bitcoin Miners collect transaction fees for the transactions they confirm, along with newly created Bitcoin as Block Rewards.
<b>Mining Pool</b>	A Mining Pool is a group of cryptocurrency Miners who pool their computational resources, or Hashrate, in order to increase the probability of finding a block on the Bitcoin Blockchain. Mining Pools administer regular payouts to mitigate the risk of Miners operating for a prolonged period of time without finding a block.
<b>Network Difficulty</b>	Network Difficulty is a unitless measure of how difficult it is to find a hash below a given target. The Bitcoin network protocol automatically adjusts Network Difficulty by changing the target every 2,016 blocks hashed based on the time it took for the total computing power used in Bitcoin Mining to solve the previous 2,016 blocks such that the average time to solve each block is ten minutes.
<b>Network Hashrate</b>	Network Hashrate refers to the total global hashrate (and related computing power) used in Mining for a given cryptocurrency.
<b>Petahash (PH/s)</b>	One quadrillion (1,000,000,000,000,000) hashes or one thousand Terahash per second.
<b>SHA-256</b>	SHA stands for Secure Hash Algorithm. The SHA-256 algorithm was designed by the US National Security Agency and is the cryptographic hash function used within the Bitcoin network to validate transactions on the Bitcoin Blockchain.
<b>Terahash (TH/s)</b>	One trillion (1,000,000,000,000) hashes or one Terahash per second.

**NOTICE OF NO AUDITOR REVIEW**

In accordance with National Instrument 51-102 - Continuous Disclosure Obligations (“NI 51-102”), Bitfarms Ltd. (the “Company”) discloses that its external auditors have not reviewed the accompanying unaudited interim condensed consolidated financial statements.

**NOTICE TO READER**

As of December 31, 2025, Bitfarms Ltd. determined that it would prepare its annual financial statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). As a result, pursuant to section 4.3(4) of NI 51-102 of the Canadian Securities Administrators, the Company must restate its previously filed interim financial reports for the year ended December 31, 2025 in accordance with U.S. GAAP, such interim financial reports having previously been prepared in accordance with IFRS Accounting Standards.

The attached restated unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2025 and 2024 (“Q2 2025 Interim Financial Statements”) have been prepared in accordance with U.S. GAAP applicable to interim financial information, and should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2025, filed on March 31, 2026 and available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on EDGAR at [www.sec.gov](http://www.sec.gov). Other than as expressly set forth above, the Q2 2025 Interim Financial Statements do not, and do not purport to, update or restate the information in the original unaudited interim condensed consolidated financial statements or reflect any events that occurred after the date of the filing of the original unaudited interim condensed consolidated financial statements.

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**BITFARMS LTD.**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Restated)  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024**

(Expressed in thousands of U.S. dollars - unaudited)

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**BITFARMS LTD.**  
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**BITFARMS LTD.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Expressed in thousands of U.S. dollars - unaudited)

	As of June 30, 2025	As of December 31, 2024
<b>Assets</b>		
Current		
Cash	85,439	59,542
Accounts receivable, net	3,942	1,259
Receivable from disposal of business	15,087	—
Other assets	6,142	7,709
Short-term prepaid deposits	8,126	14,554
Rights to energy credits and waste tax credits	5,572	—
Digital assets	59,029	87,298
Digital assets - restricted	66,922	32,826
Inventories	7,112	1,180
Derivative assets	15,374	3,418
Assets held for sale	5,051	5,949
<b>Total current assets</b>	<b>277,796</b>	<b>213,735</b>
Non-current		
Restricted cash	25,000	—
Property, plant and equipment, net	470,584	342,552
Operating lease right-of-use assets, net	20,656	21,299
Finance lease right-of-use assets, net	3,192	2,587
Long-term deposits and equipment prepayments	13,939	56,367
Refundable deposits	5,430	21,956
Intangible assets, net	4,012	4,636
Investment in equity securities	1,250	—
<b>Total assets</b>	<b>821,859</b>	<b>663,132</b>
<b>Liabilities</b>		
Current		
Accounts payable and accrued expenses	48,751	25,792
Derivative liabilities	13,082	128
Current portion of long-term debt	581	146
Current portion of operating lease liabilities	2,207	1,959
Current portion of finance lease liabilities	1,200	130
Redemption obligation	18,396	—
<b>Total current liabilities</b>	<b>84,217</b>	<b>28,155</b>
Non-current		
Long-term debt	49,986	1,430
Operating lease liabilities	17,286	17,440
Finance lease liabilities	2,636	2,310
Deferred tax liability	65	65
Other non-current liabilities	5,518	2,586
<b>Total liabilities</b>	<b>159,708</b>	<b>51,986</b>
Commitments and contingencies (note 24)		
<b>Stockholders' equity</b>		
Common stock - no par value; authorized - unlimited number of shares; Issued and outstanding - 557,548,857 shares and 479,332,885 shares, respectively	932,807	837,764
Additional paid-in capital	118,335	101,319
Accumulated deficit	(388,991)	(327,937)
<b>Total stockholders' equity</b>	<b>662,151</b>	<b>611,146</b>
<b>Total liabilities and stockholders' equity</b>	<b>821,859</b>	<b>663,132</b>

See accompanying notes to the condensed consolidated financial statements

**BITFARMS LTD.**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Expressed in thousands of U.S. dollars, except per share amounts - unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
<b>Revenues</b>	<b>76,782</b>	41,548	<b>143,402</b>	91,865
Cost of revenues	<b>(82,999)</b>	(51,108)	<b>(150,081)</b>	(112,227)
<b>Gross loss</b>	<b>(6,217)</b>	(9,560)	<b>(6,679)</b>	(20,362)
<b>Operating expenses</b>				
General and administrative expenses	<b>(21,397)</b>	(11,912)	<b>(41,457)</b>	(25,082)
Change in fair value of digital assets	<b>16,283</b>	(13,225)	<b>(6,750)</b>	(569)
Realized gain on sale of digital assets	<b>16,005</b>	5,804	<b>20,982</b>	16,867
Gain on disposition of property, plant and equipment and deposits	<b>1,865</b>	412	<b>7,451</b>	563
Impairment of long-lived assets and deposits	<b>(14,872)</b>	—	<b>(33,696)</b>	—
<b>Operating loss</b>	<b>(8,333)</b>	(28,481)	<b>(60,149)</b>	(28,583)
Interest income	<b>460</b>	2,042	<b>1,336</b>	2,722
Interest expense	<b>(1,611)</b>	(162)	<b>(1,829)</b>	(330)
(Loss) gain on derivative assets and liabilities	<b>3,784</b>	(2,135)	<b>70</b>	355
Other income (expense)	<b>(147)</b>	678	<b>(66)</b>	431
Total other income (expense)	<b>2,486</b>	423	<b>(489)</b>	3,178
<b>Net loss before income taxes</b>	<b>(5,847)</b>	(28,058)	<b>(60,638)</b>	(25,405)
Income tax benefit (expense)	<b>346</b>	262	<b>(416)</b>	262
<b>Net loss</b>	<b>(5,501)</b>	(27,796)	<b>(61,054)</b>	(25,143)
<b>Loss per common shares</b>				
Basic and diluted	<b>(0.01)</b>	(0.07)	<b>(0.12)</b>	(0.07)
Weighted average number of common shares outstanding				
Basic and diluted	<b>555,843,347</b>	401,238,798	<b>528,157,206</b>	369,991,664

See accompanying notes to the condensed consolidated financial statements

**BITFARMS LTD.**
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Expressed in thousands of U.S. dollars, except number of shares - unaudited)

	Number of shares	Common stock	Additional paid- in capital	Accumulated deficit	Total stockholders' equity
<b>Three months ended June 30, 2025</b>					
<b>Balance as of March 31, 2025</b>	553,644,380	927,628	117,296	(383,490)	661,434
Net loss	—	—	—	(5,501)	(5,501)
Stock-based compensation	—	—	3,500	—	3,499
Adjustment of common shares related to business combination	(243)	—	—	—	—
Issuance of equity warrants	—	—	2,715	—	2,715
Settlement of restricted share units	2,347,500	3,612	(3,612)	—	—
Exercise of stock options	13,900	9	(7)	—	3
Settlement of share awards	1,543,320	1,558	(1,558)	—	—
<b>Balance as of June 30, 2025</b>	<b>557,548,857</b>	<b>932,807</b>	<b>118,334</b>	<b>(388,991)</b>	<b>662,150</b>
<b>Six months period ended June 30, 2025</b>					
<b>Balance as of January 1, 2025</b>	479,332,885	837,764	101,319	(327,937)	611,146
Net loss	—	—	—	(61,054)	(61,054)
Stock-based compensation	—	—	7,768	—	7,768
Issuance of replacement stock-based compensation	—	—	232	—	232
Issuance of common shares	74,311,495	89,864	—	—	89,864
Adjustment of common shares related to business combination	(243)	—	—	—	—
Issuance of equity warrants	—	—	14,192	—	14,192
Settlement of restricted share units	2,347,500	3,612	(3,612)	—	—
Exercise of stock options	13,900	9	(6)	—	3
Settlement of share awards	1,543,320	1,558	(1,558)	—	—
<b>Balance as of June 30, 2025</b>	<b>557,548,857</b>	<b>932,807</b>	<b>118,335</b>	<b>(388,991)</b>	<b>662,151</b>
<b>Three months ended June 30, 2024</b>					
<b>Balance as of March 31, 2024</b>	356,291,726	576,667	94,648	(296,919)	374,396
Net loss	—	—	—	(27,796)	(27,796)
Stock-based compensation	—	—	1,150	—	1,150
Issuance of common shares	67,198,859	136,296	—	—	136,296
Settlement of restricted share units	125,000	289	(289)	—	—
Exercise of stock options and warrants	2,259,148	4,253	(1,706)	—	2,547
<b>Balance as of June 30, 2024</b>	<b>425,874,733</b>	<b>717,505</b>	<b>93,803</b>	<b>(324,715)</b>	<b>486,593</b>
<b>Six months period ended June 30, 2024</b>					
<b>Balance as of January 1, 2024</b>	334,153,330	531,401	93,529	(299,572)	325,358
Net loss	—	—	—	(25,143)	(25,143)
Stock-based compensation	—	—	4,186	—	4,186
Issuance of common shares	84,196,144	173,564	—	—	173,564
Settlement of restricted share units	125,000	289	(289)	—	—
Exercise of stock options and warrants	7,400,259	12,251	(3,623)	—	8,628
<b>Balance as of June 30, 2024</b>	<b>425,874,733</b>	<b>717,505</b>	<b>93,803</b>	<b>(324,715)</b>	<b>486,593</b>

Should be read in conjunction with the notes to the condensed consolidated financial statements

**BITFARMS LTD.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in thousands of U.S. dollars - unaudited)

	<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows used in operating activities</b>		
Net loss	(61,054)	(25,143)
Adjustment to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	63,977	84,789
Impairment of long-lived assets and deposits	33,696	—
Total other expense (income)	489	(3,178)
Digital assets earned	(135,127)	(89,806)
Stock-based compensation	7,768	4,186
Income tax income (benefit)	416	(262)
Renewable energy credits earned	(6,540)	—
Gain on disposition of property, plant and equipment and deposits	(7,451)	(563)
Digital assets exchanged for services	5,125	—
Realized gain on sale of digital assets	(20,982)	(16,867)
Asset retirement obligation accretion expense	(166)	(130)
Change in fair value of digital assets	6,750	569
Interest income received	873	3,196
Interest expenses paid	(1,145)	(727)
Income taxes paid	(237)	(789)
Proceeds from disposition of renewable energy credits	4,070	—
Changes in non-cash working capital components	15,816	(11,430)
<b>Net change in cash related to operating activities</b>	<b>(93,722)</b>	<b>(56,155)</b>
<b>Cash flows from (used in) investing activities</b>		
Proceeds from sale of digital assets	137,734	83,326
Purchase of property, plant and equipment and Intangible asset	(62,063)	(123,119)
Proceeds from sale of property, plant and equipment and assets held for sale	3,045	1,546
Purchase of marketable securities	(9,628)	(5,720)
Proceeds from disposition of marketable securities	10,048	6,471
Purchase of derivative assets and liabilities	(78,463)	—
Settlement of derivative assets and liabilities	79,924	—
Equipment and construction prepayments	(4,771)	(31,010)
Proceeds from the disposition of business	47,538	—
Acquisition of business	(48,084)	—
Investment in equity securities	(1,250)	—
<b>Net change in cash related to investing activities</b>	<b>74,030</b>	<b>(68,506)</b>
<b>Cash flows from financing activities</b>		
Issuance of common shares	23,608	173,564
Repayment of long-term debt	(209)	(4,066)
Proceeds from long-term debt, net of transaction costs	47,544	1,695
Repayment of finance lease liabilities	(394)	(599)
Exercise of stock options and warrants	3	8,532
<b>Net change in cash related to financing activities</b>	<b>70,552</b>	<b>179,126</b>
<b>Net increase in cash</b>	<b>50,860</b>	<b>54,465</b>
Cash, beginning of the period	59,542	84,038
Exchange rate differences on currency translation	37	116
<b>Cash and restricted cash, end of the period</b>	<b>110,439</b>	<b>138,619</b>

See accompanying notes to the condensed consolidated financial statements

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 1: ORGANIZATION**

Bitfarms Ltd.'s (the "Company" or "Bitfarms") activities are comprised mainly of selling its computational power used for hashing calculations for the purpose of cryptocurrency Mining in multiple jurisdictions, including Canada, the United States, Paraguay and Argentina. 9159-9290 Québec Inc. ("Volta"), a wholly-owned subsidiary of the Company, assists the Company in building and maintaining its data centers and provides electrician services to both commercial and residential customers in Québec, Canada.

Bitfarms primarily owns and operates data centers housing computers (referred to as "Miners") designed for the purpose of validating transactions on the Bitcoin Blockchain (referred to as "Mining"). Bitfarms generally operates its Miners 24 hours per day to produce computational power used for hashing calculations (measured by hashrate) that Bitfarms sells to Mining pool operators under a formula-driven rate commonly known in the industry as Full Pay Per Share ("FPPS"). Under FPPS, Mining pool operators compensate Mining companies for their computational power used for hashing calculations, measured by hashrate, based on what the Mining pool operator would expect to generate in revenue for a given time period if there was no randomness involved. The fee paid by a Mining pool operator to Bitfarms for its computational power used for hashing calculations may be in cryptocurrency, U.S. dollars, or another currency. However, the fees are paid to the Company on a daily basis in Bitcoin (as defined below). Bitfarms accumulates the cryptocurrency fees it receives or exchanges them for U.S. dollars through reputable and established cryptocurrency trading platforms.

As described in Note 3, the Company acquired Stronghold Digital Mining, Inc. ("Stronghold") on March 14, 2025 (the "Stronghold Transaction"). Through the acquisition of Stronghold, the Company now owns and operates two refuse power generation facilities in Pennsylvania, United States. To support each site's data centers, the Company's primary fuel source at these facilities is waste which is provided by various third parties. Waste tax credits ("WTCs") are earned by the Company by utilizing refuse to generate electricity. The Company either consumes the energy internally to support computational activities related to hashing calculations or sells the energy it produces to the local energy supplier (the "Grid").

**Terms and definitions**

In these financial statements, the terms below have the following definitions:

	<b>Term</b>	<b>Definition</b>
1	Backbone	Backbone Hosting Solutions Inc.
2	Backbone Argentina	Backbone Hosting Solutions SAU
3	Backbone Paraguay	Backbone Hosting Solutions Paraguay SA
4	Backbone Mining	Backbone Mining Solutions LLC
5	Backbone Yguazu	Zunz SA
6	Volta	9159-9290 Québec Inc.
7	BVVE	Blockchain Verification and Validation Equipment (primarily Miners and Mining-related)
8	MW	Megawatt
9	ARS	Argentine pesos
10	BTC	Bitcoin
11	CAD	Canadian dollars
12	USD	U.S. dollars

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES*****Basis of preparation and principles of consolidation***

These condensed financial statements include the accounts of the Company and its wholly-owned subsidiaries. The Company also consolidates certain variable interest entities (“VIEs”) for which the Company is the primary beneficiary, generally as a result of having the power to direct the activities that most significantly affect the VIE’s economic performance and holding variable interests that convey to the Company the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIEs. Subsidiaries that are not considered VIEs are consolidated as the Company owns, directly or indirectly, a controlling interest in the entities. The Company performs an assessment at inception and regularly reevaluates whether the entity is a VIE and whether the Company continues to be the primary beneficiary. All intercompany balances and transactions have been eliminated in consolidation.

The condensed consolidated financial statements are presented in USD and have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and regulations of the U.S. Securities and Exchange Commission (the “SEC”) applicable to interim financial information, which permit the omission of certain information to the extent it has not changed materially since the latest annual financial statements.

In the opinion of the Company, the accompanying unaudited interim condensed financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of its balance sheet as of June 30, 2025 and its results of operations for the three and six months ended June 30, 2025, and 2024, and cash flows for the six months ended June 30, 2025, and 2024. The balance sheet as of December 31, 2024, was derived from 2025 audited annual financial statements but does not contain all of the footnote disclosures from the annual financial statements.

These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes for the year ended December 31, 2025.

Additionally, since there are no differences between net income (loss) and comprehensive income (loss), all references to comprehensive income (loss) have been excluded from the condensed consolidated financial statements.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES** (Continued)***Use of estimates***

The preparation of financial statements in conformity with U.S. GAAP requires Management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated balance sheets and the reported amounts of revenue and expenses during the reporting periods. Actual results may differ materially from those estimates. The most significant accounting estimates inherent in the preparation of the Company's consolidated financial statements include revenue recognition; measurement of digital assets; determination of the useful lives, residual values, depreciation method and recoverability of long-lived assets; impairment analysis of property, plant and equipment; allocating the fair value of purchase consideration to assets acquired and liabilities assumed in business combinations and measurement of financial instruments.

***Impairment of financial assets***

The Company recognizes an allowance for potentially uncollectable accounts under the current expected credit loss ("CECL") impairment model in accordance with ASC 326, *Financial Instruments – Credit Losses*, for all financial assets measured at amortized cost, including accounts receivable and refundable deposits. The CECL impairment model requires an estimate of expected credit losses measured over the contractual life of an instrument, which considers forecasts of future economic conditions in addition to information about past events and current conditions. Based on this model the Company considers many factors, including the aging of the balances, collection history, the counterparty's credit rating, current economic conditions, and reasonable and supportable forecasts, among other factors. The allowance is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, which may be discounted at the original effective interest rate ("EIR"), when the effect of discounting is material. Bad debts are written off against the allowance after all collection efforts have ceased.

***Recently issued accounting pronouncements***

In May 2025, the Financial Accounting Standards Board ("FASB") issued ASU 2025-03, *Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity* ("ASU 2025-03"), which amends the guidance for identifying the accounting acquirer in transactions involving the acquisition of a variable interest entity that meets the definition of a business. The guidance is intended to reduce diversity in practice and improve consistency in the application of acquisition accounting. The new standard is effective for the Company for its annual periods beginning January 1, 2027, with early adoption permitted. The Company is currently evaluating the impact of adopting the standard.

In March 2025, the FASB issued ASU No. 2025-02, *Liabilities (Topic 405): Amendments to SEC Paragraph Pursuant to SEC Staff Accounting Bulletin No. 122* ("ASU 2025-02"). ASU 2025-02 amends the Accounting Standard Codification to remove the text of SEC Staff Accounting Bulletin ("SAB") 121, as rescinded by SAB 122. The new standard is effective immediately and did not have a material impact on the Company's condensed consolidated financial statements.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES** (Continued)**Recently issued accounting pronouncements** (Continued)

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* (“ASU 2024-03”). ASU 2024-03 requires additional disclosures of certain expenses in the notes of the financial statements, to provide enhanced transparency into the expense captions presented on the condensed Consolidated Statements of Operations. Additionally, in January 2025, the FASB issued ASU 2025-01, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date* (“ASU 2025-01”), to clarify the effective date of ASU 2024-03. The new standard is effective for the Company for its annual periods beginning January 1, 2027 and for interim periods beginning January 1, 2028, with early adoption permitted. The Company is currently evaluating the impact of adopting the standard.

**NOTE 3: BUSINESS COMBINATION**

On March 14, 2025 (the “Acquisition Date”), the Company acquired 100% of the issued share capital of Stronghold Digital Mining, Inc. (“Stronghold”) in a stock-for-stock merger transaction. Under the terms of the merger agreement, each Stronghold shareholder received 2.52 shares of Bitfarms for each Stronghold share they owned. A total of 59,866,609 common shares and 12,893,650 warrants were issued. In addition, the Company paid \$51,060 on closing to retire Stronghold’s outstanding loans and other closing costs. The acquisition was accounted for as a business combination using the acquisition method of accounting in accordance with ASC 805, *Business Combinations*. The fair value of the 59,866,609 shares issued as part of the consideration paid for Stronghold was based on the published share price on March 14, 2025 of \$1.11 per share. Issuance costs of \$196, which were directly attributable to the issuance of the shares, were netted against the deemed proceeds.

As a result of the business combination, the pre-existing hosting agreements between the Company and Stronghold were effectively settled. A gain of \$945 was recognized on the settlement of the Refundable Hosting Deposits. Refer to Note 14 and Note 18 for more details.

Stronghold is a vertically integrated power generation and data center company focused on environmental remediation and reclamation services in Pennsylvania, United States. The Stronghold transaction is aligned with the Company’s strategic objectives to diversify its operations and expand its presence in the United States through vertical integration of power generation and energy arbitrage capabilities.

The purchase price allocation for the acquisition reflects fair value estimates which are subject to change within the measurement period. As of June 30, 2025, the Company has substantially determined the fair values of most net assets except for property, plant and equipment and accounts payable and accrued expenses. The fair values of certain tangible assets remain preliminary and are subject to change as the Company continues to assess the condition and useful lives of the assets. Accounts payable and accrued expenses remain subject to change pending final confirmation of completeness. Measurement period adjustments that the Company determines to be material will be recognized in the period in which it determines the amounts, including the effect on earnings of any amounts it would have recognized in previous periods if the accounting had been completed at the acquisition date.

**NOTE 3: BUSINESS COMBINATION** (Continued)

Details of the final purchase price allocation and the fair value of the net assets acquired on March 14, 2025 are as follows:

	<b>As of March 14, 2025</b>
<b>Purchase consideration</b>	
Cash paid through repayment of debts	44,982
Reimbursement of Stronghold's acquisition-related costs	6,078
Fair value of shares issued	66,452
Fair value of warrants issued	11,477
Fair value of replacement stock-based compensation	232
Settlement of Refundable Hosting Deposits	15,474
<b>Fair value of consideration transferred</b>	<b>144,695</b>
<b>Net identifiable assets acquired</b>	
Cash	2,976
Accounts receivable	1,305
Short-term prepaid deposits	1,835
Other assets (current)	118
Rights to energy credits	3,102
Inventories	3,269
Property, plant and equipment	156,687
Intangible assets	18
Operating and finance lease right-of-use assets	1,594
Other non-current assets	1,550
Accounts payable and accrued expenses	(22,304)
Current portion of long-term debt	(420)
Current portion of operating and finance lease liabilities	(800)
Long-term debt	(460)
Non-current operating and finance lease liabilities	(756)
Other non-current liabilities	(3,019)
<b>Total net identifiable assets acquired</b>	<b>144,695</b>

Total acquisition-related costs that were not directly attributable to the issuance of shares amounted to \$7,081, of which \$1,571 were incurred during the first quarter of 2025, and \$5,510 were incurred during the year ended December 31, 2024. These amounts were included in general and administrative expenses in the condensed consolidated statements of operations.

**NOTE 3: BUSINESS COMBINATION** (Continued)

From the acquisition date through June 30, 2025, Stronghold's total revenue and net gain (net of tax) included in the condensed consolidated statements of operations was \$29,265 and \$150, respectively.

**Revenue and profit and loss contribution**

The following pro-forma summary presents consolidated information of the Company as if the business combination had occurred on January 1, 2024 for the indicated periods:

(unaudited)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenue	76,782	60,652	157,978	138,491
Net loss, net of tax	(3,612)	(46,619)	(66,951)	(47,735)

The unaudited pro forma financial information should not be considered indicative of actual results that would have been achieved had the acquisition of Stronghold actually been consummated on the date indicated and does not purport to be indicative of the Company's future financial position or operating results. These pro forma results include the impact of depreciation and amortization of property, plant and equipment and intangible assets acquired, and the impact of the acquisition on interest expense and income tax expense. No adjustments have been reflected in the pro forma financial information for anticipated growth and efficiency opportunities. There were no material nonrecurring pro forma adjustments directly attributable to the acquisition included within the unaudited pro forma financial information.

The following table presents the supplemental cash flow information:

	Six months ended June 30, 2025
<b>Cash outflow, net of cash acquired</b>	
Cash consideration	51,060
Less: cash balances acquired	(2,976)
<b>Net cash outflow related to investing activities</b>	<b>48,084</b>

**Measurement period adjustments**

During the three months ended June 30, 2025, the Company obtained new information about facts and circumstances that existed at the Acquisition Date, if known, would have been recognized as of the Acquisition Date. Therefore, increases in accrued liabilities and rights to energy credits of \$1,500 and \$3,102, respectively, were recognized with a corresponding net decrease of \$1,602 in property, plant and equipment, which is reflected in the purchase price allocation table above.

**NOTE 4: SALE OF THE YGUAZU BITCOIN DATA CENTER**

On March 17, 2025, the Company completed the sale of its 200 MW Bitcoin data center under development in Yguazu, Paraguay to HIVE Digital Technologies Ltd. (“HIVE”) pursuant to a January 24, 2025 share purchase agreement. The transaction involved the sale of the Company’s 100% ownership stake in the Yguazu Bitcoin data center and resulted in the derecognition of the subsidiary’s assets and liabilities. The transaction details are as follows:

	<b>As of March 17 2025</b>
<b>Consideration</b>	
Advance received in January 2025 upon signing the LOI	20,000
Cash received upon closing	12,038
Receivable over 6 equal monthly payments following the closing date*	31,000
Other costs assumed by HIVE	222
<b>Total consideration</b>	<b>63,260</b>
<b>Net assets transferred</b>	
Current assets	2,590
Property, plant and equipment	34,006
Intangible asset	309
Long-term deposits and equipment prepayments	18,321
Short-term prepaid deposits	2,809
<b>Total net assets transferred</b>	<b>58,035</b>
<b>Gain on disposal of subsidiary</b>	<b>5,225</b>

\* The Company had a remaining net receivable from the disposal of Yguazu Mining site of \$15,087 as of June 30, 2025. The receivable is interest-free.

**NOTE 5: ACCOUNTS RECEIVABLE, NET**

The balance of the allowance for credit losses on accounts receivable is as follows:

	<b>As of June 30, 2025</b>	As of December 31, 2024
	six-month period	twelve-month period
Balance as of January 1,	<b>(63)</b>	(51)
Current period allowance	—	(17)
Write offs charged against allowance	—	—
Recoveries collected	—	—
Allowances for credit losses	<b>(3)</b>	5
<b>Balance as of ending period</b>	<b>(66)</b>	(63)

**NOTE 6: RIGHTS TO ENERGY CREDITS AND WASTE TAX CREDITS**

	As of June 30, 2025
	six-month period
	<b>Rights to renewable energy credits</b>
Balance as of January 1,	—
Addition related to business combination	3,102
Additions during the period	6,540
Less: sale of renewable energy credits to third parties	(4,070)
Balance as of period end	5,572

**NOTE 7: DIGITAL ASSETS**

Bitcoin transactions and the corresponding values for the three and six months ended June 30, 2025 and 2024 were as follows:

	Three months ended June 30,			
	2025		2024	
	Quantity	Value (\$)	Quantity	Value (\$)
Balance of digital assets including restricted digital assets as of April 1,	1,492	123,232	806	57,542
Bitcoin earned *	718	70,330	614	40,383
Hosting revenue received in Bitcoin	15	379	—	—
Bitcoin received in advance for goods	2	181	—	—
Change in Bitcoin earned, not received	1	(42)	941	49,571
Bitcoin exchanged for cash	(1,052)	(100,471)	(1,456)	(83,326)
Realized gain on disposition of digital assets	—	16,005	—	5,804
Change in fair value of digital assets	—	16,283	—	(13,225)
<b>Balance of digital assets including restricted digital assets as of June 30,</b>	<b>1,176</b>	<b>125,951</b>	<b>905</b>	<b>56,749</b>
Less restricted digital assets as of June 30, *	(625)	(66,922)	—	—
<b>Balance of digital assets excluding restricted digital assets as of June 30,</b>	<b>551</b>	<b>59,029</b>	<b>905</b>	<b>56,749</b>

## NOTE 7: DIGITAL ASSETS (Continued)

	Six months ended June 30,			
	2025		2024	
	Quantity	Value (\$)	Quantity	Value (\$)
Balance of digital assets including restricted digital assets as of January 1,	1,285	120,124	804	33,971
Bitcoin earned *	1,411	134,405	1,557	89,806
Hosting revenue received in Bitcoin	21	722	—	—
Bitcoin received in advance for goods	2	181	—	—
Bitcoin earned, not received	(8)	(854)	—	—
Bitcoin exchanged for cash	(1,480)	(137,734)	(1,456)	(83,326)
Bitcoin exchanged for services	(55)	(5,125)	—	—
Realized gain on disposition of digital assets	—	20,982	—	16,867
Change in fair value of digital assets	—	(6,750)	—	(569)
<b>Balance of digital assets including restricted digital assets as of June 30,</b>	<b>1,176</b>	<b>125,951</b>	<b>905</b>	<b>56,749</b>
Less restricted digital assets as of June 30,**	(625)	(66,922)	—	—
<b>Balance of digital assets excluding restricted digital assets as of June 30,</b>	<b>551</b>	<b>59,029</b>	<b>905</b>	<b>56,749</b>

\* Management estimates the fair value of Bitcoin earned on a daily basis as the quantity of cryptocurrency received multiplied by the price quoted on Coinbase Prime on the day it was received. Management considers the prices quoted on Coinbase Prime to be a level 1 input under ASC 820, Fair Value Measurement.

\*\* Restricted digital assets comprise i) 198 Bitcoin for the Bitcoin payment (“Bitcoin Pledged”) to a third party as deposits of Miners presented as restricted digital assets. As the Company has the right to redeem the Bitcoin Pledged, the ability of the third party to control the asset is limited, and the Bitcoin Pledged does not meet the definition of a sale. Refer to Note 9, 13 and 18 for more details; and ii) 427 Bitcoin held by a financial institution in connection with Bitcoin selling contracts. Refer to Note 9 for more details.

**NOTE 8: INVENTORIES**

	As of June 30,	As of December 31,
	2025	2024
Waste, limestone and fuel oil*	4,420	—
Electronic and networking components	2,692	1,180
	7,112	1,180

\* On the Acquisition Date, inventories from the Stronghold business combination amounted to \$3,269. Refer to Note 3 for more details.

**NOTE 9: DERIVATIVE ASSETS AND LIABILITIES****BTC option and selling contracts**

The Company purchased BTC option contracts that provide it the right, but not the obligation, to sell digital assets at a fixed price. The Company also entered into contracts and earned premiums by agreeing to sell Bitcoin if the Bitcoin price reached specific targets.

**Bitcoin redemption options and redemption obligations**

Beginning in November 2024, the Company entered into purchase orders of Miners with a supplier (“November 2024 Order”) which allows the Company to pay for the Miners in cash, Bitcoin or a combination of both. In the event that the Company elects to pay using Bitcoin (Bitcoin Pledged, as defined in Note 7) either full or partial, the Company has the option to redeem the Bitcoin Pledged at the price originally pledged in four quarterly installments (“Bitcoin Installments”) within 12 months after the redemption period starts. The redemption period starts when the Miners are shipped. If the Company elects not to redeem one of the Bitcoin Installments, the Company forfeits the right to redeem the remaining Bitcoin Installments. The right to redeem the Bitcoin (“Bitcoin Redemption Option”) meets the definition of an embedded derivative.

In November 2024, the Company paid for the Miners ordered using 351 Bitcoin valued at \$33,200, i.e. 351 Bitcoin Pledged. On initial recognition, the Company recorded derivative assets of \$1,349 with a corresponding reduction in long-term deposit and equipment prepayments as the Miners were not yet shipped. On January 30, 2025, the Company exercised its option to redeem the first installment of the Bitcoin Pledged and an aggregate redeemed 87 Bitcoin for \$8,308.

On March 12, 2025, an exchange agreement (“2025 Miners Swap Order”) was entered into to return 4,160 Bitmain T21 Miners. In consideration for the returned products, Bitmain provided the Company with a \$9,484 credit. Simultaneously, the Company placed another purchase order for 3,660 Bitmain S21+ Miners at a purchase price of \$11,858. The Company has the option to pay the net amount of \$2,374 in cash or in Bitcoin. On March 13, 2025, the Company paid the net \$2,374 in Bitcoin which can be redeemed on a quarterly basis, i.e. 29 Bitcoin Pledged. On initial recognition, the Company recorded derivative assets of \$393 with a corresponding reduction in long-term deposit and equipment prepayments as the Miners had not yet been shipped.

A redemption obligation was recognized for the remaining Bitcoin Redemption Options for which Miners have been shipped, reflecting the Company’s obligation to either redeem the Bitcoin Pledged for cash or use the Bitcoin Pledged for the purchase of the Miners. As of June 30, 2025, the redemption obligation amounted to \$18,396, which represented the value of Miners delivered, for which Bitcoin payments were made, and reduced by the value of the Bitcoin redeemed. Subsequently, in July 2025, the Company exercised the third Bitcoin Installment of the November 2024 Order and redeemed 87 Bitcoin for \$8,308.

No redemption obligation was recognized as of December 31, 2024, as the Miners ordered, for which the deposit payment in Bitcoin was made, had not yet been shipped.

**NOTE 9: DERIVATIVE ASSETS AND LIABILITIES** (Continued)**Bitcoin redemption options and redemption obligations** (Continued)

The following table summarizes the Bitcoin Redemption Options:

	As of June 30, 2025	
	Quantity of restricted Bitcoin	Redemption Obligation
November 2024 Order	351	33,230
Redemption of Bitcoin	(175)	(16,615)
March 2025 Swap Order	29	2,374
Redemption of Bitcoin	(7)	(593)
	<b>198</b>	<b>18,396</b>

Refer to Note 7, Note 13, Note 18 and Note 25 for more details.

The following table summarizes the derivatives and reconciles the fair value measurement, which are classified within Level 2 of the fair value hierarchy:

	As of June 30, 2025			As of December 31, 2024		
	six-month period			twelve-month period		
	Bitcoin redemption options	Bitcoin option and selling contracts		Bitcoin redemption options	Bitcoin option and selling contracts	
	Derivative Assets	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Assets	Derivative Liabilities
Balance as of January 1,	3,418	—	(128)	—	1,281	—
Remeasurement recognized in statement of operations	(383)	(10,369)	10,822	2,069	15,871	(121)
Purchases	—	62,396	16,067	—	13,610	351
Initial recognition	393	—	—	1,349	—	—
Settlement	—	(40,081)	(39,843)	—	(30,762)	(358)
Balance as of period end	3,428	11,946	(13,082)	3,418	—	(128)
Total derivative assets	15,374			3,418		
Total derivative liabilities	(13,082)			(128)		

**NOTE 9: DERIVATIVE ASSETS AND LIABILITIES (Continued)**

The following gain (loss) on derivatives is recognized in the condensed consolidated statements of operations:

	Three months ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Gain (loss) on Bitcoin options and selling contracts derivatives</b>				
Unrealized change in fair value of outstanding contracts	6,566	(2,424)	228	(296)
Realized (loss) gain on settled contracts	(4,564)	289	225	651
	2,002	(2,135)	453	355
<b>Gain (loss) on Bitcoin redemption options</b>				
Unrealized change in fair value	1,672	—	(1,508)	—
Realized gain on settled options	110	—	1,125	—
	1,782	—	(383)	—
<b>Gain (loss) on derivative assets and liabilities</b>	3,784	(2,135)	70	355

**NOTE 10: ASSETS HELD FOR SALE**

As of June 30, 2025 and December 31, 2024, assets held for sale consisted of the following:

	As of June 30,	As of December 31,
	2025	2024
Miners	4,385	4,832
Mining electrical components	666	1,117
	5,051	5,949

As of June 30, 2025 and December 31, 2024, the Company determined it had surplus Miners and Mining electrical equipment that met the criteria as “assets held for sale” under ASC 360-10-45 as of the respective balance sheet dates. These assets were measured at the lower of their carrying amount and fair value less costs to sell at the time of the classification. These surplus assets are not determined to be discontinued operations as their planned sale did not represent a strategic shift on the Company’s operations and financial results.

The fair value of these assets were determined using the market approach, which is based on recent sales prices for similar Miners and equipment. Such fair value measurements are a non-recurring Level 3 measurement under the fair value hierarchy. The key assumption used by Management to determine fair value is the most recent amount contracted with a third party for a comparable Miner or equipment sold.

**NOTE 11: IMPAIRMENT**

The following table summarizes the impairment loss in the condensed consolidated statements of operations:

	Three months ended June 30,	Six months ended June 30,
	2025	2025
<b>Argentina asset group</b>		
Equipment and construction prepayments and deposit	1,430	1,611
ROU assets	—	74
Property, plant and equipment	13,442	30,691
	14,872	32,376
<b>Miners held for sale</b>	—	1,320
	14,872	33,696

**Impairment on Argentina asset group in the first quarter of 2025**

During the first quarter of 2025, due to indicators of impairment that included the decline of the Company's market capitalization and Bitcoin price, the Company performed recoverability tests for operating Bitcoin data centers in Canada, United States, Paraguay and Argentina. The Company also experienced an increase in gas prices which affected the Company's cost of energy in Argentina.

In performing a recoverability test, the Company calculated the sum of the estimated undiscounted future cash flows from continued use and eventual disposition for the Argentina asset group, and determined it was lower than its carrying amount, therefore the Argentina asset group was not recoverable, and an impairment loss in the amount of \$17,504 during the first quarter of 2025.

To measure the impairment loss, fair value was determined using an income approach under ASC 820 based on a discounted cash flow model incorporating management's estimates of future cash flows, expected Bitcoin prices, projected operating expenses, and a market-based discount rate. Due to the use of significant unobservable inputs, the fair value measurement was classified within Level 3 of the fair value hierarchy.

Changes in the following assumptions would result in further impairment on the Argentina asset group as follows:

Sensitivity Analysis	Increase in impairment loss
A decrease of 5% of revenue	2,922
An increase of 5% in the discount rate	1,955
An increase of 5% in energy prices	1,351

**NOTE 11: IMPAIRMENT** (Continued)**Impairment on Argentina asset group in the first quarter of 2025** (Continued)

The key assumptions used in the value in use calculation for the Argentina asset group (categorized as Level 3 in the fair value hierarchy) were as follows:

Key assumptions	Management's Assumption	Key metrics used in valuation
<b>Revenues*</b>	Two optimistic and two pessimistic scenarios and one status quo scenario, each with an estimated future revenue per Terahash, were used to project revenues and associated cash flows from cryptocurrency Mining. Management assigned probabilities to each scenario to calculate weighted average expected outcomes.	The weighted average daily revenue per Terahash was \$0.05/Terahash
<b>Discount rate and period</b>	The discount rate reflects Management's assumptions regarding the unit's specific risk. The pre-tax discount rate used was estimated with some of the risk already being implicitly reflected through management's allocation of probabilities to the various scenarios included in the revenue calculation.	The fair value of the asset group was determined based on the present value of the expected cash flows over a four-year period discounted at an annual pre-tax rate of 30% in varying scenarios
<b>Energy prices</b>	Energy costs for the forecast period were estimated based on current market conditions and operational expectations. Management estimated that energy prices for the duration of the forecasted years will be approximately:	\$0.05 per kilowatt hour
<b>Terminal values</b>	Management estimated the terminal value of the Miners included in the asset group for the purposes of the impairment testing to be derived from the Miners direct margin applied to the ending hashrate for a period of:	Approximately 1 year

\* *Changes in Bitcoin price and Bitcoin network difficulty that can lead to changes in expected revenues were considered in the various scenarios listed above.*

**Impairment in Argentina asset group in the second quarter of 2025**

On April 30 2025, the Company was informed that its electricity supplier at Rio Cuarto, Argentina, Generación Mediterránea S.A. ("GMSA"), appointed local and international financial advisors to conduct a process with their creditors regarding the restructuring of its financial debt and is negotiating with its commercial suppliers. GMSA confirmed at that time that the Company would be able to continue consuming power at the Rio Cuarto site. However, on May 12, 2025, the Company was informed by GMSA that, effective immediately, they were halting the supply of electricity to the Company's Rio Cuarto, Argentina facility until further notice. As a result, there is uncertainty around the potential resumption of the supply of electricity and the timing thereof. This event has necessitated a pause in the Company's cryptocurrency Mining activities in Argentina and, unless resolved, may significantly impact ongoing operations in that country. On August 11, 2025, the Company determined it would discontinue its operations at its Bitcoin data center in Rio Cuarto, Argentina by November 11, 2025. Refer to Note 25 for more details.

**NOTE 11: IMPAIRMENT** (Continued)**Impairment in Argentina asset group in the second quarter of 2025** (Continued)

Management considered the suspension of the cryptocurrency Mining activities in Argentina as an indicator of impairment and performed a recoverability test for its operating Bitcoin data center in Argentina. The sum of the estimated undiscounted future cash flows for the Argentina asset group was determined to be lower than its carrying amount, therefore the Argentina asset group is not recoverable and an impairment loss in the amount of \$14,872 was recognized to write down the carrying amount of the asset group to its fair value less cost to sell during the three months ended June 30, 2025.

Fair value was determined using an income approach under ASC 820 based on a discounted cash flow model as previously described above.

**NOTE 12: PROPERTY, PLANT AND EQUIPMENT, NET**

As of June 30, 2025 and December 31, 2024, property, plant and equipment ("PPE") consisted of the following:

	As of June 30, 2025	As of December 31, 2024
BVVE	494,556	433,394
Land and buildings	25,343	34,452
Power plants	91,119	—
Machinery and Equipment	18,539	—
Leasehold improvements	68,158	60,021
Vehicles	4,319	1,754
	<b>702,034</b>	<b>529,621</b>
Accumulated Depreciation	<b>(231,450)</b>	<b>(187,069)</b>
Carrying amount	<b>470,584</b>	<b>342,552</b>

**Assets not subject to depreciation**

As of June 30, 2025, property, plant and equipment that are not yet placed into service amounted to \$11,275 and are not yet subject to depreciation.

**Dispositions**

Through the sale of the Yguazu Bitcoin data center, the Company sold \$34,006 of property, plant and equipment to HIVE, comprising \$18,395 of BVVE and \$15,611 attributed to land and building asset. Refer to Note 4 for more details.

**NOTE 13: LONG-TERM DEPOSITS AND EQUIPMENT PREPAYMENTS**

	As of June 30, 2025	As of December 31, 2024
March 2024 Purchase Order	—	34,791
Other BVVE and electrical components	43	3,499
Cash deposits on construction work and materials**	1,584	13,564
Equipment and construction prepayments*	1,627	51,854
Insurance prepaids, security deposits for energy and rent*	10,878	4,513
Deferred transaction fees - undrawn tranche of the credit facility	1,434	—
	<b>13,939</b>	<b>56,367</b>

\* Following the sale of the Yguazu Bitcoin data center, the Company sold \$18,321 of long-term deposits and equipment prepayments to HIVE. Refer to Note 4 for more details.

\*\* Deposits for construction work and materials mainly related to the Argentina, Paraguay and United States expansions.

*i. March 2024 Purchase Order*

During the first quarter of 2024, the Company ordered 19,369 Bitmain T21 Miners, 3,975 Bitmain S21 Miners and 762 Bitmain S21 Hydro Miners (collectively defined as the “March 2024 Purchase Order”) for \$51,285, \$13,608 and \$4,338, respectively, with deliveries scheduled from April 2024 to November 2024. In November 2024, the Company amended the March 2024 Purchase Order and upgraded 12,853 Bitmain T21 Miners to 12,853 S21 Pro Miners for \$22,654. The amendment had an embedded derivative for the Bitcoin Redemption Option, as described in Note 9, which was initially recognized at a fair value of \$1,349, reducing the Company’s Long-term deposits and equipment prepayments. As of June 30, 2025, all Miners on the March 2024 Purchase Order were received and the equipment prepayment amount was nil.

*ii. March 2025 Swap Order*

In relation with the March 2025 Swap Order, the Company returned 4,160 Bitmain T21 Miners and purchased 3,660 Bitmain S21+ Miners. In consideration for the returned products, the Company received a credit of \$9,484 which was applied against the purchase price of \$11,858. In March 2025, the Company paid the net \$2,374 in Bitcoin which can be redeemed on a quarterly basis (i.e., 29 Bitcoin Pledged). In the March 2025 Swap Order, 3,440 S21+ miners were received which corresponds to the hashrate specified in the initial agreement. As of June 30, 2025, all Miners of the March 2025 Swap Order were received and the equipment prepayment amount was nil.

**NOTE 14: REFUNDABLE DEPOSITS**

		As of June 30,	As of December 31,
	Notes	2025	2024
Security deposits for energy	i.	5,080	7,740
Refundable Hosting Deposits	ii.	—	14,216
Other		350	—
		<b>5,430</b>	<b>21,956</b>

*i. Security deposits for energy*

The security deposits for energy consumption related to the operational Paso Pe and in-construction Yguazu data centers in Paraguay, for which the undiscounted amounts represented \$5,931 and nil, respectively, as of June 30, 2025 (December 31, 2024: \$5,931 and \$3,379, respectively), as the latter was disposed on March 17, 2025. Refer to Note 4 for more details.

*ii. Refundable Hosting Deposits*

In September 2024 and in October 2024, the Company entered into two Miner hosting agreements (the “Panther Creek Hosting Agreement” and the “Scrubgrass Hosting Agreement”) with Stronghold Digital Mining Hosting, LLC, a subsidiary of Stronghold, which commenced on October 1, 2024 and November 1, 2024, respectively. In connection with the execution of these two Miner Hosting Agreements, the Company made two deposits of \$7,800 each with Stronghold (the “Panther Creek Refundable Deposit” and “Scrubgrass Refundable Deposit”, collectively, the “Refundable Hosting Deposits”). The Refundable Hosting Deposits bear an annual interest rate at Secured Overnight Financing Rate (“SOFR”) + 1% (the “Annual Interest Rate”). The Refundable Hosting Deposits were initially planned to be repaid in full to the Company within one business day from the end of the initial term expiring on December 31, 2025. Following the acquisition of Stronghold on March 14, 2025, the Panther Creek Hosting Agreement and Scrubgrass Hosting Agreement were terminated, settling the Refundable Hosting Deposits. Refer to Note 18 for more details on the financial instruments details.

**NOTE 15: ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

	As of June 30,	As of December 31,
	2025	2024
Accounts payable and accrued expenses*	35,607	21,813
Government remittances payable	10,757	3,736
BTC option and selling contracts payable	2,387	243
	<b>48,751</b>	<b>25,792</b>

\* On the Acquisition Date, additions from the business combination amounted to \$22,304 for accounts payable and accrued expenses. Refer to Note 3 for more details.

## NOTE 16: LONG-TERM DEBT

	As of June 30, 2025	As of December 31, 2024
Building financing	1,690	1,576
Equipment financing	1,434	—
Credit Facility	51,440	—
Unamortized transaction costs and warrants	(3,997)	—
<b>Total long-term debt, net of transaction cost and warrants</b>	<b>50,567</b>	<b>1,576</b>
Less current portion of long-term debt	(581)	(146)
<b>Non-current portion of long-term debt</b>	<b>49,986</b>	<b>1,430</b>

Movement in long-term debt is as follows:

	As of June 30, 2025	As of December 31 2024
Balance as of January 1,	1,576	4,022
Issuance of long-term debt	50,704	1,695
Addition from business combination	880	—
Payments	(243)	(4,435)
Interest on long-term debt	1,606	294
Transaction costs and warrants	(4,488)	—
Amortization of transaction costs and warrants	491	—
Foreign exchange	41	—
Balance as of period end	50,567	1,576

**NOTE 16: LONG-TERM DEBT** (Continued)**Credit Facility**

In April 2025, the Company signed a credit facility for up to \$300,000 (the “Credit Facility”) with Macquarie.

*Initial Tranche*

An initial \$50,000 was drawn (the “Initial Tranche”), bearing interest at 8% per annum, with monthly payments and a term of two years. Interest for the first three months was paid in kind and added to the loan during the three and six months ended June 30, 2025. The payments shall be solely interest until the Initial Tranche maturity date, April 1 2027, at which time the principal debt of \$50,000 and interest paid in kind will be payable in full. The EIR of the Credit Facility as of June 30, 2025 was 17.9%. The agreement specified a minimum base return of 25% and can be reduced to 9% depending on when principal payments are made (i.e., before end of term). In connection with the Initial Tranche, Macquarie received 5,330,946 warrants convertible for common shares of the Company with an initial fair value of \$2,900 recognized as equity warrants. Refer to Note 17 for more details. The \$50,000 proceeds from the Initial Tranche were allocated to the equity warrants and debt based on their relative fair values. A discount on debt of \$2,711 is deducted from the carrying amount of the debt and is amortized over the Initial Tranche.

*Second Tranche*

In October 2025, an additional \$250,000 (“Second Tranche”) will be made available to the Company if and as it achieves specific development milestones at the Panther Creek, Pennsylvania, United States location and contributes \$50,000 in kind or in cash to Macquarie as total collateral. Under the Credit Facility agreement, Macquarie will receive additional warrants from the Company equivalent to 10% of the amount drawn up to \$125,000.

The entirety of the loan will become secured at the project level resulting in the termination of the Initial Tranche and the transformation into project debt facility of \$300,000, which will be subject to new terms and restrictions.

*Transaction costs*

Transaction costs of \$3,161 relating to agent fees and legal fees were capitalized. The Company prorated the transaction costs between the Initial and Second Tranche, allocating \$1,777 and \$1,384 to each, respectively. The transaction costs allocated to the Initial Tranche were deducted from the carrying amount of the debt and the transaction costs allocated to the Second Tranche were capitalized to Long-term deposits and equipment prepayments which will begin amortization once the Second Tranche is drawn.

*Covenants and restrictions under the Initial Tranche*

The Credit Facility for the Initial Tranche includes various financial and non-financial covenants for the Company and its subsidiaries including restrictions on dispositions, dividends, the incurrence of debt and liens, material changes in the nature of its business, related party transactions and investments. The Company is also required to maintain a restricted cash balance of \$25,000 in a designated account for the Initial Tranche.

As of July 31, 2025, the most recently completed calendar month, the Company was in compliance with the covenants of its Credit Facility.

**NOTE 17: SHARE CAPITAL****Common shares**

The Company's authorized share capital consists of an unlimited number of common shares without par value and are fully paid. Each share entitles the holder to one vote per share and to receive equally any dividends declared by the Company and the remaining property and assets of the Company in the event Bitfarms undergoes a liquidation, dissolution or winding up.

The following table details the movement of the number of common shares:

	Note	Six Months Ended June 30,	
		2025	2024
Outstanding, January 1,		479,332,885	334,153,330
Issuance through at-the market equity offering program	i.	14,444,643	84,196,144
Issuance through business combination		59,866,609	—
Exercise of stock options		13,900	2,289,148
Settlement of share awards		1,543,320	—
Exercise of warrants		—	5,111,111
Settlement of restricted share units		2,347,500	125,000
Outstanding, June 30,		557,548,857	425,874,733

*i. At-The-Market Equity Offering Program ("ATM Program")*

Bitfarms commenced an ATM Program on March 11, 2024 (the "2024 ATM Program"), pursuant to which the Company may, at its discretion and from time-to-time, sell common shares of the Company, resulting in the Company receiving aggregate gross proceeds of up to \$375,000.

During the six months ended June 30, 2025, the Company issued 14,444,643 common shares in exchange for gross proceeds of \$24,386 at an average share price of approximately \$1.69. The Company received net proceeds of \$23,608 after paying commissions of \$732 to the sales agent and \$46 in other transaction costs.

**Equity warrants**

The following table details the outstanding number of warrants:

	Six months ended June 30,			
	2025		2024	
	Number of warrants	Weighted Average Exercise Price	Number of warrants	Weighted Average Exercise Price
Outstanding, January 1,	10,841,482	1.17	35,009,390	2.83
Granted	18,224,596	1.20	—	—
Exercised	—	—	(5,111,111)	1.17
Expired	—	—	(11,770,284)	4.21
Outstanding, June 30,	29,066,078	1.19	18,127,995	2.40

**NOTE 17: SHARE CAPITAL** (Continued)**Equity warrants** (Continued)

The weighted average contractual life of the warrants as of June 30, 2025, was 3.9 years (December 31, 2024: 1.9 years).

In February 2024, 5,000,000 warrants and 111,111 broker warrants related to the 2023 Private Placement were exercised resulting in the issuance of 5,111,111 common shares for proceeds of approximately \$5,986.

On March 11, 2024, 25,000 warrants relating to the acquisition of the Garlock building in Sherbrooke, Québec, Canada issued during 2022 expired. These warrants were recognized as equity instruments.

On March 14, 2025, the Company issued 12,893,650 warrants at an average exercise price of \$1.30 as part of the consideration paid to acquire Stronghold. The total value was \$11,477 using the Black-Scholes valuation model. Refer to Note 3. The warrants are convertible for a fixed number of common shares of the Company, which are classified as equity instruments.

In April 2025, in connection with the Credit Facility, the Company granted Macquarie 5,330,946 warrants (the “2025 Warrants”) with an exercise price of \$1.17. The holder has the right to exercise the warrants before 2030 to subscribe for and purchase common shares from the Company. These warrants are classified as equity instruments.

The Black-Scholes valuation model utilized the following weighted-average assumptions to determine the initial fair value of the warrants granted during the six months ended June 30, 2025:

Dividend yield (%)	—%
Expected share price volatility (%)	99%
Risk-free interest rate (%)	4.08%
Expected life of warrants (years)	5.68
Share price (CAD)	\$ 1.12
Exercise price (USD)	\$ 1.26
Fair value of warrants (USD)	\$ 0.79
Number of warrants issued	18,224,596

**NOTE 18: FINANCIAL INSTRUMENTS****a. Measurement categories and fair value**

The following table presents the fair values of the Company's financial instruments and their level within the fair value hierarchy:

Measurement		As of June 30, 2025	As of December 31, 2024
<b>Financial assets at amortized cost</b>			
Cash	Level 1	85,439	59,542
Restricted cash	Level 1	25,000	—
Accounts receivable, net	Level 2	3,942	1,259
Other receivables	Level 2	1,720	1,387
Security deposits for energy	Level 2	5,080	7,740
Refundable Hosting Deposits	Level 2	—	14,216
Other refundable deposits	Level 3	350	—
Receivable from disposal of business	Level 2	15,087	—
<b>Financial assets at fair value through profit and loss</b>			
Derivative assets	Level 2	15,374	3,418
<b>Total fair value of financial assets</b>		<b>151,992</b>	<b>87,562</b>
<b>Financial liabilities at amortized cost</b>			
Accounts payable and accrued expenses	Level 2	37,994	22,056
Redemption obligation	Level 2	18,396	—
Long-term debt	Level 2	50,567	1,576
<b>Financial liabilities at fair value through profit and loss</b>			
Derivative liabilities	Level 2	13,082	128
<b>Total carrying amount and fair value of financial liabilities</b>		<b>120,039</b>	<b>23,760</b>
<b>Net carrying amount and fair value</b>		<b>31,953</b>	<b>63,802</b>

There were no transfers between Level 1, 2 or 3 of the fair value hierarchy during the six months ended June 30, 2025 and year ended December 31, 2024.

In addition to assets and liabilities that are measured at fair value on a recurring basis, the Company also measures certain assets and liabilities at fair value on a non-recurring basis. The Company's long-lived assets, including intangible assets, operating lease right-of-use assets, and property, plant and equipment, are measured at fair value when there is an indication of impairment and the carrying amount exceeds the asset's projected undiscounted cash flows. These assets are measured at fair value only when an impairment loss is recognized.

The carrying amounts of cash, restricted cash, accounts receivable, net, other receivables, security deposits for energy, Refundable Hosting Deposits, other refundable deposits, receivable from disposal of business, accounts payable and accrued expenses and redemption obligations presented in the table above are a reasonable approximation of their fair value due to their short-term maturity or they are valued using the income approach valuation technique.

**NOTE 18: FINANCIAL INSTRUMENTS (Continued)****a. Measurement categories and fair value (Continued)****Derivatives assets and liabilities**

The fair value of derivatives is categorized as Level 2 in the fair value hierarchy and is presented under derivative assets and liabilities in the condensed consolidated balance sheets when there is an outstanding contract at period end. The derivatives are measured at fair values on a recurring basis.

*i. BTC option and selling contracts (derivatives)*

Fair value of derivative financial instruments generally reflects the estimated amounts that the Company would receive or pay, taking into consideration the counterparty credit risk or the Company's credit risk at each reporting date. The Company uses market data such as Bitcoin option futures to estimate the fair value of option contracts at each reporting date.

*ii. Bitcoin Redemption Options (embedded derivatives)*

The purchase order agreements explained in Note 9 provide the Company with the option to redeem the Bitcoin Pledged at a market price determined when the Bitcoin was first pledged ("Agreed Bitcoin Price").

The right to redeem the Bitcoin Pledged meets the definition of an embedded derivative as the derivative is embedded in the non-financial contract is not closely related to the economic characteristics and risks of the host non-financial contract. The fair value of the embedded derivative is determined using a combination of the Monte Carlo simulation model to simulate future price of Bitcoin prices based on probability factors and the Black-Scholes Model to estimate the value of each Bitcoin Redemption Option.

At each reporting date, the fair value is determined by multiplying the number of redeemable Bitcoin pledged by the present value of the difference between the Agreed Bitcoin Price and the simulated spot price of Bitcoin, while considering the likelihood of exercising the quarterly installments. Change in fair value is recognized to Other income (expense).

**NOTE 18: FINANCIAL INSTRUMENTS** (Continued)**a. Measurement categories and fair value** (Continued)**Refundable deposits**

The refundable deposits are measured at amortized cost using the EIR method and are classified as Level 2 according to the Company's fair value hierarchy. Their fair values are a recurring measurement. The valuation technique used is the income approach (discounted future cash flows). Refer to Note 14 for more details.

*i. Refundable Hosting Deposits*

The Refundable Hosting Deposits are accounted for as financial assets and measured at fair value on initial recognition based on the contractual right to receive each refundable hosting deposit plus interest at the end of the term. Following the acquisition of Stronghold on March 14, 2025, the Panther Creek and the Scrubgrass Hosting Agreements were terminated, settling the Refundable Hosting Deposits.

*ii. Security deposits for energy*

Its EIR is 6% over an approximately three-year period. Following the disposal of the Yguazu Bitcoin data center, the deposits related to this project were derecognized.

The following table details the movement in the refundable deposits:

	Panther Creek	Scrubgrass	Refundable Hosting Deposits	Security deposits for energy	Other	Total
Balance as of January 1, 2024	—	—	—	277	—	277
Additions	7,800	7,800	15,600	9,034	—	24,634
Initial loss on recognition	(675)	(258)	(933)	(1,571)	—	(2,504)
Fair value at initial recognition	7,125	7,542	14,667	7,740	—	22,407
Interest income	261	103	364	—	—	364
ECLs	(409)	(406)	(815)	—	—	(815)
Balance as of December 31, 2024	6,977	7,239	14,216	7,740	—	21,956
Addition from business combination	—	—	—	—	350	350
Interest Income	187	126	313	149	—	462
Gain on settlement	603	342	945	—	—	945
Derecognition	(7,767)	(7,707)	(15,474)	(2,809)	—	(18,283)
<b>Balance as of June 30, 2025</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5,080</b>	<b>350</b>	<b>5,430</b>

**NOTE 19: LOSS PER SHARE**

The following table presents the computation of basic and diluted loss per share:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
<b>Numerator:</b>				
Net loss	(5,501)	(27,796)	(61,054)	(25,143)
<b>Denominator:</b>				
Denominator for basic loss per share - weighted average shares outstanding	555,843,347	401,238,798	528,157,206	369,991,664
<b>Loss per common share attributable to common shareholders</b>				
Basic and diluted	(0.01)	(0.07)	(0.12)	(0.07)

For the three and six months ended June 30, 2025 and 2024, potentially dilutive securities have not been included in the calculation of diluted loss per share because their effect is anti-dilutive.

The following table presents potentially dilutive securities that are not included in the computation of diluted loss per share as their inclusion would be anti-dilutive:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Options	1,392,564	5,711,084	1,487,809	6,521,543
Warrants	215,742	4,985,421	108,520	6,406,023
RSUs	2,693,503	583,332	3,163,509	547,480
Share awards	423,989	—	666,867	—
	4,725,798	11,279,837	5,426,705	13,475,046

**NOTE 20: STOCK-BASED COMPENSATION**

Stock-based compensation expense is recognized within general and administrative expenses in the consolidated statements of operations. The stock-based compensation expense related to stock options (“Options”) and restricted stock units (“RSUs”) for employees, directors, consultants and former employees and share awards for a former executive of Stronghold received was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Options	1,505	797	3,710	3,275
RSUs	440	353	2,345	911
Share awards	1,555	—	1,713	—
	<b>3,500</b>	<b>1,150</b>	<b>7,768</b>	<b>4,186</b>

**Options**

During the six months ended June 30, 2025, the Board approved Options grants to purchase 2,536,227 common shares in accordance with the Long-Term Incentive Plan (the “LTIP Plan”) adopted on May 18, 2021 (six months ended June 30, 2024: 330,000 common shares). All Options issued according to the LTIP Plan become exercisable when they vest and can be exercised for a maximum period of 5 years from the date of the grant. As part of the options granted during the six months ended June 30, 2025, the Company granted 302 Options to certain employees of Stronghold as part of the business combination described in Note 3.

Details of the outstanding Options are as follows:

	Six months ended June 30,			
	2025		2024	
	Number of Options	Weighted Average Exercise Price (\$CAD)	Number of Options	Weighted Average Exercise Price (\$CAD)
<b>Outstanding, January 1,</b>	<b>26,865,764</b>	<b>2.64</b>	20,939,387	2.41
Granted	2,536,227	1.40	330,000	2.55
Exercised	(13,900)	0.55	(2,289,148)	1.55
Forfeited	(60,000)	3.09	(105,000)	2.95
Expired	(55,000)	3.25	(295,000)	5.60
<b>Outstanding, June 30,</b>	<b>29,273,091</b>	<b>2.53</b>	18,580,239	2.46
<b>Exercisable, June 30,</b>	<b>2,100,000</b>	<b>0.54</b>	10,230,000	1.78

The weighted average remaining contractual life of the outstanding Options as of June 30, 2025 was 3.3 years (June 30, 2024: 3.7 years).

**NOTE 20: STOCK-BASED COMPENSATION** (Continued)**Options** (Continued)

The assumptions used to value the stock option grants using the Black-Scholes model are as follows:

Grant date	January 10, 2025	April 3, 2025
Dividend yield (%)	—	—
Expected share price volatility (%)*	80%	79%
Risk-free interest rate (%)	4.46%	3.68%
Expected life of stock options (years)	3	3
Share price (CAD)	\$ 2.27	\$ 1.16
Exercise price (CAD)	\$ 2.27	\$ 1.16
Fair value of options (USD)	\$ 0.79	\$ 0.41
Vesting period (years)	1.5	1.5
Number of options granted	540,000	1,996,227

\* Expected share price volatility is estimated based on a combination of the Company's stock price and Bitcoin price data.

**RSUs**

Details of the RSUs are as follows:

	Six months ended June 30,			
	2025		2024	
	Number of RSUs	Weighted Average Grant Price (\$CAD)	Number of RSUs	Weighted Average Grant Price (\$CAD)
<b>Outstanding, January 1,</b>	<b>897,666</b>	<b>3.61</b>	624,998	4.05
Granted	2,783,425	1.43	175,000	2.95
Settled	(2,347,500)	2.15	(125,000)	3.13
Forfeited	(10,500)	1.59	—	—
<b>Outstanding, June 30,</b>	<b>1,323,091</b>	<b>1.63</b>	674,998	3.94

During the six months ended June 30, 2025, the Company granted 1,890,000 RSUs to certain employees and executive Management of Stronghold as part of the business combination described in Note 3. 1,631,700 RSUs were fully vested upon grant and 258,300 RSUs vest approximately 17% every 3 months. In addition, the Company granted 893,425 RSUs to the independent directors of the Board. These RSUs fully vest in 9 months. The fair value of the RSUs is based on the Company's share price at the date of grant.

During the six months ended June 30, 2024, the Board approved the grant of 175,000 RSUs to certain members of senior Management which vest 50% approximately one month from the grant date and an additional 25% every 6 months.

**Share awards**

During the six months ended June 30, 2025, following the Stronghold transaction, the Company entered into a stock award agreement as well as a consulting agreement with a former executive of Stronghold and granted 1,543,320 share awards. The share awards shall fully vest in September 2025, subject to continued provision of services through this date. Notwithstanding the forgoing, the share awards can be accelerated and fully vested if certain conditions are met. In April 2025, the conditions were met and the share awards were settled.

**NOTE 21: SEGMENT AND GEOGRAPHICAL INFORMATION****Reportable segment**

The Company has aggregated all of its Cryptocurrency Mining operating segments into a single operating segment, which is the Company's only reportable segment, Cryptocurrency Mining. The CODM manages segment performance and resource allocation based upon net income (loss). The CODM uses consolidated net income (loss) to evaluate the overall financial performance of the Company, to compare actual results against internal budgets and forecasts and to inform capital allocation decisions, including the prioritization of investments across the Company's Bitcoin Mining Operations. The measure of segment assets is reported on the consolidated balance sheets as total consolidated assets. Significant expenses reviewed by the CODM include those that are presented in the consolidated statements of operations and the more detailed component disclosed in Note 22.

**Revenues**

Revenues by country are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
<b>North America</b>				
Canada	29,657	28,129	58,779	60,267
United States	31,251	3,296	49,780	8,183
	<b>60,908</b>	<b>31,425</b>	<b>108,559</b>	<b>68,450</b>
<b>South America</b>				
Paraguay	12,217	2,144	24,231	3,860
Argentina	3,657	7,979	10,612	19,555
	<b>15,874</b>	<b>10,123</b>	<b>34,843</b>	<b>23,415</b>
<b>Global total</b>	<b>76,782</b>	<b>41,548</b>	<b>143,402</b>	<b>91,865</b>

Revenues are presented based on the geographical contribution of computational power used for hashing calculations (measured by hashrate) or sales to external customers. During the three and six months ended June 30, 2025, the Company earned 95% and 98% of its revenues, respectively, from one Mining pool operator (three and six months ended June 30, 2024: 97% and 98%). Such revenues are reported under the cryptocurrency Mining segment. The Company has the ability to switch Mining Pools or to mine independently at any time.

**NOTE 21: SEGMENT AND GEOGRAPHICAL INFORMATION** (Continued)**Property, Plant and Equipment and other non-current assets**

The carrying amount of property, plant and equipment and other non-current assets (excluding financial assets, intangible assets and deferred tax assets) by country is as follows:

	As of June 30, 2025			As of December 31, 2024		
	PPE	Other	Total non-current assets	PPE	Other	Total non-current assets
<b>North America</b>						
Canada	88,356	16,338	104,694	117,025	52,819	169,844
United States	299,760	17,993	317,753	63,147	14,535	77,682
	<b>388,116</b>	<b>34,331</b>	<b>422,447</b>	180,172	67,354	247,526
<b>South America</b>						
Paraguay	62,000	1,209	63,209	105,297	12,101	117,398
Argentina	20,468	2,247	22,715	57,083	798	57,881
	<b>82,468</b>	<b>3,456</b>	<b>85,924</b>	162,380	12,899	175,279
<b>Total</b>	<b>470,584</b>	<b>37,787</b>	<b>508,371</b>	342,552	80,253	422,805

**NOTE 22: ADDITIONAL DETAILS TO THE STATEMENT OF OPERATIONS****Disaggregated revenues**

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Cryptocurrency Mining	71,292	40,383	136,155	89,806
Cryptocurrency Hosting	1,535	—	1,878	—
Electrical services	1,006	1,165	2,100	2,059
Energy sales	2,949	—	3,269	—
	76,782	41,548	143,402	91,865

**Cost of revenues**

	Notes	Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
Energy	a, b	(30,108)	(19,461)	(55,516)	(38,808)
Sales tax recovery - energy		—	17,017	—	17,017
Depreciation and amortization		(35,613)	(55,041)	(63,977)	(93,549)
Sales tax recovery - depreciation and amortization		—	8,760	—	8,760
Hosting expenses		—	—	(7,735)	—
Infrastructure expenses		(16,448)	(1,510)	(21,146)	(4,066)
Electrical components and salaries	a	(830)	(873)	(1,707)	(1,581)
		(82,999)	(51,108)	(150,081)	(112,227)

**a. Inventories**

During the three and six months ended June 30, 2025, the cost of electrical component inventory and waste, limestone and fuel oil recognized as an expense and included in cost of revenues was \$15,150 and \$15,828, respectively (three and six months ended June 30, 2024: \$25,286 and \$25,881, respectively).

**b. Energy costs are net of RECs**

For the three and six months ended June 30, 2025, the RECs amounted to \$6,540 (three and six months ended June 30, 2024: nil), which offset energy expenses in the Cost of revenues.

**NOTE 22: ADDITIONAL DETAILS TO THE STATEMENT OF OPERATIONS** (Continued)**General and administrative expenses**

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Salaries and wages	(8,107)	(4,032)	(14,277)	(10,079)
Stock-based compensation	(3,500)	(1,150)	(7,768)	(4,186)
Professional services	(4,291)	(5,695)	(9,978)	(7,353)
Sales tax recovery - professional services	—	1,389	—	1,389
Insurance, duties and other	(3,530)	(2,471)	(6,690)	(4,460)
Travel, motor vehicle and meals	(730)	(466)	(1,200)	(712)
Telecom hosting and telecommunications	(147)	(75)	(334)	(153)
Advertising and promotion	(1,092)	(165)	(1,210)	(281)
Sales tax recovery - other general and administrative expenses	—	753	—	753
	<b>(21,397)</b>	<b>(11,912)</b>	<b>(41,457)</b>	<b>(25,082)</b>

**Other income (expense)**

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Gain on derecognition of warrants	—	—	—	61
Gain on settlement of Refundable Hosting Deposits	—	—	945	—
Gain on disposition of marketable securities	29	413	420	751
Loss on foreign exchange	(156)	(943)	(319)	(1,004)
Other financial (expenses) income	(20)	1,208	(1,112)	623
	<b>(147)</b>	<b>678</b>	<b>(66)</b>	<b>431</b>

**NOTE 23: ADDITIONAL DETAILS TO THE STATEMENTS OF CASH FLOWS**

	<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Changes in working capital components:</b>		
Increase in accounts receivable, net	(374)	(21)
Decrease (increase) in other current assets	7,375	(6,723)
Increase in inventories	(2,663)	(370)
Decrease (increase) in deposits	8,569	(1,822)
Increase (decrease) in accounts payable and accrued expenses	1,576	(2,588)
Increase in operating lease liability	1,883	603
Decrease in taxes payable	(254)	(509)
Decrease in other non-current liabilities	(296)	—
	<b>15,816</b>	<b>(11,430)</b>
<b>Significant non-cash transactions:</b>		
Issuance of common shares, warrants and RSUs in connection with the acquisition of Stronghold	78,161	—
Issuance of warrants in connection with debt issuance	2,900	—
Addition of ROU assets and related lease liabilities	239	721
Purchase of PPE financed by short-term credit	934	7,473
Equipment prepayments realized as additions to PPE	41,045	29,756
Computational power revenue and its related service expense	1,750	—
<b>Depreciation and Amortization</b>		
Property, plant and equipment, net	63,158	83,703
Finance lease right-of-use assets	482	822
Intangible assets, net	337	264
	<b>63,977</b>	<b>84,789</b>

The following table provides a reconciliation of cash and restricted cash reported within the consolidated balance sheets that sum to the total of the same amounts shown in the consolidated statements of cash flows:

	<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
Cash	85,439	138,619
Restricted cash	25,000	—
<b>Total cash and restricted cash</b>	<b>110,439</b>	<b>138,619</b>

Amounts included in restricted cash represent amounts pledged as collateral for long-term financing arrangements as contractually required by a lender.

**NOTE 24: COMMITMENTS AND CONTINGENCIES****Contingent liability**

In 2021, the Company imported Miners into Washington State, United States, that the vendor located in China claimed originated in Malaysia. In early 2022, U.S. Customs and Border Protection challenged the origination of the Miners, asserting that the Miners were manufactured in China, and notified the Company of a potential assessment of a U.S. importation duty of 25%.

During the third quarter of 2023 and the first quarter of 2025, the Company submitted supporting documentation to U.S. Customs and Border Protection in defense of its position that the Miners were manufactured outside China and the associated custom duties in the amount of \$9,424 do not apply. While the final outcome of this matter is uncertain at this time, Management has determined it is not probable that a liability had been incurred and, as such, no provision was recognized as of June 30, 2025.

**Lawsuits**

		As of June 30, 2025	As of December 31, 2024
FERC Matters	i.	1,065	—
Stronghold Shareholder Securities Lawsuit	ii.	2,036	—
<b>Total settlement accruals</b>		<b>3,101</b>	<b>—</b>
Less current portion		(1,286)	—
Effect of discounting		(117)	—
<b>Non-current portion</b>		<b>1,698</b>	<b>—</b>

The undiscounted legal settlement accruals amounted to \$3,101 as of June 30, 2025. The current portion and the non-current portion were recognized in accounts payable and accrued expenses and in other non-current liabilities, respectively, in the condensed consolidated balance sheets (December 31, 2024: nil).

*i. Federal Energy Regulatory Commission (“FERC”) Matters*

On November 19, 2021, Scrubgrass received a notice of breach from PJM Interconnection, LLC alleging that Scrubgrass breached Interconnection Service Agreement – No. 1795 (the “ISA”) by failing to provide advance notice to PJM Interconnection, LLC and Mid-Atlantic Interstate Transmission, LLC pursuant to ISA, Appendix 2, section 3, of modifications made to the Scrubgrass Plant. On May 11, 2022, the Division of Investigations of the FERC Office of Enforcement (“OE”) informed the Company that the OE was conducting a non-public preliminary investigation concerning Scrubgrass’ compliance with various aspects of the PJM tariff.

On January 30, 2025, the Federal Energy Regulatory Commission (the “Commission”) approved a Stipulation and Settlement Agreement between the OE and Scrubgrass (the “Settlement Agreement”). Pursuant to the Settlement Agreement, Scrubgrass agreed to: (a) disgorge to PJM \$679 in capacity revenues received during the relevant period; (b) pay a civil penalty of \$741 for a total of \$1,420 to the United States Treasury; and (c) provide compliance training to relevant personnel and compliance monitoring reports. Scrubgrass is to pay the settlement amount over a period of three years. In the first year, Scrubgrass is to pay a lump sum of \$355, which Scrubgrass paid in February of 2025. In the second and third years, Scrubgrass shall make 8 payments of \$133 on a calendar quarter basis. For a period of five years following the effective date of the Settlement Agreement, Scrubgrass is to provide annual compliance training focused primarily on the applicable tariff and related rules, regulations, and requirements applicable to operating generators, to all personnel whose job responsibilities relate to the generators’ participation in Commission jurisdictional markets. As of June 30, 2025, the settlement accrual was \$1,065 and represents the 8 installment payments.

**NOTE 24: COMMITMENTS AND CONTINGENCIES (Continued)****Lawsuits (Continued)***ii. Shareholder Securities Lawsuit*

On April 14, 2022, Stronghold, and certain of its former directors, officers and underwriters were named in a putative class action complaint filed in the United States District Court for the Southern District of New York (Winter v. Stronghold Digital Mining, Case No. 1:22-cv-3088). On October 18, 2022, the plaintiffs filed an amended complaint, alleging that the Company made misleading statements and/or failed to disclose material facts in violation of Section 11 of the Securities Act, 15 U.S.C. §77k and Section 15 of the Securities Act of 1933, as amended (the "Securities Act"), about the Company's business, operations, and prospects in the Company's registration statement on Form S-1 related to its initial public offering, and when subsequent disclosures were made regarding these operational issues when the Company announced its fourth quarter and full year 2021 financial results, the Company's stock price fell, causing significant losses and damages.

On December 16, 2024, the District Court issued an Order granting Preliminary Approval of the Class Action Settlement, Approving Form and Manner of Notice, and Setting Date for Hearing on Final Approval of Settlement. The Company agreed to pay \$4,750 in cash and 25 Bitcoin. On January 15, 2025, \$2,500 was covered by the Company's insurance providers and Stronghold paid the remaining \$2,250 into escrow. One Bitcoin will be paid monthly for two years. The cash value of each Bitcoin is expected to be calculated monthly according to a price set by the Nasdaq Bitcoin reference price index. As of June 30, 2025, the settlement accrual was \$2,036 and represents the value of the remaining 19 Bitcoin to be paid.

*iii. Class Action Lawsuit*

On May 9, 2025, a purported shareholder filed a putative class action complaint in the United States District Court for the Eastern District of New York, in a case titled Olympio v. Bitfarms Ltd., Benjamin Gagnon, Jeffrey Lucas, and Geoffrey Morphy, case no 1:25-cv-02630, alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5, promulgated thereunder. The lawsuit alleges that the Company, its current CEO, its CFO and its former CEO made materially false and/or misleading statements regarding the Company's business, operations and internal controls over financial reporting. The Plaintiff seeks class certification, unspecified damages plus interest and attorney and expert witness fees and other costs on behalf of a purported class consisting of all persons and entities (subject to specified exceptions) that purchased or otherwise acquired Company common stock from March 21, 2023 and December 9, 2024. The lawsuit was filed by Pomerantz Law Firm. The Company cannot predict the duration or outcome of this lawsuit at this time. As a result, the Company is unable to estimate the reasonably possible loss or range of reasonably possible loss arising from this lawsuit and no provision was recognized as of June 30, 2025. The Company intends to vigorously defend itself in this matter.

**NOTE 25: SUBSEQUENT EVENTS**

Management has evaluated subsequent events from July 1, 2025 to August 11, 2025.

**Bitmain T21 and S21+ Miners Swap**

In July 2025, an exchange agreement was signed to return 10,467 Bitmain T21 Miners. In consideration for the returned Miners, Bitmain will refund the Company with a credit for \$23,865. Simultaneously, the Company placed another purchase order for 8,585 Bitmain S21+ Miners at a purchase price of \$29,831 to be paid in cash or in Bitcoin. The payment terms, the Bitcoin installments and the Bitcoin Redemption Option are similar to the ones described in Note 9. In July, 2025, the Company paid the net balance of \$5,966 in Bitcoin which can be redeemed on a quarterly basis.

**Redemption options of BTC**

In July 2025, the Company exercised its option to redeem the third installment of the Bitcoin Pledged in relation to the purchase of Miners under the November 2024 purchase order. The Company redeemed 87 Bitcoin for \$8,308. Refer to Note 7 for more details.

**Corporate Share Buyback Program**

On July 22, 2025, the Company announced that the TSX had approved a normal course issuer bid ("NCIB"), under which the Company may repurchase up to 49,943,031 of its common shares, representing approximately 10% of the Company's public float as of July 14, 2025.

Purchases under the NCIB may commence on July 28, 2025, and will terminate no later than July 27, 2026. All common shares purchased on the TSX or Nasdaq under the NCIB will be canceled. The Company has entered into an automatic repurchase arrangement with a designated broker to facilitate repurchases under the NCIB, including during pre-determined blackout periods. The timing and number of shares repurchased will be determined by Management based on market conditions.

During the period from July 28, 2025 to August 11, 2025, the Company repurchased 4,949,244 common shares for cancellation through the Corporate Share Buyback Program in exchange for \$6,147 at an average share price of approximately \$1.24 USD and paid \$50 of commissions to the purchasing agent.

**NOTE 25: SUBSEQUENT EVENTS** (Continued)

**Agreements to Purchase Land**

On August 7, 2025, the Company entered into an agreement to purchase 3 acres of land in Washington State, United States for \$1,898.

On August 8, 2025, the Company entered into an agreement to purchase 181 acres of land in Pennsylvania, United States for \$3,500.

**Argentina Operations**

On August 8, 2025, the Company entered into an agreement with GMSA to have its energy deposit of \$3,500 repaid to the Company over 18 months beginning in January 2026, bearing interest at 5% per annum. GMSA agreed to eliminate the Company's estimated asset retirement obligation for the leased property of \$2,807 as of June 30, 2025. The Company amended its \$10 per month lease for the property so that the Company pays for the pro-rata portion of land it uses going forward, if any, and extended the lease term to January 2035.

On August 11, 2025, the Company determined that it would discontinue its operations at its Bitcoin data center in Rio Cuarto, Argentina by November 11, 2025 due to the halting of energy supply since May 12, 2025 and future economic uncertainty in the region.

**NOTICE TO READER**

As of December 31, 2025, Bitfarms Ltd. (“Company”) determined that it would prepare its financial statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). As a result, pursuant to section 4.3(4) of National Instrument 51-102 - Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company must restate its previously filed interim financial reports for the year ended December 31, 2025 in accordance with U.S. GAAP, such interim financial reports having previously been prepared in accordance with IFRS Accounting Standards.

The attached restated Management’s Discussion and Analysis for the three and six months ended June 30, 2025 (“Q2 2025 MD&A”) have been prepared in accordance with U.S. GAAP, and should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2025, filed on March 31, 2026 and is available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on EDGAR at [www.sec.gov](http://www.sec.gov). Other than as expressly set forth above, the Q2 2025 MD&A do not, and do not purport to, update or restate the information in the original MD&A or reflect any events that occurred after the date of the filing of the original MD&A.

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**BITFARMS LTD.**

**Management's Discussion & Analysis (Restated)  
For the three and six months ended June 30, 2025**

**Q2 2025**

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**1. INTRODUCTION**

The following restated Management's Discussion and Analysis (the "MD&A") for Bitfarms Ltd. (together with its subsidiaries, the "Company" or "Bitfarms") for the three and six months ended June 30, 2025 (the "Restated MD&A") is being filed in connection with and should be read in conjunction with the Company's unaudited restated condensed consolidated financial statements for the three and six months ended June 30, 2025 and its accompanying notes (the "Financial Statements"). This Restated MD&A is intended to replace and supersede in its entirety the original MD&A for the three and six months ended June 30, 2025, which was filed by the Company on SEDAR+ and EDGAR on August 12, 2025. This Restated MD&A is available on SEDAR+ and EDGAR and was filed on March 31, 2026. This Restated MD&A should also be read in conjunction with the Company's 2025 Annual Report on Form 10-K dated March 31, 2026, which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and EDGAR at [www.sec.gov/edgar](http://www.sec.gov/edgar).

Effective the fiscal year 2025, the Company has transitioned from presenting its Financial Statements according to International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), to accounting principles generally accepted in the United States of America ("U.S. GAAP"). All comparative figures in this Restated MD&A have been adjusted to U.S. GAAP for consistency. The Company's Financial Statements and this MD&A are reported in thousands of U.S. dollars and U.S. dollars, respectively, except where otherwise noted.

Bitfarms' management team ("Management") is responsible for the preparation and integrity of the Financial Statements including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the Financial Statements and MD&A, is complete and reliable.

The Company utilizes non-GAAP financial measures and ratios in assessing operating performance. Non-GAAP financial measures and ratios may exclude the impact of certain items and are used internally when analyzing operating performance. Refer to Section 9 - *Non-GAAP and Other Financial Measures and Ratios* and Section 21 - *Cautionary Note Regarding Non-GAAP and Other Financial Measures and Ratios* of this MD&A for more information.

This MD&A contains forward-looking statements. Refer to the risk factors described in Section 18 - *Risk Factors* of this MD&A and in Section 19 - *Risk Factors* of the Company's MD&A for the year ended December 31, 2024, dated March 26, 2025 and to Section 20 - *Cautionary Note Regarding Forward-Looking Statements* of this MD&A for more information. This MD&A contains various terms related to the Company's business and industry which are defined in Section 23 - *Glossary of Terms* of this MD&A.

In this MD&A, the following terms shall have the following definitions:

<b>Term</b>	<b>Definition</b>
Q2 2025	Three months ended June 30, 2025
Q2 2024	Three months ended June 30, 2024
YTD Q2 2025	Six months ended June 30, 2025
YTD Q2 2024	Six months ended June 30, 2024

## 2. COMPANY OVERVIEW

Founded in 2017, Bitfarms (Nasdaq/TSX: BITF) is a global, publicly traded energy and compute infrastructure company. Bitfarms develops and operates data centers primarily for Bitcoin mining with in-house management and company-owned electrical engineering, installation service, and multiple onsite technical repair centers. The Company is leveraging its existing energy and compute infrastructure to expand into HPC and AI, positioning itself to capture opportunities in these rapidly growing markets.

Bitfarms primarily owns and operates data centers housing computers (referred to as “Miners”) designed for the purpose of validating transactions on the Bitcoin Blockchain (referred to as “Mining”). Bitfarms generally operates its Miners 24 hours per day to produce computational power used for hashing calculations (measured by hashrate) that Bitfarms sells to Mining pool operators under a formula-driven rate commonly known in the industry as Full Pay Per Share (“FPPS”). Under FPPS, Mining pool operators compensate Mining companies for their computational power used for hashing calculations, measured by hashrate, based on what the Mining pool operator would expect to generate in revenue for a given time period if there was no randomness involved. The fee paid by a Mining pool operator to Bitfarms for its computational power used for hashing calculations may be in cryptocurrency, U.S. dollars, or another currency. However, the fees are paid to the Company on a daily basis in Bitcoin (“BTC”). Bitfarms accumulates the cryptocurrency fees it receives or exchanges them for U.S. dollars through reputable and established cryptocurrency trading platforms.

As described in Note 3 to the Financial Statements, the Company acquired Stronghold Digital Mining, Inc. (“Stronghold”) on March 14, 2025 (the “Stronghold Transaction”). Through the acquisition of Stronghold, the Company now owns and operates two refuse power generation facilities in Pennsylvania, United States. Both facilities qualify as an “Alternative Energy System” under Pennsylvania, United States law because refuse is classified as a Tier II Alternative Energy Source (large-scale hydropower is also classified in this tier). The Company sells its electricity into the Pennsylvania, New Jersey, Maryland (“PJM”) Interconnection Merchant Market under a professional services agreement with Customized Energy Solutions, Ltd. To support each site’s data centers, the Company’s primary fuel source at these facilities is waste which is provided by various third parties. Waste tax credits (“WTCs”) are earned by the Company by utilizing refuse to generate electricity. The Company either consumes the energy internally to support computational activities related to hashing calculations or sells the energy it produces to the local energy supplier (the “Grid”).

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**2. COMPANY OVERVIEW** (Continued)

Bitfarms currently has 14 operating Bitcoin data centers situated in three countries: Canada, the United States and Paraguay, powered by long-term competitively priced power contracts.

The Company's ability to operate and secure power through its production sites are summarized as follows:

Region	Energized capacity as of August 11, 2025	Contracted capacity as of August 11, 2025
<b>North America</b>		
Canada	170 MW	180 MW <sup>1</sup>
United States	171 MW	438 MW <sup>2,3</sup>
	341 MW	618 MW
<b>South America</b>		
Paraguay	80 MW	80 MW
Argentina	— MW	210 MW <sup>4</sup>
	80 MW	290 MW
<b>Total</b>	<b>421 MW</b>	<b>908 MW</b>

Bitcoin data centers	State/Province	Country
St-Hyacinthe	Quebec	Canada
Cowansville	Quebec	Canada
Magog	Quebec	Canada
Farnham	Quebec	Canada
Bunker	Quebec	Canada
Leger	Quebec	Canada
Garlock	Quebec	Canada
Baie-Comeau	Quebec	Canada
Washington	Washington	United States
Sharon	Pennsylvania	United States
Panther Creek	Pennsylvania	United States
Scrubgrass	Pennsylvania	United States
Villarrica	Guairá Department	Paraguay
Paso Pe	Cordillera Department	Paraguay
Rio Cuarto	Córdoba	Argentina

<sup>1</sup> The Company has secured the rights for 10 MW of hydro-electricity in the province of Quebec, Canada and is continuing its efforts to search for economically viable properties for the available 10 MW of hydro-electricity.

<sup>2</sup> Refer to Section 6 - *Expansion Projects* for details on the timing of the remaining MW not yet operational.

<sup>3</sup> The Company has a hosting contract to operate 21 MW of Miners on behalf of a third party at the Panther Creek Bitcoin data center.

<sup>4</sup> On May 12, 2025, the Company was informed by Generación Mediterránea S.A. ("GMSA") that it will be halting until further notice the supply of electricity to the Company's Rio Cuarto Bitcoin data center with energized capacity of 58 MW. On August 11, 2025, three months after being informed that electricity supply was being halted and with no path forward to resume operations in the future, the decision was made to shut down the plant by November 11, 2025. Refer to Section 19 - *Risk Factors* (*The Company's operations in Rio Cuarto have been suspended due to a halt in its supply of electrical power on May 12, 2025*).

## 3. FINANCIAL HIGHLIGHTS

(U.S.\$ in thousands except where indicated)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenues	76,782	41,548	143,402	91,865
Gross loss	(6,217)	(9,560)	(6,679)	(20,362)
Gross margin <sup>(1)</sup>	(8)%	(23)%	(5)%	(22)%
Operating loss	(8,333)	(28,481)	(60,149)	(28,583)
Operating margin <sup>(1)</sup>	(11)%	(69)%	(42)%	(31)%
Net loss	(5,501)	(27,796)	(61,054)	(25,143)
Basic and diluted loss per share	(0.01)	(0.07)	(0.12)	(0.07)
Gross Mining profit <sup>(2)</sup>	31,253	20,069	59,596	50,820
Gross Mining margin <sup>(2)</sup>	44%	50%	44%	57%
Adjusted EBITDA <sup>(2)</sup>	11,499	10,850	25,280	33,553
Adjusted EBITDA margin <sup>(2)</sup>	15%	26%	18%	37%

	As of June 30,	As of December 31,
	2025	2024
Total assets	821,859	663,132
Current financial liabilities	70,053	22,330
Non-current financial liabilities	49,986	1,430

There have not been any distributions or cash dividends declared for the periods disclosed above.

<sup>1</sup> Gross margin and Operating margin are supplemental financial ratios; refer to Section 9 - *Non-GAAP and Other Financial Measures and Ratios*.

<sup>2</sup> Gross Mining profit, Gross Mining margin, Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures or ratios; refer to Section 9 - *Non-GAAP and Other Financial Measures and Ratios*.

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**4. SECOND QUARTER 2025 FINANCIAL RESULTS AND OPERATIONAL HIGHLIGHTS****Financial**

- Revenues of \$76.8 million;
- Gross Mining profit<sup>2</sup> of \$31.3 million (44% Gross Mining margin<sup>2</sup>);
- Adjusted EBITDA<sup>2</sup> of \$11.5 million (15% Adjusted EBITDA margin<sup>2</sup>); and
- Gross loss of \$6.2 million (Gross margin<sup>1</sup> of negative 8%) including non-cash depreciation and amortization expense of \$35.6 million, operating loss of \$8.3 million (Operating margin<sup>1</sup> of negative 11%) including an impairment loss of \$14.9 million relating to the Argentina asset group, and net loss of \$5.5 million.

**Operations**

- Decreased Hashrate under Management from 19.5 EH/s at March 31, 2025 to 17.7 EH/s at June 30, 2025, a decrease of 9%, primarily due to the halting of the electricity supply in Rio Cuarto;
- Earned 718 Bitcoin at an average direct cost of \$48,200 per Bitcoin<sup>2</sup>, or an average total cash cost of \$78,800 per Bitcoin<sup>2</sup>, and received 15 Bitcoin through hosting revenue;
- Held 1,176 Bitcoin valued at approximately \$126.0 million as of June 30, 2025;
- Sold 1,052 Bitcoin at an average price of \$95,500 per Bitcoin for total proceeds of \$100.5 million, a portion of which was used to pay capital expenditures to support the Company's growth and efficiency improvement objectives; and
- Achieved realized and unrealized gain of \$2.0 million on Bitcoin One Bitcoin option contracts.

**Macquarie Loan**

- Entered into a credit facility up to \$300.0 million from Macquarie Equipment Capital, Inc. ("Macquarie");
- Drew down the initial tranche of \$50.0 million in April 2025, issued to Macquarie 5,330,946 warrants convertible into a fixed number of common shares and paid \$3.2 million in transaction fees which will be deferred and/or amortized over the term of the credit facility; and
- The final maturity is 2 years from the date of closing and bears interest at 8% per annum, payable in kind for the first three months of the initial tranche.

**Expansions**

- Completed HPC conversion feasibility assessment of all North American sites with two strategic partners, Appleby Strategy Group ("ASG") and World Wide Technology ("WWT"), advancing HPC/AI business; and
- Completed and submitted Panther Creek HPC data center campus master site plans to Macquarie with a capacity up to 350 MW.

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1 Gross margin and Operating margin are supplemental financial ratios; refer to Section 9 - *Non-GAAP and Other Financial Measures and Ratios*.

2 Gross Mining profit, Gross Mining margin, Adjusted EBITDA, Adjusted EBITDA margin, Direct Cost per Bitcoin and Total Cash Cost per Bitcoin are non-GAAP measures or ratios; refer to Section 9 - *Non-GAAP and Other Financial Measures and Ratios*.

## 5. PRODUCTION AND MINING OPERATIONS

## Key Performance Indicators

	Three months ended June 30,			Six months ended June 30,		
	2025	2024	% Change	2025	2024	% Change
Total Bitcoin earned	718	614	17%	1,411	1,557	(9)%
Bitcoin received through hosting revenue	15	—	100%	21	—	100%
Average Watts/Average TH efficiency*	19	28	(32)%	20	31	(35)%

\* Average Watts represents the average energy consumption of deployed Miners

**Q2 2025 v. Q2 2024**

- 718 Bitcoin earned in Q2 2025, compared to 614 Bitcoin earned in Q2 2024, representing an increase of 17% as a result of an increase in Hashrate from the Company's expansions and upgrades to its Miner fleet with additional and higher efficiency Miners, partially offset by a 45% increase in average Network Difficulty, the reduced block rewards following the April 2024 halving event and the halting of the electricity supply at the Company's data center in Rio Cuarto in Q2 2025; and
- Improved ending energy efficiency to 19 Watts/TH on June 30, 2025 compared to 28 Watts/TH on June 30, 2024, as a result of the Company upgrading its fleet with more efficient Miners. This improvement resulted in a 19 average Watts/Average TH efficiency during Q2 2025, compared to 28 average Watts/Average TH efficiency during Q2 2024, representing an improvement of 32%.

**YTD Q2 2025 v. YTD Q2 2024**

- 1,411 Bitcoin earned during YTD Q2 2025, compared to 1,557 Bitcoin earned during YTD Q2 2024, representing a decrease of 9% from the previous year as a result of reduced Block Rewards following the April 2024 halving event, a 44% increase in average Network Difficulty and the halting of the electricity supply at the Company's data center in Rio Cuarto during Q2 2025, partially offset by an increase in Hashrate from the Company's expansions and upgrades to its Miner fleet with higher efficiency Miners; and
- Improved ending energy efficiency to 19 Watts/TH on June 30, 2025, compared to 28 Watts/TH on June 30, 2024, with the Company upgrading its Mining fleet. This improvement resulted in a 20 average Watts/Average TH efficiency during YTD Q2 2025, compared to 31 average Watts/Average TH efficiency during YTD Q2 2024, representing an improvement of 35%.

**5. PRODUCTION AND MINING OPERATIONS** (Continued)**Key Performance Indicators** (Continued)

	As of June 30,	As of March 31,	
	2025	2025	% Change
Period-end operating EH/s	17.7	19.5	(9)%
Watts/TH efficiency*	19	19	—%
Period-end energized capacity (MW)**	410	461	(11)%

\* Watts represents the energy consumption of deployed Miners

\*\* Includes 21 MW operated on behalf of a third party through a hosting contract at the Panther Creek Bitcoin data center (as of June 30, 2024: nil)

**As of June 30, 2025 v. as of March 31, 2025**

- 17.7 EH/s online as of June 30, 2025, compared to 19.5 EH/s online as of March 31, 2025, a decrease of 9%, as a result of the halting of the electricity supply at the Company's data center in Rio Cuarto during Q2 2025, partially offset by the Company's upgrade of its Miner fleet with higher efficiency Miners. Refer to Section 18 - *Risk Factors* of this MD&A for more details on operations in Argentina.
- 410 MW energized capacity as of June 30, 2025, compared to 461 MW energized capacity as of March 31, 2025, a decrease of 11%, mainly due to the halting of the electricity supply at the Company's data center in Rio Cuarto in May 2025 (resulting in a decrease of 58 MW).

## 6. EXPANSION PROJECTS

The Company describes its expansion plans below under the sections entitled “United States Expansion”, “Paraguay Expansion”, and “Canada Expansion”. These expansion projects do not include updates from 2024 or earlier.

As of June 30, 2025, the Company operated 17.7 EH/s under Management across its facilities, a decrease of 1.8 EH/s, or 9%, compared to March 31, 2025. The decrease is attributed to the halting of the electricity supply at the Company’s data center in Rio Cuarto, partially offset by the installation of additional Miners mainly in the United States.

Through its expansion projects and the investment in its fleet upgrade, the Company achieved its initial 2025 targets of 18 EH/s operational and 19 w/TH installed in March 2025. With the shutdown of the Argentina facility, it is no longer feasible to achieve the 21 EH/s target on the Company’s originally anticipated timeline. The Company currently has no plans to increase its hashrate beyond the current operational hashrate of 17.7 EH/s. Refer to Section 19 - *Risk Factors* (The Company’s operations in Rio Cuarto have been suspended due to a halt in its supply of electrical power on May 12, 2025).

The Company continues to prudently explore further opportunities to monetize and expand its infrastructure to create long-term value for shareholders.

### Cautionary statements

The estimated costs and timelines to achieve these expansion plans may change based on, among other factors, the cost and supply of equipment, the ability to import equipment into countries where it operates in a cost-effective and timely manner, the supply of electrical and other supporting infrastructure equipment, the availability of construction materials, currency exchange rates and the impact of geopolitical events on the supply chains described above. The Company’s expansion plans rely on a consistent supply of electricity at cost-effective rates; refer to Section 19 - *Risk Factors* (Section *Economic Dependence on Regulated Terms of Service and Electricity Rates Risks*) of the MD&A for the year ended December 31, 2024, dated March 26, 2025 for further details, including a description of these and other factors.

### Fleet Upgrade

The fleet upgrade plan described below underpinned the Company’s 2024 expansion strategy. Securing additional Miners was anticipated to benefit the Company by capitalizing on higher Bitcoin prices and drive rapid and meaningful improvements across three key operating metrics: Hashrate, energy efficiency and operating costs per TH.

## 6. EXPANSION PROJECTS (Continued)

## Fleet Upgrade (Continued)

The following table details the status of the latest Miner orders as of August 11, 2025:

Date	Order	Quantity <sup>1</sup>	Miner Model	Miners Received	Hashrate (EH/s) <sup>2</sup>	Remaining Miners to Receive
Q4 2023	Purchase Order	35,898	Bitmain T21	35,898	6.8	—
Q1 2024	Purchase Option	22,234	Bitmain T21	22,234	4.2	—
(amended Q4 2024)	(amended Q4 2024)	6,000	Bitmain S21 Pro	6,000	1.4	—
		28,234		28,234	5.6	—
Q1 2024	March 2024	6,475	Bitmain T21	6,475	1.2	—
(amended Q4 2024)	Purchase Order	12,700	Bitmain S21 Pro	12,700	3.0	—
	(amended Q4 2024)	3,975	Bitmain S21	3,975	0.9	—
		762	Bitmain S21 hydro	762	0.3	—
		23,912		23,912	5.4	—
Q1 2025	March 2025 Miners Swap	(4,160)	Bitmain T21	(4,160)	(0.8)	—
		3,440	Bitmain S21+	3,440	0.8	—
		(720)		(720)	—	—
Q3 2025	July 2025 Miners Swap	(10,467)	Bitmain T21	(10,467)	(2.0)	—
		8,585	Bitmain S21+	8,585	1.9	—
		(1,882)		(1,882)	(0.1)	—
		85,442		85,442	17.7	—

1 The total Hashrate from the Miners received corresponds to the total Hashrate specified in the agreements. The quantity of Miners received may vary based on the individual Hashrate specifications of each Miner.

2 The Hashrate is based on the average Miner specifications stated in the purchase agreements and the Company's actual realized Hashrate may differ.

In relation with the March 2025 Swap Order, the Company returned 4,160 Bitmain T21 Miners and purchased 3,660 Bitmain S21+ Miners. In consideration for the returned products, the Company received a credit of \$9.5 million which was applied against the purchase price of \$11.9 million. In March 2025, the Company paid the net \$2.4 million in Bitcoin which can be redeemed on a quarterly basis (i.e., 29 Bitcoin Pledged). In the March 2025 Swap Order, 3,440 S21+ miners were received which corresponds to the hashrate specified in the initial agreement. As of June 30, 2025, all Miners of the March 2025 Swap Order were received and the equipment prepayment amount was nil.

As of June 30, 2025, the Company exercised the option to redeem the first installment of the Bitcoin Pledged and redeemed 7 Bitcoin for \$0.6 million or \$81,000 per Bitcoin.

In July 2025, an exchange agreement was signed to return 10,467 Bitmain T21 Miners. In consideration for the returned Miners, Bitmain will refund the Company with a credit of \$23.9 million. Simultaneously, the Company placed another purchase order ("July 2025 Miners Swap") for 8,585 Bitmain S21+ Miners at a purchase price of \$29.8 million. The Company plans to sell all of these Bitmain S21+ Miners. The Company paid the net balance of \$6.0 million in Bitcoin that can be repurchased in four quarterly installments at a predetermined price of \$108,950 per Bitcoin.

**6. EXPANSION PROJECTS** (Continued)**Fleet Upgrade** (Continued)

The March 2024 Purchase Order, combined with the Purchase Order and Purchase Option, enabled the Company to reach 19.5 EH/s operating capacity and 19 w/TH efficiency in Q1 2025. The Company intends to continue liquidating older, less efficient Miners to offset the cost of the capital expenditure. During YTD Q2 2025, the Company sold 17,176 older generation Miners to third parties for approximately \$2.5 million. Refer to Note 10 to the Financial Statements.

**Stronghold and Yguazu data centers**

The Stronghold Transaction and the Yguazu Sale (as defined below) enabled the Company to rebalance its portfolio of MW to approximately 70% in North America and 30% outside of North America and is expected to reduce the Company's average energy costs per kWh by up to 10%. Proceeds from the transaction will be reinvested towards its 1.3 GW growth pipeline as part of the Company's planned United States expansion for HPC/AI infrastructure, which marks a significant milestone in the Company's transition from an international Bitcoin miner to a North American energy and compute infrastructure company.

**Development of HPC/AI Business**

In January 2025, the Company engaged two established consultants in HPC/AI, ASG and WWT, to conduct independent evaluations of the Company's data centers and energy assets for potential partial or total conversion to HPC/AI. In parallel, ASG and WWT is conducting feasibility assessments, data center engineering, site map planning, construction budgeting, and help build accelerated sales and development strategies. Combined, they will support the building of the Company's operational capabilities and will market the Company's sites to potential HPC/AI customers.

In April 2025, the first phase of the feasibility assessments from WWT were provided to the Company and confirmed the suitability of all US sites and most Canadian sites for potential conversion to HPC/AI.

In June 2025, the Company completed and submitted Panther Creek HPC data center campus master site plans to Macquarie, with a capacity up to 350 MW.

In July 2025, the Company engaged T5 Data Centers to oversee construction as the Owners Representative for the Panther Creek HPC development following a thorough review process with multiple data center developers. T5 Data Centers was chosen for their experience developing HPC data centers and their unique end-to-end services offering. As Owners Representative for the site, T5 Data Centers will be responsible for managing all of the contracting, permitting and construction for the Panther Creek data center campus.

On August 8, 2025, the Company entered into a binding purchase agreement for 181 acres of contiguous land at the Panther Creek campus for \$3.5 million, which is more than sufficient land for multiple phases of HPC/AI development.

**6. EXPANSION PROJECTS (Continued)****Development of HPC/AI Business (Continued)*****Macquarie Credit Facility***

In April 2025, the Company entered into an agreement for a credit facility up to \$300.0 million from Macquarie for HPC development and drew down the initial tranche of \$50.0 million. The Company issued 5,330,946 warrants convertible for a fixed number of common shares and paid \$3.2 million in transaction fees which will be deferred and/or amortized over the term of the credit facility.

The second tranche of the credit facility will allow the Company to draw up to an additional \$250.0 million and will be drawable as the Company achieves specific development milestones at its Panther Creek location. The Company will contribute \$50.0 million in kind, or in cash, and issue additional warrants equivalent to 10% of the amount drawn up to \$125.0 million. The maturity of each tranche is 2 years from the date of closing and each facility bears interest at 8% per annum. The funding facility is expected to provide the necessary capital for Bitfarms to fund the initial portion of the Panther Creek data center development and buildout.

**A. United States Expansion*****Acquisition of Stronghold***

On March 14, 2025, the Company acquired Stronghold in a stock-for-stock merger transaction (the "Transaction"). The Transaction was unanimously approved by the Board of Directors of both companies and was approved by shareholders representing a majority of the outstanding shares of Stronghold on February 27, 2025.

Stronghold shareholders received 2.52 shares of Bitfarms for each share of Stronghold held. The Company issued 59,866,609 common shares and 12,893,650 warrants in connection with the consummation of the Merger. In addition, the Company paid \$51.1 million on closing to retire Stronghold's outstanding loans and other closing costs.

The Stronghold Transaction added up to 307 MW of potential power capacity, with an additional 648 MW of incremental potential power capacity, for a total of 955 MW of potential power capacity, to the Company's operations. This transaction is aligned with the Company's strategic objectives to diversify its operations and expand its presence in the United States through vertical integration of power generation and energy arbitrage capabilities. Further, the transaction solidifies Bitfarms' standing in the Bitcoin Mining sector and positions it well for expansion into the HPC/AI sector with two strategically located facilities with energy infrastructure and expansion capacity.

During the first quarter of 2025, approximately 14,500 S21 Pro Bitmain Miners were installed at the Stronghold Scrubgrass and Panther Creek facilities. Following the closing of the Stronghold Transaction on March 14, 2025, the Panther Creek Hosting Agreement and Scrubgrass Hosting Agreement were terminated, settling the \$15.6 million Refundable Hosting Deposits to the Company.

During Q2 2025, approximately 3,400 S21+ and 6,000 S21 Pro Bitmain Miners were installed at the Scrubgrass and Panther Creek facilities.

**6. EXPANSION PROJECTS (Continued)****A. United States Expansion (Continued)*****Sharon 2025 update***

In January 2025, the Company energized 12 MW at the Sharon data center located in Sharon after installing 3,300 Miners. In May 2025, the Company energized the incremental 18 MW expansion project, bringing the total energized capacity to 30 MW with 8,000 Miners installed.

In May 2025, the Company was registered for PJM's Peak Saver and Synchronized Reserves Dispatchable Programs. The Company is still in the registration process for the Price Response (Economic Demand Response) Dispatchable Program. Participation in these programs includes both demand response and energy arbitrage strategies that the Company plans to develop in the coming months across its PJM portfolio under Bitfarms' energy program. These programs will contribute to maximizing the value of its PJM assets through more effective control of energy prices.

In July 2025, Bitfarms began engaging with a group for the procurement of all equipment and construction, installation and commissioning the development of an 80 MW substation to increase capacity from 30 MW to 110 MW by the end of 2026.

***Sharon Position as of June 30, 2025***

As of June 30, 2025, the Company had placed deposits of \$1.4 million with suppliers for construction costs and for electrical components. As of June 30, 2025, property, plant and equipment ("PPE") included \$16.0 million related to the Sharon data center for facility construction and infrastructure equipment costs.

***Washington 2025 update***

The Company completed the upgrade of a portion of its current fleet of Miners in Washington during February 2025 with new T21 Miners. On August 7, 2025, the Company secured a binding agreement for an adjacent land parcel for \$1.9 million which is sufficient for a potential conversion to HPC/AI currently under evaluation due to its strategic proximity to a data center cluster.

**B. Paraguay Expansion*****Sale of Yguazu data center 2025 update***

On January 24, 2025, the Company announced that it had entered into a binding letter of intent to sell its 200 MW development site in Yguazu to HIVE Digital Technologies Ltd. ("HIVE") (the "Yguazu Sale").

On March 14, 2025, the Yguazu Sale closed. HIVE purchased from Bitfarms its 100% ownership stake of its Yguazu Bitcoin data center and the Company's loan receivable from its Yguazu subsidiary, Zunz SA ("Backbone Yguazu"), for \$63.3 million, with Bitfarms receiving:

- \$20.0 million of advance payment made in January 2025 upon signing the letter of intent;
- \$12.0 million upon the closing of the transaction;
- \$31.0 million in equal installments over 6 months following the closing; and
- \$0.2 million of other costs assumed by HIVE.

As of August 11, 2025, the Company received \$20.7 million from HIVE, with \$10.3 million receivable as per the terms of the agreement.

Refer to Note 4 to the Financial Statements.

**C. Canada Expansion*****Baie-Comeau 2025 update***

In January 2025, the utility provider energized an additional 11 MW, increasing the Baie-Comeau data center total to 22 MW.

***Baie-Comeau position as of June 30, 2025***

The Company has \$11.6 million of PPE at the Baie-Comeau data center, including infrastructure equipment that was repurposed from other data centers.

## 7. FINANCIAL PERFORMANCE

## Consolidated Financial &amp; Operational Results

(U.S.\$ in thousands except where indicated)	Three months ended June 30,				Six months ended June 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
<b>Revenues</b>	<b>76,782</b>	41,548	35,234	85%	<b>143,402</b>	91,865	51,537	56%
Cost of revenues	<b>(82,999)</b>	(51,108)	(31,891)	62%	<b>(150,081)</b>	(112,227)	(37,854)	34%
<b>Gross loss</b>	<b>(6,217)</b>	(9,560)	3,343	(35)%	<b>(6,679)</b>	(20,362)	13,683	(67)%
Gross margin <sup>(1)</sup>	<b>(8)%</b>	(23)%	—	—	<b>(5)%</b>	(22)%	—	—
<b>Operating expenses</b>								
General and administrative expenses	<b>(21,397)</b>	(11,912)	(9,485)	80%	<b>(41,457)</b>	(25,082)	(16,375)	65%
Change in fair value of digital assets	<b>16,283</b>	(13,225)	29,508	223%	<b>(6,750)</b>	(569)	(6,181)	nm
Realized gain (loss) on sale of digital assets	<b>16,005</b>	5,804	10,201	176%	<b>20,982</b>	16,867	4,115	24%
Gain on disposition of property, plant and equipment and deposits	<b>1,865</b>	412	1,453	353%	<b>7,451</b>	563	6,888	nm
Impairment of long-lived assets and deposits	<b>(14,872)</b>	—	(14,872)	(100)%	<b>(33,696)</b>	—	(33,696)	(100)%
<b>Operating loss</b>	<b>(8,333)</b>	(28,481)	20,148	(71)%	<b>(60,149)</b>	(28,583)	(31,566)	110%
Operating margin <sup>(1)</sup>	<b>(11)%</b>	(69)%	—	—	<b>(42)%</b>	(31)%	—	—
Interest income	<b>460</b>	2,042	(1,582)	(77)%	<b>1,336</b>	2,722	(1,386)	(51)%
Interest expense	<b>(1,611)</b>	(162)	(1,449)	894%	<b>(1,829)</b>	(330)	(1,499)	454%
(Loss) gain on derivative assets and liabilities	<b>3,784</b>	(2,135)	5,919	277%	<b>70</b>	355	(285)	(80)%
Other income (expense)	<b>(147)</b>	678	(825)	(122)%	<b>(66)</b>	431	(497)	(115)%
Total other income (expense)	<b>2,486</b>	423	2,063	488%	<b>(489)</b>	3,178	(3,667)	(115)%
<b>Net loss before income taxes</b>	<b>(5,847)</b>	(28,058)	22,211	(79)%	<b>(60,638)</b>	(25,405)	(35,233)	139%
Income tax benefit (expense)	<b>346</b>	262	84	32%	<b>(416)</b>	262	(678)	(259)%
<b>Net loss</b>	<b>(5,501)</b>	(27,796)	22,295	(80)%	<b>(61,054)</b>	(25,143)	(35,911)	143%
Basic and diluted net loss per share (in U.S. dollars)	<b>(0.01)</b>	(0.07)	—	—	<b>(0.12)</b>	(0.07)	—	—
Gross Mining profit <sup>(2)</sup>	<b>31,253</b>	20,069	11,184	56%	<b>59,596</b>	50,820	8,776	17%
Gross Mining margin <sup>(2)</sup>	<b>44%</b>	50%	—	—	<b>44%</b>	57%	—	—
Adjusted EBITDA <sup>(2)</sup>	<b>11,499</b>	10,850	649	6%	<b>25,280</b>	33,553	(8,273)	(25)%
Adjusted EBITDA margin <sup>(2)</sup>	<b>15%</b>	26%	—	—	<b>18%</b>	37%	—	—

nm: not meaningful

1 Gross margin and Operating margin are supplemental financial ratios; refer to Section 9 - *Non-GAAP and Other Financial Measures and Ratios*.2 Gross Mining profit, Gross Mining margin, EBITDA, EBITDA margin, Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures or ratios; refer to Section 9 - *Non-GAAP and Other Financial Measures and Ratios*.

**7. FINANCIAL PERFORMANCE (Continued)**
**A. Revenues**

(U.S.\$ in thousands except where indicated)	Three months ended June 30,				Six months ended June 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
Cryptocurrency Mining	71,292	40,383	30,909	77%	136,155	89,806	46,349	52%
Cryptocurrency Hosting	1,535	—	1,535	100%	1,878	—	1,878	100%
Electrical services	1,006	1,165	(159)	(14)%	2,100	2,059	41	2%
Energy sales	2,949	—	2,949	100%	3,269	—	3,269	100%
	<b>76,782</b>	<b>41,548</b>	<b>35,234</b>	<b>85%</b>	<b>143,402</b>	<b>91,865</b>	<b>51,537</b>	<b>56%</b>

**Q2 2025 v. Q2 2024**

Revenues were \$76.8 million in Q2 2025 compared to \$41.5 million in Q2 2024, an increase of \$35.2 million, or 85%.

The most significant factors impacting the increase in Bitfarms' revenues in Q2 2025 compared to Q2 2024 are presented in the table below. Revenues increased mostly due to an increase in the Company's average Bitcoin Hashrate and average Bitcoin price, partially offset by the increase in Network Difficulty and lower Block Rewards following the Bitcoin halving event that occurred on April 19, 2024.

(U.S. \$ in thousands except where indicated)	Note	Bitcoin	\$	% Change
Bitcoin and revenues, including Volta*, for the three months ended June 30, 2024		614	41,548	—
Impact of Bitcoin halving event on April 19, 2024 on Bitfarms' quantity of Bitcoin earned during Q2 2025	1	(139)	(15,893)	(38)%
Impact of increase in Network Difficulty during Q2 2025 as compared to Q2 2024	2	(460)	(46,733)	(112)%
Impact of increase in average Bitfarms' Bitcoin Hashrate during Q2 2025 as compared to Q2 2024	3	718	73,311	176%
Impact of difference in average Bitcoin price in Q2 2025 as compared to Q2 2024	4		22,781	55%
Other Mining variance, Computational power sold in exchange for services variance, other revenues and change in Volta*			1,768	4%
<b>Bitcoin and revenues, including Volta*, for the three months ended June 30, 2025</b>		<b>733</b>	<b>76,782</b>	<b>85%</b>

\*9159-9290 Québec Inc. ("Volta") is a wholly-owned subsidiary of the Company, assists the Company in building and maintaining its data centers and provides electrician services to both commercial and residential customers in Quebec, Canada.

**Notes**

- 1 Calculated as the theoretical Bitcoin earned based on Bitfarms' actual Hashrate during Q2 2025 assuming the Bitcoin halving event did not occur, compared to actual Bitcoin earned during the same period multiplied by average Bitcoin price earned.
- 2 Calculated as the difference in Bitcoin earned in Q2 2025 compared to Q2 2024, based on the change in Network Difficulty, multiplied by Q2 2025 average Bitcoin price earned.
- 3 Calculated as the difference in Bitcoin earned in Q2 2025 compared to Q2 2024, based on the change in Bitfarms' average Hashrate, multiplied by Q2 2025 average Bitcoin price earned.
- 4 Calculated as the difference in average Bitcoin price in Q2 2025 compared to Q2 2024 multiplied by Bitcoin earned in Q2 2024.

**7. FINANCIAL PERFORMANCE (Continued)**
**A. Revenues (Continued)**
**Q2 2025 v. Q2 2024 (Continued)**

The following tables summarize the Company's revenues and average Hashrate for Q2 2025 and Q2 2024 by country:

Revenues (U.S.\$ in thousands except where indicated)	Three months ended June 30,			
	2025	2024	\$ Change	% Change
<b>North America</b>				
Canada	29,657	28,129	1,528	5%
United States	31,251	3,296	27,955	848%
	60,908	31,425	29,483	94%
<b>South America</b>				
Paraguay	12,217	2,144	10,073	470%
Argentina	3,657	7,979	(4,322)	(54)%
	15,874	10,123	5,751	57%
	76,782	41,548	35,234	85%

Average Operational Hashrate under Management* (Average Hashrate in EH/s except where indicated)	Three months ended June 30,			
	2025	2024	Change	% Change
<b>North America</b>				
Canada	6.1	4.5	1.6	36%
United States	6.3	0.5	5.8	nm
	12.4	5.0	7.4	148%
<b>South America</b>				
Paraguay	2.6	0.4	2.2	550%
Argentina	0.9	1.3	(0.4)	(31)%
	3.5	1.7	1.8	106%
	15.9	6.7	9.2	137%

nm: not meaningful

\*Average operational hashrate reflects the hashrate of the Miners that the Company owns and operates.

Bitfarms earned most of its revenues during Q2 2025 from its North American operations. Canada and the United States accounted for 39% and 41% of total revenues, respectively, compared to 68% and 8% in Q2 2024, respectively. The Company's operations in Paraguay and Argentina accounted for 16% and 5% of total revenues in Q2 2025, respectively, compared to 5% and 19% in Q2 2024, respectively.

In Q2 2025, revenues from the Company's operations in United States, Paraguay and Canada increased by \$28.0 million, \$10.1 million and \$1.5 million, respectively, compared to Q2 2024. The increases are mainly due to the average Hashrate increase of the United States, Paraguay and Canada operations of 5.8 EH/s, 2.2 EH/s and 1.6 EH/s, respectively, and the increase in average Bitcoin price, partially offset by the decrease in Bitcoin Block Rewards following the Bitcoin halving event that occurred on April 19, 2024 and the increase in Network Difficulty. The Company's acquisition of Stronghold's facilities as part of the Stronghold Transaction contributed to 1.4 EH/s, or 16% of the Hashrate increase. Revenues from the Company's operations in Argentina decreased by \$4.3 million in Q2 2025, as compared to Q2 2024 due to the halting of the electricity supply at the Company's data center in Rio Cuarto, and the factors mentioned above.

**7. FINANCIAL PERFORMANCE** (Continued)

**A. Revenues** (Continued)

**YTD Q2 2025 v. YTD Q2 2024**

Revenues were \$143.4 million in YTD Q2 2025 compared to \$91.9 million in YTD Q2 2024, an increase of \$51.5 million, or 56%.

The most significant factors impacting the increase in Bitfarms’ revenues in YTD Q2 2025, compared to YTD Q2 2024, are presented in the table below. Revenues increased mostly due to the increase in average Bitcoin price and the increase in average Bitfarms’ Hashrate, partially offset by the increase in Network Difficulty and lower Bitcoin Block Rewards following the Bitcoin halving event that occurred on April 19, 2024.

(U.S. \$ in thousands except where indicated)	Note	Bitcoin	\$	% Change
Bitcoin and revenues, including Volta*, for the six months ended June 30, 2024		1,557	91,865	—
Impact of Bitcoin halving event on April 19, 2024 on Bitfarms’ quantity of Bitcoin earned during YTD Q2 2025	1	(818)	(79,445)	(86)%
Impact of increase in Network Difficulty during YTD Q2 2025 as compared to YTD Q2 2024	2	(1,100)	(106,684)	(117)%
Impact of increase in average Bitfarms’ Bitcoin Hashrate during YTD Q2 2025 as compared to YTD Q2 2024	3	1,793	173,972	189%
Impact of difference in average Bitcoin price in YTD Q2 2025 as compared to YTD Q2 2024	4		61,635	67%
Other Mining variance, Computational power sold in exchange for services variance, other revenues and change in Volta*			2,059	2%
<b>Bitcoin and revenues, including Volta*, for the six months ended June 30, 2025</b>		<b>1,432</b>	<b>143,402</b>	<b>56%</b>

\*Volta is a wholly-owned subsidiary of the Company, assists the Company in building and maintaining its data centers and provides electrician services to both commercial and residential customers in Quebec, Canada

Notes

- 1 Calculated as the theoretical Bitcoin earned based on Bitfarms’ actual Hashrate during YTD Q2 2025 assuming the Bitcoin halving event did not occur, compared to actual Bitcoin earned during the same period multiplied by average Bitcoin price earned.
- 2 Calculated as the difference in Bitcoin earned in YTD Q2 2025 compared to YTD Q2 2024, based on the change in Network Difficulty, multiplied by YTD Q2 2025 average Bitcoin price earned.
- 3 Calculated as the difference in Bitcoin earned in YTD Q2 2025 compared to YTD Q2 2024, based on the change in Bitfarms’ average Hashrate, multiplied by YTD Q2 2025 average Bitcoin price earned.
- 4 Calculated as the difference in average Bitcoin price in YTD Q2 2025 compared to YTD Q2 2024 multiplied by Bitcoin earned in YTD Q2 2024.

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(In U.S. dollars, except where otherwise indicated)

**7. FINANCIAL PERFORMANCE (Continued)****A. Revenues (Continued)****YTD Q2 2025 v. YTD Q2 2024 (Continued)**

The following tables summarize the Company's revenues and average Hashrate for YTD Q2 2025 and YTD Q2 2024 by country:

<b>Revenues</b> (U.S.\$ in thousands except where indicated)	<b>Six months ended June 30,</b>			
	<b>2025</b>	<b>2024</b>	<b>\$ Change</b>	<b>% Change</b>
<b>North America</b>				
Canada	58,779	60,267	(1,488)	(2)%
United States	49,780	8,183	41,597	508%
	<b>108,559</b>	<b>68,450</b>	<b>40,109</b>	<b>59%</b>
<b>South America</b>				
Paraguay	24,231	3,860	20,371	528%
Argentina	10,612	19,555	(8,943)	(46)%
	<b>34,843</b>	<b>23,415</b>	<b>11,428</b>	<b>49%</b>
	<b>143,402</b>	<b>91,865</b>	<b>51,537</b>	<b>56%</b>

<b>Average Hashrate under Management*</b> (Average Hashrate in EH/s except where indicated)	<b>Six months ended June 30,</b>			
	<b>2025</b>	<b>2024</b>	<b>Change</b>	<b>% Change</b>
<b>North America</b>				
Canada	5.9	4.1	1.8	44%
United States	5.0	0.6	4.4	733%
	<b>10.9</b>	<b>4.7</b>	<b>6.2</b>	<b>132%</b>
<b>South America</b>				
Paraguay	2.5	0.3	2.2	733%
Argentina	1.1	1.3	(0.2)	(15)%
	<b>3.6</b>	<b>1.6</b>	<b>2.0</b>	<b>125%</b>
	<b>14.5</b>	<b>6.3</b>	<b>8.2</b>	<b>130%</b>

\*Average operational hashrate reflects the hashrate of the Miners that the Company owns and operates.

Bitfarms earned most of its revenues during YTD Q2 2025 from its North American operations. Canada and the United States accounted for 41% and 35% of total revenues, respectively, compared to 66% and 9% in YTD Q2 2024, respectively. The Company's operations in Paraguay and Argentina accounted for 17% and 7% of total revenues in YTD Q2 2025, respectively, compared to 4% and 21% in YTD Q2 2024, respectively.

In YTD Q2 2025, revenues from the Company's operations in United States and Paraguay increased by \$41.6 million and \$20.4 million, respectively, compared to YTD Q2 2024. The increases are mainly due to average hashrate increase of the United States and Paraguay operations of 4.4 EH/s and 2.2 EH/s, respectively, and the increases in average Bitcoin price, partially offset by the increase in Network Difficulty and the decrease in Block Rewards following the Bitcoin halving event that occurred on April 19, 2024. The Company's acquisition of Stronghold facilities as part of the Stronghold Transaction contributed to 1.4 EH/s, or 17% of the Hashrate increase. Revenues from the Company's operations in Argentina and Canada decreased by \$8.9 million and \$1.5 million, respectively, in YTD Q2 2025, as compared to YTD Q2 2024, due to the halting of the electricity supply at the Company's data center in Rio Cuarto, and the other factors mentioned above, partially offset by the average Hashrate increase in Canada.

**7. FINANCIAL PERFORMANCE (Continued)**
**B. Cost of Revenues**

(U.S.\$ in thousands except where indicated)	Three months ended June 30,				Six months ended June 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
Energy	<b>(30,108)</b>	(19,461)	(10,647)	55%	<b>(55,516)</b>	(38,808)	(16,708)	43%
Sales tax recovery - energy	—	17,017	(17,017)	(100)%	—	17,017	(17,017)	(100)%
Depreciation and amortization	<b>(35,613)</b>	(55,041)	19,428	(35)%	<b>(63,977)</b>	(93,549)	29,572	(32)%
Sales tax recovery - depreciation and amortization	—	8,760	(8,760)	(100)%	—	8,760	(8,760)	(100)%
Hosting expenses	—	—	—	—%	<b>(7,735)</b>	—	(7,735)	(100)%
Infrastructure expenses	<b>(16,448)</b>	(1,510)	(14,938)	989%	<b>(21,146)</b>	(4,066)	(17,080)	420%
Electrical components and salaries	<b>(830)</b>	(873)	43	(5)%	<b>(1,707)</b>	(1,581)	(126)	8%
	<b>(82,999)</b>	(51,108)	(31,891)	62%	<b>(150,081)</b>	(112,227)	(37,854)	34%

*nm*: not meaningful

**Q2 2025 v. Q2 2024**

Bitfarms' cost of revenues for Q2 2025 was \$83.0 million, compared to \$51.1 million for Q2 2024. The increase in cost of revenues was mainly attributable to:

- A \$25.8 million sales tax recovery in Q2 2024 for sales taxes paid by the Company from February 5, 2022 to April 2024 due to the Company receiving confirmation from the provincial tax authorities that Canadian sales taxes are refundable, compared to nil in Q2 2025.
- A \$14.9 million increase in infrastructure expenses, mainly due to:
  - A \$10.6 million increase related to operating expenses at the Panther Creek and Scrubgrass power plants, following the acquisition of Stronghold in the first quarter of 2025. The expenses included \$3.4 million of labor costs and other employee benefits, \$6.0 million of plant maintenance costs and \$1.2 million of other operating expenses; and
  - A \$1.4 million increase in Mining operations consulting expenses at the Scrubgrass, Panther Creek and Sharon data centers.
- A \$10.6 million, or 55%, increase in energy expenses, mainly due to:
  - The Company adding new and more efficient Miners, which increased energy utilization to an average of 318 MW during Q2 2025 versus 199 MW for the same period in 2024, resulting in an increase in electricity costs of \$7.5 million; and
  - A \$9.8 million increase due to fuel expenses for the Panther Creek and Scrubgrass power plants following the acquisition of Stronghold in the first quarter of 2025, partially offset by \$6.6 million of renewable energy credits ("RECs") in Q2 2025.

The increase was partially offset by:

- A \$19.4 million decrease in non-cash depreciation and amortization expense due to the accelerated depreciation recorded in Q2 2024 related to the upgrade program which decreased the anticipated useful life of older Miners.

**7. FINANCIAL PERFORMANCE (Continued)****B. Cost of Revenues (Continued)*****YTD Q2 2025 v. YTD Q2 2024***

Bitfarms' cost of revenues was \$150.1 million for YTD Q2 2025 compared to \$112.2 million for YTD Q2 2024. The increase in cost of revenues was mainly due to:

- A \$16.7 million, or 43%, increase in energy expenses, mainly due to:
  - A \$12.0 million increase due to fuel expenses from its power plants to generate revenues following the acquisition of Stronghold in the first quarter of 2025, partially offset by \$6.6 million of RECs in YTD Q2 2025; and
  - The Company adding new and more efficient Miners, which increased energy utilization to an average of 299 MW during YTD Q2 2025 versus 206 MW for the same period in 2024, resulting in an increase in electricity costs of \$11.3 million.
- A \$25.8 million sales tax recovery received in Q2 2024 for sales taxes paid by the Company from February 5, 2022 to April 2024 due to the Company receiving confirmation from the provincial tax authorities that Canadian sales taxes are refundable, compared to nil in YTD Q2 2025.
- A \$17.1 million, or 420%, increase in infrastructure expenses, mainly due to:
  - A \$12.1 million increase related to operating expenses at the Panther Creek and Scrubgrass power plants following the acquisition of Stronghold in the first quarter of 2025. The expenses included \$3.9 million of labor costs and other employee benefits, \$6.3 million of plant maintenance costs and \$1.9 million of other operating expenses; and
  - A \$1.4 million increase in Mining operations consulting expenses at the Scrubgrass, Panther Creek and Sharon data centers.
- A \$7.7 million, or 100%, increase in hosting expenses, mainly due to:
  - A \$4.4 million increase in electricity costs incurred in Q1 2025 for the hosting of the Company's Miners at the Panther Creek and Scrubgrass facilities prior to the acquisition of Stronghold; and
  - A non-recurring increase of \$3.3 million in hosting expenses as the Company had its Miners hosted at Stronghold's Panther Creek and Scrubgrass facilities in the first quarter of 2025, prior to the acquisition of Stronghold.

These increases were partially offset by:

- A \$29.5 million decrease in non-cash depreciation and amortization expense due to the accelerated depreciation recorded in YTD Q2 2024 related to the upgrade program which decreased the anticipated useful life of older Miners.

## 7. FINANCIAL PERFORMANCE (Continued)

## C. General &amp; Administrative Expenses

(U.S.\$ in thousands except where indicated)	Three months ended June 30,				Six months ended June 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
Salaries and wages	(8,107)	(4,032)	(4,075)	101%	(14,277)	(10,079)	(4,198)	42%
Stock-based compensation	(3,500)	(1,150)	(2,350)	204%	(7,768)	(4,186)	(3,582)	86%
Professional services	(4,291)	(5,695)	1,404	(25)%	(9,978)	(7,353)	(2,625)	36%
Sales tax recovery - professional services	—	1,389	(1,389)	(100)%	—	1,389	(1,389)	(100)%
Insurance, duties and other	(3,530)	(2,471)	(1,059)	43%	(6,690)	(4,460)	(2,230)	50%
Travel, motor vehicle and meals	(730)	(466)	(264)	57%	(1,200)	(712)	(488)	69%
Telecom hosting and telecommunications	(147)	(75)	(72)	96%	(334)	(153)	(181)	118%
Advertising and promotion	(1,092)	(165)	(927)	562%	(1,210)	(281)	(929)	331%
Sales tax recovery - other general and administrative expenses	—	753	(753)	(100)%	—	753	(753)	(100)%
	(21,397)	(11,912)	(9,485)	80%	(41,457)	(25,082)	(16,375)	65%

**Q2 2025 v. Q2 2024**

Bitfarms' general and administrative ("G&A") expenses were \$21.4 million in Q2 2025, compared to \$11.9 million for Q2 2024. The increase of \$9.5 million, or 80%, was largely due to:

- A \$4.1 million increase in salaries and wages due to (i) the increase in the Company's headcount in Q2 2025 compared to Q2 2024 to support the global expansion as well as merit and market-based adjustments and cost of living salary increases and (ii) the salaries paid to Stronghold employees following the acquisition in the first quarter of 2025;
- A \$2.1 million sales tax recovery received in Q2 2024 for sales taxes paid by the Company from February 5, 2022 to April 2024 due to the Company receiving confirmation from the provincial tax authorities that Canadian sales taxes are refundable, compared to nil in Q2 2025; and
- A \$2.4 million increase in stock-based compensation due to higher outstanding stock options and new restricted stock units ("RSU") granted during Q2 2025 compared to Q2 2024.

**7. FINANCIAL PERFORMANCE** (Continued)**C. General & Administrative Expenses** (Continued)***YTD Q2 2025 v. YTD Q2 2024***

For YTD Q2 2025, Bitfarms' G&A expenses were \$41.5 million, compared to \$25.1 million for the same period in 2024. The increase in G&A expenses of \$16.4 million, or 65%, was mainly due to:

- A \$4.2 million increase in salaries and wages due to (i) the increase in the Company's headcount in YTD Q2 2025 compared to YTD Q2 2024 to support the global expansion as well as merit and market-based adjustments and cost of living salary increases and (ii) the salaries paid to Stronghold employees following the acquisition in the first quarter of 2025;
- A \$2.1 million sales tax recovery received in Q2 2024 for sales taxes paid by the Company from February 5, 2022 to April 2024 due to the Company receiving confirmation from the provincial tax authorities that Canadian sales taxes are refundable, compared to nil in YTD Q2 2025;
- A \$2.2 million increase in insurance, duties and other due to increases in property and liability insurance expense as a result of expanded infrastructure and a larger number of Miners deployed as well as increases in property taxes, other taxes, permits and software licenses to support the global expansion;
- A \$2.6 million increase in professional services related to legal and accounting fees associated with non-recurring activities including the Stronghold Transaction and related filing fees; and
- A \$3.6 million increase in stock-based compensation due to higher outstanding stock options and RSU granted in connection with the Stronghold acquisition during YTD Q2 2025 compared to YTD Q2 2024.

## 7. FINANCIAL PERFORMANCE (Continued)

## D. Total other income (expense)

(U.S.\$ in thousands except where indicated)	Three months ended June 30,				Six months ended June 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
Interest income	460	2,042	(1,582)	(77)%	1,336	2,722	(1,386)	(51)%
Interest expense	(1,611)	(162)	(1,449)	894%	(1,829)	(330)	(1,499)	454%
Gain on derecognition of warrants	—	—	—	—%	—	61	(61)	(100)%
Gain (loss) on derivative assets and liabilities	3,784	(2,135)	5,919	277%	70	355	(285)	(80)%
Gain on settlement of Refundable Hosting Deposits	—	—	—	—%	945	—	945	100%
Gain on disposition of marketable securities	29	413	(384)	(93)%	420	751	(331)	(44)%
Loss on foreign exchange	(156)	(943)	787	(83)%	(319)	(1,004)	685	(68)%
Other financial (expenses) income	(20)	1,208	(1,228)	(102)%	(1,112)	623	(1,735)	(278)%
	2,486	423	2,063	488%	(489)	3,178	(3,667)	(115)%

**Q2 2025 v. Q2 2024**

Bitfarms' total other income was \$2.5 million for Q2 2025, compared to a \$0.4 million income for Q2 2024. The \$2.1 million increase was primarily related to:

- A \$5.9 million favorable change in gain (loss) on derivative assets and liabilities mainly due to:
  - Net gain of \$2.0 million in Q2 2025 from the Bitcoin One Program, which includes an unrealized gain of \$6.6 million on open positions, partially offset by realized loss of \$4.6 million on closed positions. Refer to Section 10b - Capital Resources (*Bitcoin One program for digital assets management*);
  - Net gain of \$1.8 million in Q2 2025 from the Bitcoin Redemption Option. Refer to Note 9 to the Financial Statements; and
  - Net loss on derivative assets and liabilities of \$2.1 million in Q2 2024, mainly from the unrealized loss on the change in fair value of open Synthetic HODL™ positions. Refer to Note 9 to the Financial Statements for more details.

The favorable change was partially offset by:

- A \$1.6 million decrease in interest income due to the Company's lower average cash balance and lower interest rates during Q2 2025 compared to Q2 2024. Refer to section 10a - *Liquidity and Capital Resources (Cash flows)* for details of the Company's cash flows.
- A \$1.4 million increase in interest on long-term debt and finance and operating lease liabilities due to the interest on the Macquarie credit facility signed in April 2025, and higher interest on finance and operating lease liabilities in Q2 2025 compared to Q2 2024 due to new leases.

**YTD Q2 2025 v. YTD Q2 2024**

Bitfarms' total other expense was \$0.5 million for YTD Q2 2025, compared to \$3.2 million for YTD Q2 2024. The \$3.7 million decrease was mainly due to:

- A \$1.5 million increase in interest on long-term debt and finance and operating lease liabilities due to the interest on the Macquarie credit facility, and higher interest on lease liabilities in YTD Q2 2025 compared to YTD Q2 2024 due to new leases;
- A \$1.4 million decrease in interest income due to the Company's lower average cash balance during YTD Q2 2025 compared to YTD Q2 2024. Refer to Section 10a - *Liquidity and Capital Resources (Cash Flows)* for details of the Company's cash flows.

**7. FINANCIAL PERFORMANCE** (Continued)

**E. Impairment**
**First quarter of 2025**

During the first quarter of 2025, due to indicators of impairment that included the decline of the Company's market capitalization and Bitcoin price, the Company performed recoverability tests for operating Bitcoin data centers in Canada, United States, Paraguay and Argentina. The Company also experienced an increase in gas prices which affected the Company's cost of energy in Argentina.

In performing a recoverability test, the Company calculated the sum of the estimated undiscounted future cash flows from continued use and eventual disposition for the Argentina asset group, and determined it was lower than its carrying amount, therefore the Argentina asset group was not recoverable, and an impairment loss in the amount of \$17.5 million during the first quarter of 2025.

For more details of the key assumptions used in the calculations, refer to Note 11 - *Impairment* to the Financial Statements.

(U.S.\$ in thousands except where indicated)	Three months ended June 30,				Six months ended June 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
<b>Argentina asset group</b>								
Equipment and construction prepayments	1,430	—	1,430	100%	1,611	—	1,611	100%
ROU assets	—	—	—	100%	74	—	74	100%
Property, plant and equipment	13,442	—	13,442	100%	30,691	—	30,691	100%
	14,872	—	14,872	100%	32,376	—	32,376	100%
<b>Miners held for sale</b>	—	—	—	100%	1,320	—	1,320	100%
	14,872	—	14,872	100%	33,696	—	33,696	100%

**Q2 2025**

On April 30 2025, the Company was informed that its electricity supplier at Rio Cuarto, Argentina, Generación Mediterránea S.A. ("GMSA"), appointed local and international financial advisors to conduct a process with their creditors regarding the restructuring of its financial debt and is negotiating with its commercial suppliers. GMSA confirmed at that time that the Company would be able to continue consuming power at the Rio Cuarto site. However, on May 12, 2025, the Company was informed by GMSA that, effective immediately, they were halting the supply of electricity to the Company's Rio Cuarto, Argentina facility until further notice. As a result, there is uncertainty around the potential resumption of the supply of electricity and the timing thereof. This event has necessitated a pause in the Company's cryptocurrency Mining activities in Argentina and, unless resolved, may significantly impact ongoing operations in that country. On August 11, 2025, the Company determined it would discontinue its operations at its Bitcoin data center in Rio Cuarto, Argentina by November 11, 2025. Refer to Note 25 to the Financial Statements.

**7. FINANCIAL PERFORMANCE** (Continued)**E. Impairment** (Continued)**Q2 2025** (Continued)

Management considered the suspension of the cryptocurrency Mining activities in Argentina as an indicator of impairment and performed a recoverability test for its operating Bitcoin data center in Argentina. The sum of the estimated undiscounted future cash flows for the Argentina asset group was determined to be lower than its carrying amount, therefore the Argentina asset group is not recoverable and an impairment loss in the amount of \$14.9 million was recognized to write down the carrying amount of the asset group to its fair value less cost to sell during the three months ended June 30, 2025.

**Q2 2025 YTD**

The impairment loss on the Company's Argentina asset group recorded in YTD Q2 2025 amounted to \$32.4 million, of which \$30.7 million was allocated to PPE, \$1.6 million to equipment and construction prepayments and \$0.1 million to right-of-use ("ROU") assets. The impairment loss was recognized in profit or loss under Impairment of long-lived assets, compared to an impairment loss of nil in YTD Q2 2024.

The majority of assets included in the Argentina asset group were funded through a funding mechanism facilitating the favorable conversion of U.S. dollars to Argentine Pesos, which generated a gain on disposition of marketable securities. The gain on disposition of marketable securities is reflected in the value of the assets before any impairment charge is incurred. The combined impact of the cumulative impairment charges on the operating Argentina asset group and the cumulative gain on disposition of marketable securities from Argentina is reflected as an expense of \$49.1 million in profit or loss.

In addition, the Company recorded an impairment loss of \$1.3 million on its Miners held for sale in YTD Q2 2025 as compared to nil in YTD Q2 2024.

**8. SELECTED QUARTERLY INFORMATION**

Set forth below is unaudited supplemental quarterly financial information that reflects material retrospective adjustments to our consolidated statements of operations as a result of the transition to U.S. GAAP and is intended to assist investors in evaluating our results of operations on a consistent basis across periods. This data should be read in conjunction with our unaudited condensed consolidated financial statements and audited consolidated financial statements and related notes for the relevant period. These quarterly operating results are not necessarily indicative of our operating results for a full year or any future periods.

(U.S. \$ in thousands except earnings per share)	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Revenues	<b>76,782</b>	66,620	56,163	44,853	41,548	50,317	46,255	34,585
Net (loss) gain	<b>(5,501)</b>	(55,553)	35,774	(38,996)	(27,796)	2,653	(10,063)	(18,880)
Basic (loss) earnings per share	<b>(0.01)</b>	(0.11)	0.08	(0.09)	(0.07)	0.01	(0.03)	(0.07)
Diluted (loss) earnings per share	<b>(0.01)</b>	(0.11)	0.07	(0.09)	(0.07)	0.01	(0.03)	(0.07)

Although the Bitcoin Mining industry experiences volatility, Bitcoin prices are not generally subject to seasonality or seasonal effects. Seasonal fluctuations in energy supply, however, may impact the Company's operations. The majority of the Company's operations during the above periods were in Quebec, Canada, where power was sourced directly from Hydro-Québec, Hydro-Magog, Hydro-Sherbrooke and the City of Baie-Comeau. The Company also had operations in Washington State, United States, that were powered by the Grant County Power Utility District; operations in Pennsylvania, United States, that were powered by Stronghold and the PJM Interconnection Merchant Market; as well as operations in Paraguay that were powered by ANDE and Compañía de Luz y Fuerza S.A ("CLYFSA"). Energy rates in Argentina increase during the winter months of May through September. Among other phenomena, changing weather in Quebec (Canada), Washington State (United States), Paraguay and Argentina may impact seasonal electricity needs and costs. Periods of extreme cold or extreme hot weather may contribute to service interruptions in cryptocurrency Mining operations. Changes to supply and/or demand of electricity may result in curtailment of electricity to the Company's cryptocurrency Mining operations. The Company's geographical diversification may reduce the risk and extent of extreme weather and other external factors unduly affecting the Company's overall performance.

For Q2 2025 details, refer to Section 7A - *Financial Performance (Revenues)*; Section 10A - *Liquidity and Capital Resources (Cash Flows)*; and Section 6 - *Expansion Projects (United States Expansion, Paraguay Expansion, and Canada Expansion)* of this MD&A.

- 1 EBITDA, EBITDA margin, Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures or ratios; refer to Section 9 - *Non-GAAP and Other Financial Measures and Ratios*.
- 2 Sales tax recovery relating to energy and infrastructure and general and administrative expenses have been allocated to their respective periods; refer to Note 25d - *Additional Details to the Statements of Operations (Canadian sales tax refund)* to the 2025 Annual Financial Statements.

## 9. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS

### Non-GAAP financial measures

The Company utilizes a number of non-GAAP financial measures and ratios in assessing operating performance. Non-GAAP financial measures and ratios may exclude the impact of certain items and are used internally when analyzing operating performance. Refer to Section 21 - *Cautionary Note Regarding Non-GAAP and Other Financial Measures and Ratios* of this MD&A.

Measures	Definition	Purpose
<b>Gross Mining profit</b>	Gross Profit adjusted to exclude: (i) non-Mining revenues; (ii) depreciation and amortization; (iii) expenses related to hosting and energy revenues; (iv) purchase of electrical components and other expenses; (v) electrician salaries and payroll taxes; and (vi) sales tax recovery.	<ul style="list-style-type: none"> <li>To assess profitability after power costs in cryptocurrency production and other infrastructure costs. Power costs are the largest variable expense in Mining.</li> <li>To provide the users of the MD&amp;A the ability to assess the gross profitability of the Company's digital asset Mining operations.</li> </ul>
<b>EBITDA</b>	Net income (loss) adjusted to exclude: (i) interest expense; (ii) income tax expense; and (iii) depreciation and amortization.	<ul style="list-style-type: none"> <li>To assess profitability before the impact of different financing methods, income taxes, depreciation of capital assets and amortization of intangible assets.</li> <li>To provide the users of the MD&amp;A with additional information to assist them in understanding components of the Company's financial results, including a more complete understanding of factors and trends affecting its performance.</li> <li>Used by Management to facilitate comparisons of cash operating performance excluding the impact of charges and credits associated with financing the operations and growth of the Company from period to period and to prepare annual operating budgets and forecasts.</li> </ul>
<b>Adjusted EBITDA</b>	EBITDA adjusted to exclude: (i) stock-based compensation; (ii) non-cash finance expenses; (iii) asset impairment charges; (iv) (reversal of) revaluation loss on digital assets; (v) gain on disposition of marketable securities, gains or losses on derivative assets and liabilities and discount expense on VAT receivable; (vi) loss (gain) on revaluation of warrants and warrant issuance costs; (vii) loss on currency exchange; (viii) sales tax recovery; and (iv) other non-recurring items that do not reflect the core performance of the Company.	<ul style="list-style-type: none"> <li>To assess profitability before the impact of all of the items in calculating EBITDA in addition to certain other non-cash expenses.</li> <li>To provide the users of the MD&amp;A a consistent comparable metric for profitability of the Company's core operations across time periods.</li> <li>Used by Management to facilitate comparisons of operating performance from period to period and to prepare annual operating budgets and forecasts.</li> </ul>

## 9. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS (Continued)

## Non-GAAP financial measures (Continued)

Measures	Definition	Purpose
<b>Direct Cost</b>	Cost of revenues adjusted to exclude: (i) depreciation and amortization; (ii) expenses related to hosting and energy revenues; (iii) purchases of electrical components; (iv) electrician salaries and payroll taxes; (v) infrastructure; (vi) sales tax recovery; and (vii) other direct expenses.	<ul style="list-style-type: none"> <li>• To assess the Company's power and hosting costs, the largest variable expense in Mining.</li> <li>• To provide the users of the MD&amp;A a metric to evaluate the Company's direct variable cost and marginal cost for its core digital asset Mining operations across time periods.</li> <li>• Used by Management to assess the operating performance from period to period and to prepare annual operating budgets and forecasts.</li> </ul>
<b>Total Cash Cost</b>	The sum of cost of revenues and general and administrative expenses before: (i) depreciation and amortization; (ii) non-cash service expense; (iii) expenses related to hosting and energy revenues; (iv) purchases of electrical components; (v) electrician salaries and payroll taxes; (vi) stock-based compensation; (vii) other direct expenses; (viii) sales tax recovery; and (ix) other non-recurring items that do not reflect the core performance of the Company.	<ul style="list-style-type: none"> <li>• To assess the total cash cost of the Company's core digital asset Mining operations.</li> <li>• To provide the users of the MD&amp;A a consistent comparable metric for the liquidity impact of the Company's mining activities across time periods.</li> <li>• Used by Management to assess the operating performance from period to period and to prepare annual operating budgets and forecasts.</li> </ul>

## 9. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS (Continued)

## Non-GAAP financial ratios

Ratios	Definition	Purpose
<b>Gross Mining margin</b>	The percentage obtained when dividing Gross Mining profit by Mining related revenues.	<ul style="list-style-type: none"> <li>To assess profitability after power costs in cryptocurrency production, the largest variable expense in Mining.</li> <li>To provide the users of the MD&amp;A the ability to assess the profitability of the Company's core digital asset Mining operations, exclusive of depreciation and amortization and certain general and administrative expenses.</li> </ul>
<b>EBITDA margin</b>	The percentage obtained when dividing EBITDA by Revenues.	<ul style="list-style-type: none"> <li>To assess profitability before the impact of different financing methods, income taxes, depreciation of capital assets and amortization of intangible assets.</li> <li>Used by Management to facilitate comparisons of operating performance from period to period and to prepare annual operating budgets and forecasts.</li> <li>Useful for providing users of the MD&amp;A with additional information to assist them in understanding components of the Company's financial results, including a more complete understanding of factors and trends affecting its performance.</li> </ul>
<b>Adjusted EBITDA margin</b>	The percentage obtained when dividing Adjusted EBITDA by Revenues.	<ul style="list-style-type: none"> <li>To assess profitability before the impact of all of the items in calculating EBITDA in addition to certain other non-cash expenses.</li> <li>To provide a consistent comparable metric for profitability of the Company's core performance across time periods.</li> <li>Used by Management to facilitate comparisons of operating performance from period to period and to prepare annual operating budgets and forecasts.</li> </ul>

**9. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS** (Continued)**Non-GAAP financial ratios** (Continued)

<b>Ratios</b>	<b>Definition</b>	<b>Purpose</b>
<b>Direct Cost per Bitcoin</b>	The amount obtained when dividing Direct Cost by the quantity of Bitcoin earned.	<ul style="list-style-type: none"> <li>• To assess the Company's power costs, the largest variable expense in Mining.</li> <li>• To provide the users of the MD&amp;A a metric to evaluate the Company's direct variable cost for its core digital asset Mining operations across time periods.</li> <li>• Used by Management to assess the operating performance from period to period and to prepare annual operating budgets and forecasts.</li> </ul>
<b>Total Cash Cost per Bitcoin</b>	The amount obtained when dividing Total Cash cost by the quantity of Bitcoin earned.	<ul style="list-style-type: none"> <li>• To assess the total cash cost of the Company's core digital asset Mining operations.</li> <li>• To provide the users of the MD&amp;A a consistent comparable metric for the liquidity impact of the Company's mining activities across time periods.</li> <li>• Used by Management to assess the operating performance from period to period and to prepare annual operating budgets and forecasts.</li> </ul>

**Supplemental financial ratios**

The Company utilizes the following supplemental financial ratios in assessing operating performance.

<b>Ratios</b>	<b>Definition</b>	<b>Purpose</b>
<b>Gross margin</b>	The percentage obtained when dividing Gross profit by Revenues.	• To assess profitability of the Company across time periods.
<b>Operating margin</b>	The percentage obtained when dividing Operating income (loss) by Revenues.	• To assess operational profitability of the Company across time periods.

## 9. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS (Continued)

## A. Reconciliation of Consolidated Net Income (loss) to EBITDA and Adjusted EBITDA

(U.S.\$ in thousands except where indicated)	Three months ended June 30,				Six months ended June 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
<b>Revenues</b>	<b>76,782</b>	41,548	35,234	85%	<b>143,402</b>	91,865	51,537	56%
<b>Net loss before income taxes</b>	<b>(5,847)</b>	(28,058)	22,211	(79)%	<b>(60,638)</b>	(25,405)	(35,233)	139%
Interest income	(460)	(2,042)	1,582	(77)%	(1,336)	(2,722)	1,386	(51)%
Interest expense	1,611	162	1,449	894%	1,829	330	1,499	454%
Depreciation and amortization	35,613	55,041	(19,428)	(35)%	63,977	93,549	(29,572)	(32)%
Sales tax recovery - depreciation and amortization	—	(8,760)	8,760	100%	—	(8,760)	8,760	100%
<b>EBITDA</b>	<b>30,917</b>	16,343	14,574	89%	<b>3,832</b>	56,992	(53,160)	(93)%
<b>EBITDA margin</b>	<b>40%</b>	39%	—	—	<b>3%</b>	62%	—	—
Stock-based compensation	3,500	1,150	2,350	204%	7,768	4,186	3,582	86%
Realized gain on disposition of digital assets	(16,005)	(5,804)	(10,201)	176%	(20,982)	(16,867)	(4,115)	24%
Change in fair value of digital assets	(16,283)	13,225	(29,508)	(223)%	6,750	569	6,181	nm
Impairment of long-lived assets and deposits	14,872	—	14,872	100%	33,696	—	33,696	100%
Loss (gain) on derivative assets and liabilities	(3,784)	2,135	(5,919)	(277)%	(70)	(355)	285	(80)%
Gain on derecognition of warrants	—	—	—	—%	—	(61)	61	100%
Gain on disposition of marketable securities	(29)	(413)	384	(93)%	(420)	(751)	331	(44)%
Gain on settlement of Refundable Hosting Deposits	—	—	—	—%	(945)	—	(945)	100%
Professional services not associated with ongoing operations	—	3,096	(3,096)	100%	1,671	3,096	(1,425)	(46)%
Sales tax recovery - prior years - energy and infrastructure and G&A expenses <sup>(1)</sup>	—	(18,468)	18,468	100%	—	(16,081)	16,081	100%
Net financial (income) expense and other	(1,689)	(414)	(1,275)	308%	(6,020)	2,825	(8,845)	(313)%
<b>Adjusted EBITDA</b>	<b>11,499</b>	10,850	649	6%	<b>25,280</b>	33,553	(8,273)	(25)%
<b>Adjusted EBITDA margin</b>	<b>15%</b>	26%	—	—	<b>18%</b>	37%	—	—

<sup>1</sup> Sales tax recovery relating to energy and infrastructure and general and administrative expenses have been allocated to their respective periods; refer to Note 25d - Additional Details to the Statements of Operations (*Canadian sales tax refund*) to the 2025 Annual Financial Statements.

## 9. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS (Continued)

## B. Calculation of Gross Mining Profit and Gross Mining Margin

(U.S.\$ in thousands except where indicated)	Three months ended June 30,				Six months ended June 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
<b>Gross loss</b>	<b>(6,217)</b>	(9,560)	3,343	(35)%	<b>(6,679)</b>	(20,362)	13,683	(67)%
Non-Mining revenues <sup>1</sup>	<b>(5,490)</b>	(1,165)	(4,325)	371%	<b>(7,247)</b>	(2,059)	(5,188)	252%
Depreciation and amortization	<b>35,613</b>	55,041	(19,428)	(35)%	<b>63,977</b>	93,549	(29,572)	(32)%
Expenses related to hosting and energy revenues	<b>6,517</b>	—	6,517	100%	<b>7,838</b>	—	7,838	100%
Sales tax recovery - depreciation and amortization	—	(8,760)	8,760	100%	—	(8,760)	8,760	100%
Electrical components and salaries	<b>830</b>	873	(43)	(5)%	<b>1,707</b>	1,581	126	8%
Sales tax recovery - prior years - energy and infrastructure <sup>2</sup>	—	(16,366)	16,366	100%	—	(14,338)	14,338	100%
Other	—	6	(6)	(100)%	—	1,209	(1,209)	100%
<b>Gross Mining profit</b>	<b>31,253</b>	20,069	11,184	56%	<b>59,596</b>	50,820	8,776	17%
<b>Gross Mining margin</b>	<b>44%</b>	50%	—	—	<b>44%</b>	57%	—	—

(1) Non-Mining revenues reconciliation:

(U.S.\$ in thousands except where indicated)	Three months ended June 30,				Six months ended June 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
<b>Revenues</b>	<b>76,782</b>	41,548	35,234	85%	<b>143,402</b>	91,865	51,537	56%
Less Mining related revenues for the purpose of calculating gross Mining margin:								
Mining revenues <sup>3</sup>	<b>(71,292)</b>	(40,383)	(30,909)	77%	<b>(136,155)</b>	(89,806)	(46,349)	52%
<b>Non-Mining revenues</b>	<b>5,490</b>	1,165	4,325	371%	<b>7,247</b>	2,059	5,188	252%

(2) Sales tax recovery relating to energy and infrastructure expenses has been allocated to their respective periods; refer to Note 25d - Additional Details to the Statements of Operations (*Canadian sales tax refund*) to the 2025 Annual Financial Statements.

(3) Mining revenues include revenues from sale of computational power used for hashing calculations and revenues from computational power sold in exchange of services.

## 9. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS (Continued)

## C. Calculation of Direct Cost and Direct Cost per Bitcoin

(U.S.\$ in thousands except where indicated)	Three months ended June 30,				Six months ended June 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
<b>Cost of revenues</b>	<b>82,999</b>	51,108	31,891	62%	<b>150,081</b>	112,227	37,854	34%
Depreciation and amortization	(35,613)	(55,041)	19,428	(35)%	(63,977)	(93,549)	29,572	(32)%
Expenses related to hosting and energy revenues	(2,857)	—	(2,857)	(100)%	(3,673)	—	(3,673)	(100)%
Sales tax recovery - depreciation and amortization	—	8,760	(8,760)	100%	—	8,760	(8,760)	(45)%
Electrical components and salaries	(830)	(873)	43	(5)%	(1,707)	(1,581)	(126)	8%
Infrastructure expenses	(16,448)	(1,510)	(14,938)	989%	(21,146)	(4,066)	(17,080)	420%
Infrastructure expenses related to self-producing energy for mining	7,321	—	7,321	100%	8,329	—	8,329	100%
Sales tax recovery - prior years - energy and infrastructure <sup>(1)</sup>	—	16,366	(16,366)	(100)%	—	14,338	(14,338)	(100)%
<b>Direct Cost</b>	<b>34,572</b>	18,810	15,762	84%	<b>67,907</b>	36,129	31,778	88%
Quantity of Bitcoin earned	718	614	104	17%	1,411	1,557	(146)	(9)%
<b>Direct Cost per Bitcoin (in U.S. dollars)</b>	<b>48,200</b>	30,600	17,600	58%	<b>48,100</b>	23,200	24,900	107%

nm: not meaningful

<sup>1</sup> Sales tax recovery relating to energy and infrastructure has been allocated to its respective periods; refer to Note 25d - Additional Details to the Statements of Operations (*Canadian sales tax refund*) to the 2025 Annual Financial Statements.

## 9. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS (Continued)

## D. Calculation of Total Cash Cost and Total Cash Cost per Bitcoin

(U.S.\$ in thousands except where indicated)	Three months ended June 30,				Six months ended June 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
<b>Cost of revenues</b>	<b>82,999</b>	51,108	31,891	62%	<b>150,081</b>	112,227	37,854	34%
<b>General and administrative expenses</b>	<b>21,397</b>	11,912	9,485	80%	<b>41,457</b>	25,082	16,375	65%
	<b>104,396</b>	63,020	41,376	66%	<b>191,538</b>	137,309	54,229	39%
Depreciation and amortization	<b>(35,613)</b>	(55,041)	19,428	(35)%	<b>(63,977)</b>	(93,549)	29,572	(32)%
Sales tax recovery - depreciation and amortization	—	8,760	(8,760)	(100)%	—	8,760	(8,760)	(100)%
Expenses related to hosting and energy revenues	<b>(6,929)</b>	—	(6,929)		<b>(8,304)</b>	—	(8,304)	(100)%
Non-cash service expense <sup>(2)</sup>	<b>(965)</b>	—	(965)	(100)%	<b>(1,750)</b>	—	(1,750)	(100)%
Electrical components and salaries	<b>(830)</b>	(873)	43	(5)%	<b>(1,707)</b>	(1,581)	(126)	8%
Stock-based compensation	<b>(3,500)</b>	(1,150)	(2,350)	204%	<b>(7,768)</b>	(4,186)	(3,582)	86%
Professional services not associated with ongoing operations	—	(3,096)	3,096	100%	<b>(1,671)</b>	(3,096)	1,425	(46)%
Sales tax recovery - prior years - energy and infrastructure and G&A expenses <sup>(1)</sup>	—	18,468	(18,468)	(100)%	—	16,081	(16,081)	(100)%
Other	—	(415)	415	100%	—	(3,159)	3,159	100%
<b>Total Cash Cost</b>	<b>56,559</b>	29,673	26,886	91%	<b>106,361</b>	56,579	49,782	88%
Quantity of Bitcoin earned	<b>718</b>	614	104	17%	<b>1,411</b>	1,557	(146)	(9)%
<b>Total Cash Cost per Bitcoin (in U.S. dollars)</b>	<b>78,800</b>	48,300	30,500	63%	<b>75,400</b>	36,300	39,100	108%

<sup>1</sup> Sales tax recovery relating to energy and infrastructure and general and administrative expenses have been allocated to their respective periods; refer to Note 25d - Additional Details to the Statements of Operations (*Canadian sales tax refund*) to the 2024 Annual Financial Statements.

<sup>2</sup> Non-cash service expense, included in infrastructure, which was exchanged for computational power sold.

**10. LIQUIDITY AND CAPITAL RESOURCES**

As discussed below, the Company's current financing strategy involves (a) strategically selling the Bitcoin it earns and the Bitcoin it holds in treasury and (b) utilizing short-term debt, long-term debt and equity instruments (including the 2024 ATM Program) to fund its expansion activities, operating expenses and debt service requirements. The Company may require additional funds to complete its 2025 and 2026 growth plans discussed in Section 6 - *Expansion Projects* of this MD&A.

Although the Company operates through its subsidiaries, there are no material legal restrictions and generally no practical restrictions on the ability of the subsidiaries to transfer funds to the Company, except that the Company may be subject to practical limitations on transferring funds from its Argentinian subsidiary. Beginning in the second half of 2019, the Argentine government instituted certain foreign currency exchange controls that could restrict the Company's Argentinian subsidiary's access to foreign currency, including the U.S. dollar, for making payments abroad or transferring funds to its parent without prior authorization from the Argentine Central Bank. These regulations have continued to evolve and may become more stringent depending on the Argentine government's perception of the availability of sufficient national foreign currency reserves. Further, recent changes, as well as any future changes, in national and provincial leadership may result in changing governmental perceptions and actions surrounding importation policies and the availability of foreign currency reserves for commerce. In late 2023, Argentina held a presidential election resulting in the election of a new president, Javier Milei. Many of the foreign exchange restrictions implemented in 2019 are still in place, particularly for imports and dividend payments related to transactions before December 13, 2023.

On April 11, 2025, the International Monetary Fund approved a new \$20 billion, 48-month support program for Argentina. At the same time, the Central Bank of Argentina introduced a floating exchange rate system ranging from 1,000 to 1,400 ARS per USD, gradually widening about 1% per month. The central bank will intervene if rates move outside this band, directly affecting the money supply. Capital and currency controls were also eased, improving access to the official exchange market for individuals, businesses, importers, and foreign dividend payments (from 2025 onward). The central bank has issued BOPREAL bonds to address pre-2025 undistributed dividends. The full impact of these changes on Bitfarms remains uncertain as of this MD&A.

The Company sent funds periodically to its Argentinian subsidiary to fund its expansion and operations based on supplier invoices that are paid by the Argentinian subsidiary. The Argentinian subsidiary provided Hashrate services for a market-based fee to its Canadian parent which, in turn, purchased that Hashrate to consolidate and sell to a third-party Mining Pool for which the Canadian parent is compensated in Bitcoin. Accordingly, the Argentinian subsidiary is not structured or contemplated to generate substantial cash flows above its internal requirements.

**10. LIQUIDITY AND CAPITAL RESOURCES** (Continued)**A. Cash Flows**

(U.S. \$ in thousands except where indicated)	Six months ended June 30,			
	2025	2024	\$ Change	% Change
<b>Cash, beginning of the period</b>	<b>59,542</b>	84,038	(24,496)	(29)%
Cash flows from (used in):				
Operating activities	(93,722)	(56,155)	(37,567)	67%
Investing activities	74,030	(68,506)	142,536	208%
Financing activities	70,552	179,126	(108,574)	(61)%
Exchange rate differences on currency translation	37	116	(79)	(68)%
<b>Cash and restricted cash, end of the period</b>	<b>110,439</b>	138,619	(28,180)	(20)%

**Cash Flows used in Operating Activities**

Cash flows used in operating activities increased by \$37.6 million during YTD Q2 2025 compared to YTD Q2 2024. The Company's operating cash flows are negative as the proceeds from the Bitcoin sold from its Mining operations are classified within investing activities.

The increase in cash flow used in operating activities is driven primarily by:

- Higher cash G&A expenses, net of sales tax refund, of \$12.8 million as explained in Section 7C - *Financial Performance - General & Administrative expenses* of this MD&A; and
- Higher cash energy costs of \$33.7 million, including the sales tax recovery of \$17.0 million recognized during YTD Q2 2024 for energy costs, and infrastructure expenses of \$17.1 million, as explained in Section 7B - *Financial Performance - Cost of Revenues* of this MD&A.

The increase was partially offset by:

- An increase in working capital of \$27.2 million as explained in Section 11 - *Financial Position* of this MD&A.

**10. LIQUIDITY AND CAPITAL RESOURCES (Continued)****A. Cash Flows (Continued)*****Cash Flows from Investing Activities***

Cash flows from investing activities increased by \$142.5 million during YTD Q2 2025 compared to YTD Q2 2024.

The increase in cash flow from investing activities is driven primarily by:

- An increase in proceeds from sale of digital assets earned of \$54.4 million as a result of higher Bitcoin prices when selling 1,480 Bitcoin in YTD Q2 2025 compared to lower Bitcoin prices when selling 1,456 Bitcoin in YTD Q2 2024;
- \$59.0 million of net additions of PPE during YTD Q2 2025, compared to \$121.6 million for the same period in 2024, primarily due to the acquisition of Miners and infrastructure build-out;
- \$47.5 million of proceeds received from the sale of the Yguazu Mining Site, as described in Note 4 - *Sale of the Yguazu Bitcoin data center* to the Financial Statements;
- \$4.8 million in advance payments YTD Q2 2025, compared to \$31.0 million in advanced payments during YTD Q2 2024, mainly for the fleet upgrade; and
- \$1.5 million of net proceeds from disposition of derivative assets and liabilities in YTD Q2 2025, as described in Note 9 - *Derivative Assets and Liabilities* to the Financial Statements, compared to nil in YTD Q2 2024.

The increase was partially offset by:

- The acquisition of Stronghold for \$48.1 million in YTD Q2 2025, as described in Note 3 - *Business Combination* to the Financial Statements, compared to nil in YTD Q2 2024.

***Cash Flows from Financing Activities***

Cash flows from financing activities decreased by \$108.6 million from \$179.1 million for YTD Q2 2024 to \$70.6 million for YTD Q2 2025.

***YTD Q2 2025***

- The Company raised \$23.6 million of net proceeds from its 2024 ATM Program as discussed below.
- The Company raised \$50.0 million through the Macquarie credit facility and incurred \$3.2 million professional fees.
- The amounts raised were partially offset by scheduled payments primarily relating to lease liabilities of approximately \$0.4 million.

**10. LIQUIDITY AND CAPITAL RESOURCES (Continued)****A. Cash Flows (Continued)*****Cash Flows from Financing Activities (Continued)*****YTD Q2 2024**

- The Company raised:
  - \$174.5 million of net proceeds from its 2024 ATM Program as discussed below, partially offset by \$0.9 million of capitalized professional fees and registration expenses to initiate the 2024 ATM Program;
  - \$8.5 million of net proceeds from the exercise of stock options and warrants; and
  - \$1.7 million from the sale and leaseback of its Garlock facility.
- The amounts raised were partially offset by scheduled and one-time payments relating to:
  - Principal repayments of \$4.0 million to fully repay the NYDIG loan, which matured and expired in February 2024; and
  - Lease liabilities of approximately \$0.6 million.

***At-The-Market Equity Offering Program***

Bitfarms commenced the 2024 ATM Program on March 11, 2024, by means of a prospectus supplement dated March 8, 2024 ("March Supplement"), to the Company's short form base shelf prospectus dated November 10, 2023 ("Base Shelf"), and U.S. registration statement on Form F-10, which included a prospectus supplement related to the 2024 ATM Program. The Company may, at its discretion and from time-to-time, sell common shares of the Company in the 2024 ATM Program as for aggregate gross proceeds of up to \$375.0 million. The Company capitalized \$0.9 million of professional fees and registration expenses to initiate the 2024 ATM Program.

The Company filed amended and restated prospectus supplements dated October 4, 2024, and December 17, 2024, providing disclosure regarding the Stronghold Transaction and the restatement of the Company's 2023 annual consolidated financial statements and MD&A for the year ended December 31, 2023 and interim consolidated financial statements and MD&A for the nine months ended September 30, 2024, respectively, and amending and restating the March Supplement, to the Company's existing \$375.0 million Base Shelf, with both the Base Shelf and amended and restated prospectus supplement forming a part of the Company's registration statement on Form F-10.

***Q2 2025 v. Q2 2024***

During the three months ended June 30, 2025, the Company did not issue common shares through the 2024 ATM Program.

During the three months ended June 30, 2024, the Company issued 67,198,859 common shares through the 2024 ATM Program in exchange for gross proceeds of \$140.8 million at an average share price of approximately \$2.10. The Company received net proceeds of \$136.4 million after paying commissions of \$4.2 million to the sales agent, in addition to \$0.2 million of other transaction fees.

**10. LIQUIDITY AND CAPITAL RESOURCES (Continued)**

**A. Cash Flows (Continued)**

*Cash Flows from Financing Activities (Continued)*

**YTD Q2 2025 v. YTD Q2 2024**

During YTD Q2 2025, the Company issued 14,444,643 common shares in the 2024 ATM Program in exchange for gross proceeds of \$24.4 million at an average share price of approximately \$1.69. The Company received net proceeds of \$23.6 million after paying commissions of \$0.8 million to the sales agent.

During YTD Q2 2024, the Company issued 84,196,144 common shares in the 2024 ATM program in exchange for gross proceeds of \$180.2 million at an average share price of approximately \$2.14. The Company received net proceeds of \$174.5 million after paying commissions of \$5.4 million to the sales agent, in addition to \$0.3 million of other transaction fees.

*Use of Proceeds*

The Company has used the proceeds from the 2024 ATM Program prudently to support the growth and development of the Company's major Mining capital expenditure program, as described in Section 6 - *Expansion Projects* of this MD&A, as well as for working capital and general corporate purposes. The Company does not intend to make significant further capital investments in mining in the near future as it emphasizes its HPC data center development. Described below are the actual use of proceeds from the commencement of the 2024 ATM Program through June 30, 2025:

(U.S. \$ in thousands except where indicated) <b>Categories</b>	<b>Use of proceeds from March 11, 2024 to June 30, 2025</b>
Miner fleet upgrade	222,261
Paso Pe (Paraguay) expansion	27,506
Baie-Comeau (Canada) expansion	9,200
Yguazu (Paraguay) expansion	31,506
Stronghold (United States) expansion	23,607
Used proceeds	314,080
Commissions to sales agents and other transaction costs	10,211
Total proceeds raised	324,291
Maximum proceeds available	375,000
Remaining proceeds available	50,709

*Private placements*

**YTD Q2 2025 v. YTD Q2 2024**

During YTD Q2 2024, 5,000,000 warrants and 111,111 broker warrants related to the 2023 private placement were exercised, resulting in the issuance of 5,111,111 common shares for proceeds of approximately \$6.0 million. During YTD Q2 2025, no warrants were exercised.

**10. LIQUIDITY AND CAPITAL RESOURCES** (Continued)**B. Capital Resources**

Bitfarms' capital management objective is to provide financial resources that will enable the Company to maximize the return to its shareholders while optimizing its cost of capital and ensuring the Company has sufficient liquidity to fund its operating and growth activities. In order to achieve this objective, the Company monitors its capital structure and makes adjustments as required in light of the Company's funding requirements, changes in economic conditions, the cost of providing and availability of financing, and the risks to which the Company is exposed. The Company's financing strategy is to maintain a flexible capital structure that optimizes the cost of capital at an acceptable level of risk, to preserve its ability to meet financial obligations as they come due, and to ensure the Company has sufficient financial resources to fund its organic and acquisitive growth.

Based on the current capital budget and Bitcoin prices, the Company currently anticipates that additional financing will be required to fund its 2025 and 2026 expansion plans and to complete construction of additional HPC data centers, if the Company elects to do so. In order to achieve its business objectives, the Company may sell or borrow against the Bitcoin that are held in treasury as of the date hereof as well as Bitcoin received from its ongoing operations, which may or may not be possible on commercially attractive terms. Bitfarms intends to continue to manage its capital structure by striving to reduce operating expenses and unnecessary capital spending, disposing of inefficient or underutilized assets, obtaining short-term and long-term debt financing and issuing equity.

*Digital Asset Management Program*

In early January 2021, the Company implemented a digital asset management program under which it holds Bitcoin for its intrinsic value and as a source of liquidity. The Company has internal controls over the management of its digital assets which it evaluates and, as appropriate, enhances on a quarterly basis. On August 1, 2022, Management received approval from the Board to sell daily production, in addition to any sale of up to 1,000 Bitcoin from treasury, should market conditions and the Company's projected financing requirements justify such sales in Management's discretion.

Presented below are the total Bitcoin sold and proceeds in YTD Q2 2025, which was used to fund operations and expansion plans:

(U.S. \$ in thousands except where indicated)	Three months ended	
	June 30, 2025	March 31, 2025
Quantity of Bitcoin sold	1,052	428
Total proceeds	100,471	37,263

The sale of Bitcoin as described above, while the Company continued to earn Bitcoin, resulted in total holdings of 1,176 Bitcoin as of June 30, 2025, of which 625 Bitcoin are restricted and relate to the deposits for Miners with the option to redeem and the Bitcoin One program, valued at approximately \$126.0 million based on a Bitcoin price of approximately \$107,101, as of June 30, 2025.

**10. LIQUIDITY AND CAPITAL RESOURCES (Continued)****B. Capital Resources (Continued)***Custody of digital assets*

The Company's Bitcoin received from the Mining pool operators for its computational power used for hashing calculations is delivered to multi-signature wallets that the Company controls or directs to external third-party custodians. On a regular basis, the Company transfers Bitcoin from its multi-signature wallets to external third-party custodians, Coinbase Custody Trust Company, LLC ("Coinbase Custody"), a subsidiary of Coinbase Global, Inc. ("Coinbase") and Anchorage Digital Bank National Association ("Anchorage Digital"). Coinbase Custody provides custody and related services for clients' digital assets as a fiduciary pursuant to the New York State Department of Financial Services under Section 100 of the New York Banking Law. Anchorage Digital is the only federally chartered crypto bank in the U.S., serves as a custodian for digital assets, and is licensed and regulated by the Office of the Comptroller of the Currency. Currently, Coinbase Custody and Anchorage Digital provide only custodial services to the Company and do not use a sub-custodian. Coinbase Custody and Anchorage Digital are not related parties to the Company.

The Company has internal controls in place to evaluate its custodians on a quarterly basis. If the Company was to face challenges with one of its custodians, the Company could transfer digital assets between custodians and has its own multi-signature wallets as a contingency plan that would have a minimal impact on the Company's operations.

As of August 11, 2025, the Company has 1,402 Bitcoin, valued at \$168.2 million on its balance sheet, based on a price of \$120,000 per Bitcoin. As of August 11, 2025, 88% of the Company's Bitcoin are held in custody with Coinbase Custody and Anchorage Digital with the remaining 12% held by third parties and classified as restricted digital assets in the statement of financial position.

Coinbase Custody maintains an insurance policy of \$100.0 million for its cold storage and Anchorage Digital maintains an insurance policy of \$100.0 million for its cold and hot storage; however, the Company cannot ensure that the full limits of those policies would be available to the Company or, if available, would be sufficient to make the Company whole for any Bitcoin that are lost or stolen. The Company is unaware of: (i) any security breaches involving Coinbase Custody or Anchorage Digital which have resulted in the Company's crypto assets being lost or stolen, or (ii) anything with regards to Coinbase Custody's or Anchorage Digital's operations that would adversely affect the Company's ability to obtain an unqualified audit opinion on its audited financial statements. The Company's crypto assets held in custody with Coinbase or Anchorage Digital may not be recoverable in the event of bankruptcy by Coinbase, Anchorage Digital or their affiliates. In Coinbase's quarterly report, on Form 10-Q, filed with the U.S. Securities Exchange Commission on July 31, 2025, Coinbase disclosed that, in the event of a bankruptcy, custodially held crypto assets could be considered to be the property of the bankruptcy estate and that the crypto assets held in custody could be subject to bankruptcy proceedings with Coinbase Custody's customers being treated as general unsecured creditors. Further, regardless of efforts made by the Company to securely store and safeguard assets, there can be no assurance that the Company's cryptocurrency assets will not be defalcated through hacking or other forms of theft.

**10. LIQUIDITY AND CAPITAL RESOURCES** (Continued)**B. Capital Resources** (Continued)*Bitcoin One program for digital assets management*

In February 2025, the Board approved the launch of the Bitcoin One initiative as the successor to the Company's retired hedging program and Synthetic HODL™ program for digital assets management, which was deployed in February 2025 and is under strategic review since August 1, 2025. Bitcoin One is a quantitative investment multi-strategy program that employs leverage to accelerate Bitcoin accumulation. The Board authorized the risk management committee to deploy up to (i) 100% of the Company's Bitcoin in treasury, plus (ii) three months of expected forward production calculated on a rolling basis, plus (iii) \$10.0 million under Bitcoin One to be actively managed and participate in volatility-targeting strategies.

Bitcoin One focuses on active Bitcoin treasury management through discretionary and rules-based trading algorithms and an active managed volatility targeting program that trades crypto volatility as an asset class and harvests the risk premium that arises from that volatility.

The Company creates a "Synthetic Bitcoin" by utilizing long call options on Bitcoin and a funding mechanism. The call option generates exponentially higher returns than Bitcoin as price increases. The funding mechanism provides the means to pay for the premium of the call option, typically involved selling insurance to market participants such as hedgers and/or extracted a risk premium from structural features in Bitcoin volatility.

Using Synthetic Bitcoin alongside conventional HODL allows the Company to be more adaptive and aggressive towards Bitcoin. The Synthetic Bitcoin uses call options that may outperform Bitcoin and may optimize capital efficiency through call option funding mechanisms.

The performance and innovation of Synthetic Bitcoins alongside the Company's conventional treasury positions the Company for an aggressive play on Bitcoin and enables its investors to benefit from a truly unique Bitcoin treasury strategy.

During the three and six months ended June 30, 2025, the Company incurred a net gain of \$2.0 million and \$0.5 million, respectively, which consisted of unrealized gains on open positions of \$6.6 million and \$0.2 million, respectively, and realized losses on closed positions of \$4.6 million and realized gains of \$0.2 million, respectively.

**C. Contractual obligations**

The following are the contractual maturities of financial liabilities and gross lease liabilities (non-financial liabilities) with estimated future interest payments, as applicable, as of June 30, 2025:

(U.S. \$ in thousands)	2025	2026	2027	2028	2029 and thereafter	Total
Accounts payable and accrued expenses	37,994	—	—	—	—	37,994
Long-term debt	2,451	4,598	56,671	407	3,250	67,377
Operating and finance lease liabilities	1,947	4,727	4,629	3,917	15,801	31,021
	42,392	9,325	61,300	4,324	19,051	136,392

**10. LIQUIDITY AND CAPITAL RESOURCES** (Continued)**D. Lawsuits**

The following table summarizes the Company's resolved legal cases which have accrued balances as of June 30, 2025:

(U.S. \$ in thousands)		As of June 30, 2025	As of December 31, 2024
FERC Matters	i.	1,065	—
Stronghold Shareholder Securities Lawsuit	ii.	2,036	—
<b>Total settlement accruals</b>		<b>3,101</b>	<b>—</b>
Less current portion		(1,286)	—
Effect of discounting		(117)	—
<b>Non-current portion</b>		<b>1,698</b>	<b>—</b>

The undiscounted legal settlement accruals amounted to \$3.1 million as of June 30, 2025. The current portion and the non-current portion were recognized in accounts payable and accrued liabilities and in other non-current liabilities, respectively, in the condensed consolidated balance sheets of the Financial Statements (December 31, 2024: nil).

**i. Federal Energy Regulatory Commission ("FERC") Matters**

On November 19, 2021, Scrubgrass received a notice of breach from PJM Interconnection, LLC alleging that Scrubgrass breached Interconnection Service Agreement – No. 1795 (the "ISA") by failing to provide advance notice to PJM Interconnection, LLC and Mid-Atlantic Interstate Transmission, LLC pursuant to ISA, Appendix 2, section 3, of modifications made to the Scrubgrass Plant. On May 11, 2022, the Division of Investigations of the FERC Office of Enforcement ("OE") informed the Company that the OE was conducting a non-public preliminary investigation concerning Scrubgrass' compliance with various aspects of the PJM tariff.

On January 30, 2025, the Federal Energy Regulatory Commission (the "Commission") approved a Stipulation and Settlement Agreement between the OE and Scrubgrass (the "Settlement Agreement"). Pursuant to the Settlement Agreement, Scrubgrass agreed to: (a) disgorge to PJM \$0.7 million in capacity revenues received during the relevant period; (b) pay a civil penalty of \$0.7 million for a total of \$1.4 million to the United States Treasury; and (c) provide compliance training to relevant personnel and compliance monitoring reports. Scrubgrass is to pay the settlement amount over a period of three years. In the first year, Scrubgrass is to pay a lump sum of \$0.4 million, which Scrubgrass paid in February of 2025. In the second and third years, Scrubgrass shall make 8 payments of \$0.1 million on a calendar quarter basis. For a period of five years following the effective date of the Settlement Agreement, Scrubgrass is to provide annual compliance training focused primarily on the applicable tariff and related rules, regulations, and requirements applicable to operating generators, to all personnel whose job responsibilities relate to the generators' participation in Commission jurisdictional markets. As of June 30, 2025, the settlement accrual was \$1.1 million and represents the 8 installment payments.

**10. LIQUIDITY AND CAPITAL RESOURCES (Continued)****D. Lawsuits (Continued)***ii. Shareholder Securities Lawsuit*

On April 14, 2022, Stronghold, and certain of its former directors, officers and underwriters were named in a putative class action complaint filed in the United States District Court for the Southern District of New York (Winter v. Stronghold Digital Mining, Case No. 1:22-cv-3088). On October 18, 2022, the plaintiffs filed an amended complaint, alleging that the Company made misleading statements and/or failed to disclose material facts in violation of Section 11 of the Securities Act, 15 U.S.C. §77k and Section 15 of the Securities Act of 1933, as amended (the "Securities Act"), about the Company's business, operations, and prospects in the Company's registration statement on Form S-1 related to its initial public offering, and when subsequent disclosures were made regarding these operational issues when the Company announced its fourth quarter and full year 2021 financial results, the Company's stock price fell, causing significant losses and damages.

On December 16, 2024, the District Court issued an Order granting Preliminary Approval of the Class Action Settlement, Approving Form and Manner of Notice, and Setting Date for Hearing on Final Approval of Settlement. The Company agreed to pay \$4.8 million in cash and 25 Bitcoin. On January 15, 2025, \$2.5 million was covered by the Company's insurance providers and Stronghold paid the remaining \$2.3 million into escrow. One Bitcoin will be paid monthly for two years. The cash value of each Bitcoin is expected to be calculated monthly according to a price set by the Nasdaq Bitcoin reference price index. As of June 30, 2025, the settlement accrual was \$2.0 million and represents the value of the remaining 19 Bitcoin to be paid.

*iii. Class Action Lawsuit*

On May 9, 2025, a purported shareholder filed a putative class action complaint in the United States District Court for the Eastern District of New York, in a case titled Olympio v. Bitfarms Ltd., Benjamin Gagnon, Jeffrey Lucas, and Geoffrey Morphy, case no 1:25-cv-02630, alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5, promulgated thereunder. The lawsuit alleges that the Company, its current CEO, its CFO and its former CEO made materially false and/or misleading statements regarding the Company's business, operations and internal controls over financial reporting. The Plaintiff seeks class certification, unspecified damages plus interest and attorney and expert witness fees and other costs on behalf of a purported class consisting of all persons and entities (subject to specified exceptions) that purchased or otherwise acquired Company common stock from March 21, 2023 and December 9, 2024. The lawsuit was filed by Pomerantz Law Firm. The Company cannot predict the duration or outcome of this lawsuit at this time. As a result, the Company is unable to estimate the reasonably possible loss or range of reasonably possible loss arising from this lawsuit and no provision was recognized as of June 30, 2025. The Company intends to vigorously defend itself in this matter.

**10. LIQUIDITY AND CAPITAL RESOURCES (Continued)**

**E. Contingent liability**

In 2021, the Company imported Miners into Washington State, United States, that the vendor located in China claimed originated in Malaysia. In early 2022, U.S. Customs and Border Protection challenged the origination of the Miners, asserting that the Miners were manufactured in China, and notified the Company of a potential assessment of a U.S. importation duty of 25%. Since the request for information by U.S. Customs and Border Protection, the Company has been working with the vendor to validate their origination outside of China by visiting contract manufacturer sites and by examining and documenting the manufacture and assembly of the Miners by the vendor and its third-party contractors.

During the third quarter of 2023 and the first quarter of 2025, the Company submitted supporting documentation to U.S. Customs and Border Protection in defense of its position that the Miners were manufactured outside China and the associated custom duties in the amount of \$9.4 million do not apply. While the final outcome of this matter is uncertain at this time, Management has determined it is not probable that a liability had been incurred and, as such, no provision was recognized as of June 30, 2025.

**F. Commitments**

As of June 30, 2025, the Company did not have any material commitments.

## 11. FINANCIAL POSITION

### A. Working Capital

(U.S. \$ in thousands except where indicated)	As of June 30, 2025	As of December 31, 2024	\$ Change	% Change
Total Current Assets	277,796	213,735	64,061	30%
Total Current Liabilities	84,217	28,155	56,062	199%
<b>Working Capital</b>	<b>193,579</b>	<b>185,580</b>	<b>7,999</b>	<b>4%</b>

With the BTC Halving event that occurred on April 19, 2024, the Company continues to place importance on maintaining sufficient liquidity to manage uncertainty and address the inconsistent financing streams associated with debt and equity raises to fund its HPC development activities. The Company also anticipates requiring additional funds to complete its 2025 and 2026 growth plans discussed in Section 6 - *Expansion Projects* of this MD&A. As of June 30, 2025, Bitfarms had working capital of \$193.6 million, compared to \$185.6 million as of December 31, 2024.

The increase in working capital was mostly due to:

- A \$25.9 million increase in cash as explained by the cash flows. Refer to Section 10A - *Liquidity and Capital Resources - Cash flows* of this MD&A;
- A \$15.1 million increase in receivable from disposal of Yguazu Mining site as explained in Section 6b - *Expansion Projects (Paraguay Expansion)*;
- A \$12.0 million increase in derivative assets mainly due to the revaluation of the Company's BTC redemption options during YTD Q2 2025;
- A \$5.9 million increase in inventories mainly attributable to the acquisition of Stronghold as explained in Note 3 to the Financial Statements;
- A \$5.8 million increase in digital assets resulting from the increase in the BTC price during YTD Q2 2025, partially offset by the Company's balance decreasing by 109 BTC; and
- A \$5.6 million increase in rights to energy credits derived from Stronghold's refuse operations.

The increase was partially offset by:

- A \$23.0 million increase in trade payables and accrued liabilities mainly due to \$22.3 million attributable to the acquisition of Stronghold as explained in Note 3 to the Financial Statements;
- A \$18.4 million increase in redemption obligation, which represented the remaining BTC Redemption Options for which Miners have been shipped, reflecting the Company's obligation to either redeem the BTC Pledged for cash or use the BTC Pledged for the purchase of the Miners. No redemption obligation was recorded as of December 31, 2024, as the Miners ordered, for which a deposit payment in BTC was made, had not yet been shipped; and
- A \$6.4 million decrease in short-term prepaid deposits mainly related to the prepayment of electricity to an energy supplier in Argentina during FY 2024.

**11. FINANCIAL POSITION** (Continued)**B. Property, plant and equipment**

The net book value of PPE by country is as follows:

(U.S. \$ in thousands except where indicated)	As of June 30, 2025	As of December 31, 2024	\$ Change	% Change
<b>North America</b>				
Canada	88,356	117,025	(28,669)	(24)%
United States	299,760	63,147	236,613	375%
	<b>388,116</b>	180,172	207,944	115%
<b>South America</b>				
Paraguay	62,000	105,297	(43,297)	(41)%
Argentina	20,468	57,083	(36,615)	(64)%
	<b>82,468</b>	162,380	(79,912)	(49)%
	<b>470,584</b>	342,552	128,032	37%

As of June 30, 2025, Bitfarms had PPE of \$470.6 million, compared to \$342.6 million as of December 31, 2024. The increase of \$128.0 million, or 37%, was primarily due to:

- The \$236.6 million increase in United States PPE mainly due to the \$156.7 million increase from the acquisition of Stronghold as explained in Note 3 to the Financial Statements as well as ongoing expansion investments in the United States. Refer to section 6a - *Expansion Projects (United States Expansion)*.

The increase was partially offset by:

- The \$43.3 million decrease in Paraguay PPE primarily due to the sale of the Yguazu Mining Site. Refer to Section 6b - *Expansion Projects (Paraguay Expansion)*; and
- The \$28.7 million and \$36.6 million decreases in Canada and Argentina PPE, respectively, mainly due to regular depreciation, which exceeded Miners fleet upgrade and the \$30.7 million impairment on Argentina PPE. Refer to Note 11 - *Impairment* to the Financial Statements.

**C. ROU assets**

As of June 30, 2025, Bitfarms had operating and finance lease ROU assets of \$20.7 million and \$3.2 million, respectively, compared to \$21.3 million and \$2.6 million as of December 31, 2024. The decreases of \$0.6 million, or 3%, and \$0.6 million, or 23%, respectively, were mainly due to depreciation, partially offset by additions from the acquisition of Stronghold. Refer to Note 3 to the Financial Statements.

**12. FINANCIAL INSTRUMENTS**

The Company discloses information on the classification and fair value of its financial instruments, as well as on the nature and extent of risks arising from financial instruments, and related risk management in Note 18 to the Financial Statements and Note 23 to the 2025 Annual Financial Statements. Risks are related to foreign currency, credit, counterparty, liquidity, and concentration.

### **13. RELATED PARTY TRANSACTIONS**

The Company discloses information on its related party transactions, as defined in *ASC Topic 850, Related Party Disclosures*, in Note 24 to the 2024 Annual Financial Statements.

### **14. INTERNAL CONTROLS OVER FINANCIAL REPORTING**

#### **A. Disclosure Controls and Procedures**

Management, under the supervision of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company, has designed or caused to be designed under their supervision disclosure controls and procedures ("DC&P") to provide reasonable assurance that:

- i) material information relating to the Company is made known to them by others, particularly during the period in which the annual filings are being prepared; and
- ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

#### **B. Management's quarterly report on internal control over financial reporting**

Management, under the supervision of the CEO and CFO, is also responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR"). Management, under the supervision of the CEO and CFO, has designed ICFR, or caused them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP.

#### ***Identified material weakness***

A material weakness is a deficiency, or a combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In 2023, Management identified that the warrants issued in 2021 should have been classified as a financial liability under the Company's former reporting framework (International Financial Reporting Standards) and accounted for at fair value through profit and loss, and not as equity instruments. The restatement to correct the classification and subsequent accounting for those warrants impacted the consolidated financial statements of the Company for the year ended December 31, 2022, which was reflected in the comparative period for the consolidated financial statements of the Company for the year ended December 31, 2023 filed on December 9, 2024.

**14. INTERNAL CONTROLS OVER FINANCIAL REPORTING** (Continued)**B. Management's quarterly report on internal control over financial reporting** (Continued)**Identified material weakness** (Continued)

In the fourth quarter of 2024, Management also identified a material error in the statements of cash flows, resulting in a reclassification of sales of digital assets from cash flows from operations to cash flows from investing activities. These errors, which impacted the consolidated financial statements for the year ended December 31, 2023 and 2022, were corrected with the filing of Amendment No. 1 to the Annual Report on Form 40-F for fiscal year ended December 31, 2023.

Management concluded that the control over accounting for complex transactions did not operate effectively in these instances, which constitutes a material weakness in ICFR as of December 31, 2024. Management concluded that the Company's ICFR as of December 31, 2024 was not effective because of the material weakness.

**Remediation plan**

Remediation efforts to date comprise expanding the finance team to include more Chartered Professional Accountants (CPAs) with technical expertise and experience in evaluating more complex transactions involving the Company's legal counsel on evaluating complex agreements involving financial instruments and engaging third-party consultants to assist with assessing the accounting for complex transactions and review of financial statements. Management's efforts to hire more CPAs and involving the Company's legal counsel and third-party consultants to assist with complex transactions were in place at the end of 2024, and its remediation plan is expected to be completed after review and testing of controls during 2025.

If these remedial measures are insufficient to address the material weakness described above, or are not implemented timely, or additional deficiencies arise in the future, material misstatements in our interim or annual financial statements may occur in the future and could have the effects described in *Risk Factors* of the Company's MD&A for the year ended December 31, 2024, dated March 26, 2025.

The Company believes that the design implementation of the revised control is complete, the validation and testing of the operating effectiveness of the internal control over a sustained period of financial reporting cycles will be required before it is considered remediated.

**C. Changes in internal control over financial reporting**

There have been no changes in the Company's ICFR that have materially affected, or are reasonably likely to materially affect, the Company's ICFR during the period beginning on April 1, 2025 and ended June 30, 2025.

**D. Limitation of DC&P and ICFR**

All control systems contain inherent limitations, regardless of how well they are designed. As a result, Management acknowledges that its internal control over financial reporting will not prevent or detect all misstatements due to error or fraud. In addition, Management's evaluation of controls can provide only reasonable, not absolute, assurance that all control issues that may result in material misstatements, if any, have been detected.

**14. INTERNAL CONTROLS OVER FINANCIAL REPORTING** (Continued)**D. Limitation of DC&P and ICFR** (Continued)

In March 2025, the Company acquired Stronghold in the Stronghold Transaction. The Company is currently in the process of evaluating and integrating Stronghold's controls over financial reporting, which may result in changes or additions to the Company's internal control over financial reporting. Under guidelines established by the SEC and in accordance with National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, companies are permitted to exclude acquisitions from their assessment of internal control over financial reporting during the first year of an acquisition while integrating the acquired company. In the Company's assessment of the scope of disclosure controls and procedures and internal control over financial reporting, the Company has excluded the controls, policies and procedures of Stronghold from the assessment of internal control over financial reporting at June 30, 2025. The Company will continue to evaluate the effectiveness of internal controls over financial reporting as the Company completes the integration of Stronghold.

From March 15, 2025 (the first day following the acquisition) to June 30, 2025, Stronghold generated revenue of \$29.3 million and net gain of \$0.2 million. As of June 30, 2025, Stronghold's current assets and current liabilities represented approximately 17.75% and 30.51% of the Company's consolidated current assets and current liabilities, respectively.

**15. RECENT AND SUBSEQUENT EVENTS**

Management has evaluated subsequent events from July 1, 2025 to August 11, 2025.

**A. Bitmain T21 and S21+ Miners Swap**

In July 2025, an exchange agreement was signed to return 10,467 Bitmain T21 Miners. In consideration for the returned Miners, Bitmain will refund the Company with a credit for \$23.9 million. Simultaneously, the Company placed another purchase order for 8,585 Bitmain S21+ Miners at a purchase price of \$29.8 million to be paid in cash or in Bitcoin. The payment terms, the Bitcoin installments and the Bitcoin Redemption Option are similar to the ones described in Note 9 to the Financial Statements. In July, 2025, the Company paid the net balance of \$6.0 million in Bitcoin which can be redeemed on a quarterly basis.

**B. Redemption options of BTC**

In July 2025, the Company exercised its option to redeem the third installment of the Bitcoin Pledged in relation to the purchase of Miners under the November 2024 purchase order. The Company redeemed 87 Bitcoin for \$8.3 million. Refer to Note 7 to the Financial Statements for more details.

**15. RECENT AND SUBSEQUENT EVENTS (Continued)****C. Corporate Share Buyback Program**

On July 22, 2025, the Company announced that the TSX had approved a normal course issuer bid ("NCIB"), under which the Company may repurchase up to 49,943,031 of its common shares, representing approximately 10% of the Company's public float as of July 14, 2025.

Purchases under the NCIB may commence on July 28, 2025, and will terminate no later than July 27, 2026. All common shares purchased on the TSX or Nasdaq under the NCIB will be canceled. The Company has entered into an automatic repurchase arrangement with a designated broker to facilitate repurchases under the NCIB, including during pre-determined blackout periods. The timing and number of shares repurchased will be determined by Management based on market conditions.

During the period from July 28, 2025 to August 11, 2025, the Company repurchased 4,949,244 common shares for cancellation through the Corporate Share Buyback Program in exchange for \$6.1 million at an average share price of approximately \$1.24 USD and paid \$0.1 million of commissions to the purchasing agent.

**D. Agreements to Purchase Land**

On August 7, 2025, the Company entered into an agreement to purchase 3 acres of land in Washington State, United States for \$1.9 million.

On August 8, 2025, the Company entered into an agreement to purchase 181 acres of land in Pennsylvania, United States for \$3.5 million.

**E. Argentina Operations**

On August 8, 2025, the Company entered into an agreement with GMSA to have its energy deposit of \$3.5 million repaid to the Company over 18 months beginning in January 2026, bearing interest at 5% per annum. GMSA agreed to eliminate the Company's estimated asset retirement obligation for the leased property of \$2.8 million as of June 30, 2025. The Company amended its \$10,000 per month lease for the property so that the Company pays for the pro-rata portion of land it uses going forward, if any, and extended the lease term to January 2035.

On August 11, 2025, the Company determined that it would discontinue its operations at its Bitcoin data center in Rio Cuarto, Argentina by November 11, 2025 due to the halting of energy supply since May 12, 2025 and future economic uncertainty in the region.

**16. SHARE CAPITAL**

As of August 11, 2025, the Company has 552,599,613 common shares outstanding, 23,760,723 vested and 5,459,670 unvested stock options, 16,172,428 warrants outstanding, 4,974,631 restricted stock units and 4,451,072 performance stock units. There are no preferred shares or any other classes of shares outstanding.

**17. REGULATORY COMPLIANCE**

The Company has engaged legal counsel in each jurisdiction in which it maintains operations to monitor changes to the laws and regulations of such jurisdiction and to advise how it can maintain compliance with such laws and regulations. Legal counsel reports directly to the CEO. The following is a discussion of regulatory compliance considerations specific to each such jurisdiction:

**Canada**

The Company operates a total of eight data centers with an aggregate energized power capacity of 170 MW located in the Province of Quebec, Canada. Refer to Section 6 - *Expansion Projects - C. Canada Expansion* of this MD&A.

There are no material restrictions in Quebec or Canada on the business of operating a data center or conducting the business of the Company as described herein, and as of August 11, 2025, the Company has not received any material notices or statements from regulatory authorities in Quebec or Canada that would negatively impact its current operations in Quebec or Canada. The Company is not relying on any registrations, exemptions, or "no action" letters to conduct its business in Quebec or Canada.

**United States**

The Company operates four data centers with an aggregate energized power capacity of 171 MW located in the State of Washington and in Pennsylvania, United States. Energy for two of the four data centers is derived from the Company's power facilities and/or the grid. Refer to Section 6 - *Expansion Projects (A. United States Expansion)* of this MD&A.

There are no material restrictions in the State of Washington and in Pennsylvania on the business of operating a data center or conducting the business of the Company as described herein, and as of August 11, 2025, the Company has not received any material notices or statements from regulatory authorities in the State of Washington or in Pennsylvania that would negatively impact its operations in these jurisdictions. The Company is not relying on any registrations, exemptions, or "no action" letters to conduct its business in Washington and Pennsylvania.

**Paraguay**

The Company operates a total of two data centers with an aggregate energized power capacity of 80 MW located in the city of Villarrica, Paraguay. Refer to Section 6 - *Expansion Projects - B. Paraguay Expansion* of this MD&A.

There are no material restrictions in Paraguay on the business of operating a data center or conducting the business of the Company as described herein and, as of August 11, 2025, the Company has not received any material notices or statements from regulatory authorities in Paraguay that would negatively impact its operations in Paraguay. The Company is not relying on any registrations, exemptions, or "no action" letters to conduct its business in Paraguay.

**17. REGULATORY COMPLIANCE (Continued)**

**Argentina**

On April 30, 2025, the Company was informed that Generacion Mediterranea S.A ("GMSA"), a subsidiary of Grupo Albanesi, appointed local and international financial advisors to conduct a process with their creditors regarding the restructuring of all its financial debt. As a result, the Company's operations in Rio Cuarto have been suspended due to a halt in the Rio Cuarto operations' supply of electrical power since May 12, 2025.

The Company is in the process of shutting down its 58 MW data center and anticipates to complete the shutdown by November 11, 2025.

There are no material restrictions in Argentina on the business of operating a server farm or conducting the business of the Company as described herein and, as of August 11, 2025, the Company has not received any material notices or statements from regulatory authorities in Argentina that would negatively impact its operations in Argentina. The Company is not relying on any registrations, exemptions, or "no action" letters to conduct its business in Argentina.

**18. RISK FACTORS**

The Company is subject to a number of risks and uncertainties and is affected by several factors that could have a material adverse effect on the Company's business, financial condition, operating results, and/or future prospects. These risks should be considered when evaluating an investment in the Company and may, among other things, cause a decline in the price of the Corporation's shares.

The risks and uncertainties that Management considers as the most material to the Company's business are described in the section entitled *Risk Factors* of the Company's MD&A for the year ended December 31, 2024, dated March 26, 2025 and Section 18 - *Risk Factor* in the 2024 AIF. These risks and uncertainties have not materially changed during the six months ended June 30, 2025, other than the risks as described below, and are hereby incorporated by reference.

**The Company is currently subject to securities class action litigation and may be subject to similar or other litigation in the future, which may divert management's attention.**

On May 9, 2025, a purported shareholder filed a putative class action complaint in the United States District Court for the Eastern District of New York, in a case titled *Olympio v. Bitfarms Ltd., Benjamin Gagnon, Jeffrey Lucas, and Geoff Morphy*, case no 1:25-cv-02630, alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5, promulgated thereunder. The lawsuit alleges that the Company, its current Chief Executive Officer, its Chief Financial Officer and its former Chief Executive Officer made materially false and/or misleading statements regarding the Company's business, operations and internal controls over financial reporting (refer to Section 10D - Capital Resources (Lawsuits)).

**18. RISK FACTORS (Continued)**

**The Company is currently subject to securities class action litigation and may be subject to similar or other litigation in the future, which may divert management's attention.** (Continued)

There may be additional suits or proceedings brought in the future. Monitoring and defending against legal actions, whether or not meritorious, is time-consuming for the Company's Management and detracts from the Company's ability to fully focus its internal resources on its business activities, and the Company cannot predict how long it may take to resolve these matters. In addition, the Company may incur substantial legal fees and costs in connection with litigation. The Company is not currently able to estimate the possible cost to it from these lawsuits, and the Company cannot be certain how long it may take to resolve these lawsuits or the possible amount of any damages that the Company may be required to pay. The Company has not at this time established any reserves for any potential liability relating to these lawsuits. It is possible that the Company could, in the future, incur judgment or enter into settlement of claims for monetary damages. A decision adverse to the Company's interests in this lawsuit could result in the payment of substantial damages and could have a material adverse effect on the Company's business, results of operations and financial condition. In addition, the uncertainty of the currently pending lawsuit could lead to volatility in the price of the Company's common shares.

**The Company's operations in Rio Cuarto were suspended due to a halt in its supply of electrical power on May 12, 2025.**

The Company's data center in Rio Cuarto receives electricity pursuant to a power contract with Generacion Mediterranea S.A ("GMSA"), a subsidiary of Grupo Albanesi. Grupo Albanesi is an Argentine private corporate group focused on the energy market, which provides natural gas and electrical energy to its clients from its multiple data centers.

However, on April 30, 2025, the Company was informed that GMSA appointed local and international financial advisors to conduct a process with their creditors regarding the restructuring of all its financial debt but that the supply of electricity would continue uninterrupted. On May 12, 2025, the Company was informed by GMSA that it will be halting until further notice the supply of electricity to the Company's Rio Cuarto facility. As of August 11, 2025, GMSA is currently negotiating with its commercial suppliers and the Company does not have visibility of the timing for when normal supply of electricity will resume, or whether it will resume at all, and what fees will be charged on electricity use should supply resume. The Company has evaluated options and has decided to discontinue operations at Rio Cuarto. As a result the Company's operational Hashrate and the free cashflow its mining operations generate has decreased accordingly.

**19. SIGNIFICANT ACCOUNTING POLICIES AND NEW ACCOUNTING POLICIES**

The Company's significant accounting policies and new accounting policies are summarized in Note 2 to the 2025 Annual Financial Statements and Note 2 to the Financial Statements.

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**20. CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This MD&A contains forward-looking statements about the Company's objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects, opportunities and legal and regulatory matters. Specific forward-looking statements in this MD&A include, but are not limited to, statements with respect to the Company's anticipated future results, events and plans, strategic initiatives, future liquidity, and planned capital investments. Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may", "maintain", "achieve", "grow", "should" and similar expressions, as they relate to the Company and its Management.

Forward-looking statements reflect the Company's current estimates, beliefs and assumptions, which are based on management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate under the circumstances. The Company's expectation of operating and financial performance is based on certain assumptions including assumptions about operational growth, anticipated cost savings, operating efficiencies, anticipated benefits from strategic initiatives, future liquidity, and planned capital investments. The Company's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. The Company can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

Numerous risks and uncertainties could cause the Company's actual results to differ materially from those expressed, implied or projected in the forward-looking statements. Such risks and uncertainties include:

- future Bitcoin Halving event;
- insolvency, bankruptcy, or cessation of operations of the Mining Pool operator;
- reliance on a foreign Mining Pool operator;
- counterparty risk;
- emerging markets operating risks;
- reliance on manufacturing in foreign countries and the importation of equipment to the jurisdictions in which the Company operates;
- dependency on continued growth in blockchain and cryptocurrency usage;
- the availability of financing opportunities and risks associated with economic conditions, including BTC price, Bitcoin Network Difficulty and share price fluctuations;
- the ability to attract and retain customers for the Company's hosting business;
- global financial conditions;
- employee retention and growth;
- cybersecurity threats and hacking;
- limited operating history and limited history of de-centralized financial system;
- limited experience of Company's management in AI/HPC
- risk related to technological obsolescence and difficulty in obtaining hardware;
- economic dependence on regulated terms of service and electricity rates;

**20. CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS (Continued)**

- risks related to the suspension of operations at the Rio Cuarto Site and the disposition of the Rio Cuarto Site;
- costs and demands upon management and accounting and finance resources as a result of complying with the laws and regulations affecting public companies;
- expense and impact of restatement of the Company's historical financial statements;
- lack of comprehensive accounting guidance for cryptocurrencies under U.S. GAAP;
- internal control material weakness;
- increases in commodity prices or reductions in the availability of such commodities could adversely impact the Company's results of operations;
- permits and licenses;
- server or internet failures;
- tax consequences;
- increase in import tariffs and duties;
- environmental regulations and liability;
- adoption of environmental, social, and governance practices and the impacts of climate change;
- erroneous transactions and human error;
- data center developments;
- non-availability of insurance;
- competition;
- hazards associated with high-voltage electricity transmission and industrial operations;
- corruption, political and regulatory risk;
- potential being classified as a passive foreign investment company;
- lawsuits and other legal proceedings and challenges;
- conflict of interests with directors and management;
- risks relating to unsolicited take-over bids;
- risks related to the success and profitability of the Company's carbon capture program and related environmental tax credits;
- the risk that revenues, profits and margins of the Company may not remain consistent with historical levels, thereby impacting its ability to make purchases under the Company's share buyback program;
- risk related to the NCIB;
- risks associated with the suspension of the Company's operations at its Rio Cuarto site; or
- the inherent risks, costs and uncertainties associated with integrating the business successfully and risks of not achieving all or any of the anticipated benefits and synergies of the Stronghold Transaction, or the risk that the anticipated benefits and synergies of the Stronghold Transaction may not be fully realized or take longer to realize than expected.

The above is not an exhaustive list of the factors that may affect the Company's forward-looking statements. For a more comprehensive discussion of factors that could affect the Company, refer to the risk factors discussed above. Other risks and uncertainties not presently known to the Company or that the Company presently believes are not material could also cause actual results or events to differ materially from those expressed, implied or projected in its forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect the Company's expectations only as of August 11, 2025. Except as required by law, the Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

**21. CAUTIONARY NOTE REGARDING NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS**

This MD&A makes reference to certain measures that are not recognized under U.S. GAAP and do not have a standardized meaning prescribed by U.S. GAAP. They are therefore unlikely to be comparable to similar measures presented by other companies. The Company uses non-GAAP and other financial measures and ratios including "EBITDA," "EBITDA margin," "Adjusted EBITDA," "Adjusted EBITDA margin," "Gross Mining profit," "Gross Mining margin," "Gross margin," "Operating margin," "Direct Cost," "Direct Cost per Bitcoin," "Total Cash Cost" and "Total Cash Cost per Bitcoin" as additional information to complement U.S. GAAP measures by providing further understanding of the Company's results of operations from Management's perspective. Refer to Section 9 - *Non-GAAP and Other Financial Measures and Ratios* of the MD&A for more details.

These measures are provided as additional information to complement U.S. GAAP 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 U.S. GAAP. Reconciliations from U.S. GAAP measures to non-GAAP measures are included throughout this MD&A.

**22. ADDITIONAL INFORMATION**

Additional information and other publicly filed documents relating to the Company are available through the internet on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on EDGAR at [www.sec.gov/edgar](http://www.sec.gov/edgar).

## 23. GLOSSARY OF TERMS

<b>Terms</b>	<b>Definition</b>
<b>Artificial Intelligence (AI)</b>	A branch of technology enabling computers and machines to replicate human-like abilities, including learning, understanding, problem-solving, decision-making, creativity, and autonomous action.
<b>ASIC</b>	ASIC stands for Application Specific Integrated Circuit and refers primarily to specific computer devices designed to solve the SHA-256 algorithm.
<b>Bitcoin</b>	Bitcoin is a decentralized digital currency that is not controlled by any centralized authority (e.g., a government, financial institution or regulatory organization) that can be sent from user to user on the Bitcoin network without the need for intermediaries to clear transactions. Transactions are verified through the process of Mining and recorded in a public ledger known as the Blockchain. BTC is created when the Bitcoin network issues Block Rewards through the Mining process.
<b>Bitcoin One</b>	Bitcoin One is a quantitative investment multi-strategy program that employs a disciplined approach to accelerate BTC accumulation through diversification, strategic leverage, and market timing.
<b>Block Reward</b>	A Bitcoin Block Reward refers to the new BTC that are awarded by the Blockchain network to eligible cryptocurrency Miners for each block they successfully mine. The current block reward is 3.125 BTC per block.
<b>Blockchain</b>	A Blockchain is a cloud-based public ledger that exists on computers that participate on the network globally. The Blockchain grows as new sets of data, or 'blocks', are added to it through Mining. Each block contains a timestamp and a link to the previous block, such that the series of blocks form a continuous chain. Given that each block has a separate hash and each hash requires information from the previous block, altering information on an established block would require recalculating all the hashes on the Blockchain which would require an enormous and impracticable amount of computing power. As a result, once a block is added to the Blockchain it is very difficult to edit and impossible to delete.
<b>Exahash (EH/s)</b>	One quintillion (1,000,000,000,000,000,000) hashes or one million Terahash per second.
<b>Gigawatt (GW)</b>	A gigawatt is 1,000 megawatts of electricity and, in the industry of cryptocurrency Mining, can be a reference to the number of gigawatts of electricity per hour that is available for use.
<b>Hash</b>	A hash is a function that converts or maps an input of letters and numbers into an encrypted output of a fixed length, which outputs are often referred to as hashes. A hash is created using an algorithm. The algorithm used in the validation of Bitcoin transactions is the SHA-256 algorithm.
<b>Hashrate</b>	Hashrate refers to the number of hash operations performed per second and is a measure of computing power in Mining cryptocurrency.
<b>Hashrate Under Management</b>	Hashrate from the Miners the Company owns and from Miners hosted and managed by the Company.
<b>High Performance Computing (HPC)</b>	Advanced computing capability that allows for rapid data processing and complex calculations at exceptionally high speeds, essential for handling large datasets and complex computational tasks.
<b>Hosting</b>	A service in which a company provides infrastructure, power, and cooling solutions to house and operate cryptocurrency mining equipment owned by clients.

## 23. GLOSSARY OF TERMS (Continued)

<b>Terms</b>	<b>Definition</b>
<b>Megawatt ( MW)</b>	A megawatt is 1,000 kilowatts of electricity and, in the industry of cryptocurrency Mining, is typically a reference to the number of megawatts of electricity per hour that is available for use.
<b>Miners</b>	ASICs used by the Company and third parties to perform Mining.
<b>Mining</b>	Mining refers to the process of using specialized computer hardware, and in the case of the Company, ASICs, to perform mathematical calculations to confirm transactions and increase security for the BTC Blockchain. As a reward for their services, Bitcoin Miners collect transaction fees for the transactions they confirm, along with newly created BTC as Block Rewards.
<b>Mining Pool</b>	A Mining Pool is a group of cryptocurrency Miners who pool their computational resources, or Hashrate, in order to increase the probability of finding a block on the BTC Blockchain. Mining Pools administer regular payouts to mitigate the risk of Miners operating for a prolonged period of time without finding a block.
<b>Network Difficulty</b>	Network Difficulty is a unitless measure of how difficult it is to find a hash below a given target. The Bitcoin network protocol automatically adjusts Network Difficulty by changing the target every 2,016 blocks hashed based on the time it took for the total computing power used in Bitcoin Mining to solve the previous 2,016 blocks such that the average time to solve each block is ten minutes.
<b>Network Hashrate</b>	Network Hashrate refers to the total global hashrate (and related computing power) used in Mining for a given cryptocurrency.
<b>Petahash (PH/s)</b>	One quadrillion (1,000,000,000,000,000) hashes or one thousand Terahash per second.
<b>SHA-256</b>	SHA stands for Secure Hash Algorithm. The SHA-256 algorithm was designed by the US National Security Agency and is the cryptographic hash function used within the Bitcoin network to validate transactions on the Bitcoin Blockchain.
<b>Synthetic HODL</b>	Synthetic HODL is the Company's use of financial instruments to generate BTC exposure with inherent risk management, capital efficiency and leverage characteristics. The initiative was succeeded by the Bitcoin One program.
<b>Terahash (TH/s)</b>	One trillion (1,000,000,000,000) hashes or one Terahash per second.

**NOTICE OF NO AUDITOR REVIEW**

In accordance with National Instrument 51-102 - Continuous Disclosure Obligations (“NI 51-102”), Bitfarms Ltd. (the “Company”) discloses that its external auditors have not reviewed the accompanying unaudited interim condensed consolidated financial statements.

**NOTICE TO READER**

As of December 31, 2025, Bitfarms Ltd. determined that it would prepare its annual financial statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). As a result, pursuant to section 4.3(4) of NI 51-102 of the Canadian Securities Administrators, the Company must restate its previously filed interim financial reports for the year ended December 31, 2025 in accordance with U.S. GAAP, such interim financial reports having previously been prepared in accordance with IFRS Accounting Standards.

The attached restated unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2025 and 2024 (“Q3 2025 Interim Financial Statements”) have been prepared in accordance with U.S. GAAP applicable to interim financial information, and should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2025, filed on March 31, 2026 and available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on EDGAR at [www.sec.gov](http://www.sec.gov). Other than as expressly set forth above, the Q3 2025 Interim Financial Statements do not, and do not purport to, update or restate the information in the original unaudited interim condensed consolidated financial statements or reflect any events that occurred after the date of the filing of the original unaudited interim condensed consolidated financial statements.

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**BITFARMS LTD.**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Restated)  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

(Expressed in thousands of U.S. dollars - unaudited)

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**BITFARMS LTD.**  
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**BITFARMS LTD.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Expressed in thousands of U.S. dollars - unaudited)

	As of September 30, 2025	As of December 31, 2024
<b>Assets</b>		
Current		
Cash	86,952	59,542
Accounts receivable, net	3,274	1,259
Digital assets	171,278	87,298
Digital assets - restricted	17,933	32,826
Other assets	4,841	4,282
Short-term prepaid deposits	6,121	14,554
Rights to renewable energy credits and waste tax credits	9,370	—
Inventories	6,979	1,137
Derivative assets	2,932	3,418
Assets held for sale	64,738	9,419
<b>Total current assets</b>	<b>374,418</b>	<b>213,735</b>
Non-current		
Restricted cash	25,000	—
Rights to waste tax credits	5,597	—
Property, plant and equipment, net	359,625	237,255
Operating lease right-of-use assets, net	20,029	21,299
Finance lease right-of-use assets, net	2,252	2,281
Long-term deposits and equipment prepayments	11,111	44,572
Refundable deposits	350	14,216
Intangible assets, net	3,285	4,636
Assets held for sale	—	125,138
Investment in equity securities	1,250	—
<b>Total assets</b>	<b>802,917</b>	<b>663,132</b>
<b>Liabilities</b>		
Current		
Accounts payable and accrued expenses	68,397	25,792
Derivative liabilities	—	128
Current portion of long-term debt	607	146
Current portion of operating lease liabilities	2,514	1,959
Current portion of finance lease liabilities	955	130
Redemption obligation	15,339	—
<b>Total current liabilities</b>	<b>87,812</b>	<b>28,155</b>
Non-current		
Long-term debt	50,877	1,430
Operating lease liabilities	16,580	17,440
Finance lease liabilities	2,185	2,310
Deferred tax liability	65	65
Other non-current liabilities	3,238	2,586
<b>Total liabilities</b>	<b>160,757</b>	<b>51,986</b>
Commitments and contingencies (Note 23)		
<b>Stockholders' equity</b>		
Common stock - no par value; authorized - unlimited number of shares; Issued and outstanding - 563,007,747 shares and 479,332,885 shares, respectively	952,785	837,764
Additional paid-in capital	117,133	101,319
Accumulated deficit	(427,758)	(327,937)
<b>Total equity</b>	<b>642,160</b>	<b>611,146</b>
<b>Total liabilities and stockholders' equity</b>	<b>802,917</b>	<b>663,132</b>

*See accompanying notes to the condensed consolidated financial statements*

**BITFARMS LTD.**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Expressed in thousands of U.S. dollars, except per share amounts - unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
<b>Revenues</b>	<b>67,969</b>	27,072	<b>176,528</b>	95,522
Cost of revenues	(70,221)	(27,566)	(182,390)	(114,755)
<b>Gross loss</b>	<b>(2,252)</b>	(494)	<b>(5,862)</b>	(19,233)
<b>Operating expenses</b>				
General and administrative expenses	(17,155)	(25,234)	(54,157)	(47,204)
Change in fair value of digital assets	5,176	212	(1,574)	(357)
Realized gain on sale of digital assets	4,801	768	25,783	17,635
Gain on disposition of property, plant and equipment and deposits	64	753	2,200	222
Impairment of long-lived assets	(9,103)	(3,628)	(9,103)	(3,628)
<b>Operating loss</b>	<b>(18,469)</b>	(27,623)	<b>(42,713)</b>	(52,565)
Interest income	511	2,452	1,773	5,174
Interest expense	(2,051)	(312)	(3,818)	(618)
Gain (loss) on derivative assets and liabilities	12,175	(78)	12,245	277
Other expense	(3,215)	(690)	(3,703)	(1,027)
Total other income	7,420	1,372	6,497	3,806
<b>Loss before income taxes</b>	<b>(11,049)</b>	(26,251)	<b>(36,216)</b>	(48,759)
Income tax recovery (expense)	40	(161)	(182)	(161)
<b>Loss from continuing operations</b>	<b>(11,009)</b>	(26,412)	<b>(36,398)</b>	(48,920)
<b>Loss from discontinued operations</b>	<b>(27,758)</b>	(12,584)	<b>(63,423)</b>	(15,219)
<b>Net loss</b>	<b>(38,767)</b>	(38,996)	<b>(99,821)</b>	(64,139)
<b>Loss per common share</b>				
Basic and diluted loss per share from continuing operations	(0.02)	(0.06)	(0.07)	(0.12)
Basic and diluted loss per share from discontinued operations	(0.05)	(0.03)	(0.12)	(0.04)
Basic and diluted loss per share	(0.07)	(0.09)	(0.19)	(0.16)
<b>Weighted average number of common shares outstanding</b>				
Basic and diluted	556,539,628	448,711,912	537,721,978	396,423,169

See accompanying notes to the condensed consolidated financial statements

**BITFARMS LTD.**
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Expressed in thousands of U.S. dollars, except number of shares - unaudited)

	Number of shares	Common stock	Additional paid-in capital	Accumulated deficit	Total stockholders' equity
<b>Three months ended September 30, 2025</b>					
<b>Balance as of June 30, 2025</b>	<b>557,548,857</b>	<b>932,807</b>	<b>118,335</b>	<b>(388,991)</b>	<b>662,151</b>
Net loss	—	—	—	(38,767)	(38,767)
Stock-based compensation	—	—	2,850	—	2,850
Issuance of common shares	4,726,499	14,435	—	—	14,435
Issuance of equity warrants	—	—	(538)	—	(538)
Settlement of restricted share units	122,200	280	(280)	—	—
Exercise of stock options and warrants	8,417,332	18,088	(6,103)	—	11,985
Repurchase and cancellation of common shares	(7,807,141)	(12,825)	2,869	—	(9,956)
<b>Balance as of September 30, 2025</b>	<b>563,007,747</b>	<b>952,785</b>	<b>117,133</b>	<b>(427,758)</b>	<b>642,160</b>
<b>Nine months ended September 30, 2025</b>					
<b>Balance as of January 1, 2025</b>	<b>479,332,885</b>	<b>837,764</b>	<b>101,319</b>	<b>(327,937)</b>	<b>611,146</b>
Net loss	—	—	—	(99,821)	(99,821)
Stock-based compensation	—	—	10,618	—	10,618
Issuance of replacement stock-based compensation	—	—	232	—	232
Issuance of common shares	79,037,994	104,299	—	—	104,299
Adjustment of common shares related to business combination	(243)	—	—	—	—
Issuance of equity warrants	—	—	13,654	—	13,654
Settlement of restricted share units	2,469,700	3,892	(3,892)	—	—
Exercise of stock options and warrants	8,431,232	18,097	(6,109)	—	11,988
Settlement of share awards	1,543,320	1,558	(1,558)	—	—
Repurchase and cancellation of common shares	(7,807,141)	(12,825)	2,869	—	(9,956)
<b>Balance as of September 30, 2025</b>	<b>563,007,747</b>	<b>952,785</b>	<b>117,133</b>	<b>(427,758)</b>	<b>642,160</b>
<b>Three months ended September 30, 2024</b>					
<b>Balance as of June 30, 2024</b>	<b>425,874,733</b>	<b>717,505</b>	<b>93,803</b>	<b>(324,715)</b>	<b>486,593</b>
Net loss	—	—	—	(38,996)	(38,996)
Stock-based compensation	—	—	5,061	—	5,061
Issuance of common shares	26,659,922	68,828	—	—	68,828
Settlement of restricted share units	241,666	727	(727)	—	—
Exercise of stock options and warrants	159,000	55	33	—	88
<b>Balance as of September 30, 2024</b>	<b>452,935,321</b>	<b>787,115</b>	<b>98,170</b>	<b>(363,711)</b>	<b>521,574</b>
<b>Nine months ended September 30, 2024</b>					
<b>Balance as of January 1, 2024</b>	<b>334,153,330</b>	<b>531,401</b>	<b>93,529</b>	<b>(299,572)</b>	<b>325,358</b>
Net loss	—	—	—	(64,139)	(64,139)
Stock-based compensation	—	—	9,247	—	9,247
Issuance of common shares	110,856,066	242,392	—	—	242,392
Settlement of restricted share units	366,666	1,016	(1,016)	—	—
Exercise of stock options and warrants	7,559,259	12,306	(3,590)	—	8,716
<b>Balance as of September 30, 2024</b>	<b>452,935,321</b>	<b>787,115</b>	<b>98,170</b>	<b>(363,711)</b>	<b>521,574</b>

Should be read in conjunction with the notes to the condensed consolidated financial statements

**BITFARMS LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in thousands of U.S. dollars - unaudited)

	<b>Nine months ended</b>	
	<b>September 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from (used) in operating activities</b>		
Net loss	(99,821)	(64,139)
Adjustment to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	95,931	111,505
Impairment of long-lived assets and deposits	71,193	3,628
Total other income	(7,006)	(4,995)
Digital assets earned	(209,406)	(132,644)
Stock-based compensation	10,619	9,247
Income tax expense (benefit)	594	(5)
Renewable energy credits earned	(17,000)	—
(Gain) loss on disposition of property, plant and equipment and deposits	(9,336)	(453)
Digital assets exchanged for services	5,441	—
Asset retirement obligation accretion expense	(214)	(199)
Realized gain on disposition of digital assets	(25,783)	(17,635)
Changes in fair value of digital assets	1,574	357
Interest income received	1,666	4,895
Interest expenses paid	(2,527)	(1,092)
Income taxes paid	(383)	(1,247)
Proceeds from disposition of renewable energy and waste tax credits	11,022	—
Changes in non-cash working capital components	19,516	(5,456)
<b>Net change in cash related to operating activities</b>	<b>(153,920)</b>	<b>(98,233)</b>
<b>Cash flows from (used in) investing activities</b>		
Proceeds from sale of digital assets	159,295	111,264
Purchase of property, plant and equipment and Intangible asset	(75,365)	(168,687)
Proceeds from sale of property, plant and equipment and assets held for sale	17,226	2,598
Costs related to purchase and sale of assets held for sale	(7,988)	—
Purchase of marketable securities	(10,678)	(10,405)
Proceeds from disposition of marketable securities	11,133	11,936
Refundable Deposit	—	(7,800)
Purchase of derivative assets and liabilities	(150,693)	—
Settlement of derivative assets and liabilities	164,367	—
Equipment and construction prepayments	(822)	(96,504)
Proceeds from disposal of business	63,038	—
Acquisition of business	(48,084)	—
Investment in equity securities	(1,249)	—
<b>Net change in cash related to investing activities</b>	<b>120,180</b>	<b>(157,598)</b>
<b>Cash flows from (used in) financing activities</b>		
Repayment of long-term debt	(437)	(4,045)
Proceeds from long-term debt, net of transaction costs	47,611	1,695
Repayment of finance lease liabilities	(649)	(925)
Issuance of common shares	38,043	239,392
Exercise of stock options and warrants	11,446	8,620
Repurchase and cancellation of common shares	(9,956)	—
<b>Net change in cash related to financing activities</b>	<b>86,058</b>	<b>244,737</b>
<b>Net increase in cash</b>	<b>52,318</b>	<b>(11,094)</b>
Cash, beginning of the period	59,542	84,038
Exchange rates differences on currency translation	92	(31)
<b>Cash and restricted cash, end of the period</b>	<b>111,952</b>	<b>72,913</b>
<b>Cash flows from discontinued operations</b>	<b>(109)</b>	<b>1,324</b>

See accompanying notes to the condensed consolidated financial statements

**NOTE 1: ORGANIZATION**

Bitfarms Ltd.'s (the "Company" or "Bitfarms") activities are comprised mainly of selling its computational power used for hashing calculations for the purpose of cryptocurrency Mining in multiple jurisdictions, including Canada, the United States and Paraguay. Refer to Note 17 for disclosures related to discontinued operations in Argentina and Paraguay. 9159-9290 Québec Inc. ("Volta"), a wholly-owned subsidiary of the Company, assists the Company in building and maintaining its data centers and provides electrician services to both commercial and residential customers in Québec, Canada. Having completed its investments into Bitcoin mining in 2024 and 2025, the Company is now focused on converting as much of its existing energy and data center infrastructure to HPC and AI. The Company's current initiatives include the construction and buildout of new HPC data centers.

Bitfarms primarily owns and operates data centers housing computers (referred to as "Miners") designed for the purpose of validating transactions on the Bitcoin Blockchain (referred to as "Mining"). Bitfarms generally operates its Miners 24 hours per day to produce computational power used for hashing calculations (measured by hashrate) that Bitfarms sells to Mining pool operators under a formula-driven rate commonly known in the industry as Full Pay Per Share ("FPPS"). Under FPPS, Mining pool operators compensate Mining companies for their computational power used for hashing calculations, measured by hashrate, based on what the Mining pool operator would expect to generate in revenue for a given time period if there was no randomness involved. The fee paid by a Mining pool operator to Bitfarms for its computational power used for hashing calculations may be in cryptocurrency, U.S. dollars, or another currency. However, the fees are paid to the Company on a daily basis in Bitcoin (as defined below). Bitfarms accumulates the cryptocurrency fees it receives or exchanges them for U.S. dollars through reputable and established cryptocurrency trading platforms.

As described in Note 3, the Company acquired Stronghold Digital Mining, Inc. ("Stronghold") on March 14, 2025 (the "Stronghold Transaction"). Through the acquisition of Stronghold, the Company now owns and operates two refuse power generation facilities in Pennsylvania, United States. To support each site's data centers, the Company's primary fuel source at these facilities is waste which is provided by various third parties. Waste tax credits ("WTCs") are earned by the Company by utilizing refuse to generate electricity. The Company either consumes the energy internally to support computational activities related to hashing calculations or sells the energy it produces to the local energy supplier (the "Grid").

**Terms and definitions**

In these financial statements, the terms below have the following definitions:

	<b>Term</b>	<b>Definition</b>
1	Backbone	Backbone Hosting Solutions Inc.
2	Backbone Argentina	Backbone Hosting Solutions SAU
3	Backbone Paraguay	Backbone Hosting Solutions Paraguay SA
4	Backbone Mining	Backbone Mining Solutions LLC
5	Backbone Paso Pe	D&N Ingenieria SA
6	Backbone Yguazu	Zunz SA
7	Volta	9159-9290 Québec Inc.
8	BVVE	Blockchain Verification and Validation Equipment (primarily Miners and Mining-related equipment)
9	MW	Megawatt
10	ARS	Argentine pesos
11	BTC	Bitcoin
12	CAD	Canadian dollars
13	USD	U.S. dollars

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES*****Basis of preparation and principles of consolidation***

These condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. The Company also consolidates certain variable interest entities (“VIEs”) for which the Company is the primary beneficiary, generally as a result of having the power to direct the activities that most significantly affect the VIE’s economic performance and holding variable interests that convey to the Company the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIEs. Subsidiaries that are not considered VIEs are consolidated as the Company owns, directly or indirectly, a controlling interest in the entities. The Company performs an assessment at inception and regularly reevaluates whether the entity is a VIE and whether the Company continues to be the primary beneficiary. All intercompany balances and transactions have been eliminated in consolidation.

The condensed consolidated financial statements are presented in USD and have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and regulations of the U.S. Securities and Exchange Commission (the “SEC”) applicable to interim financial information, which permit the omission of certain information to the extent it has not changed materially since the latest annual financial statements.

In the opinion of the Company, the accompanying unaudited interim condensed financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of its balance sheet as of September 30, 2025 and its results of operations for the three and nine months ended September 30, 2025, and 2024, and cash flows for the nine months ended September 30, 2025, and 2024. The balance sheet as of December 31, 2024, was derived from 2025 audited annual financial statements but does not contain all of the footnote disclosures from the annual financial statements.

These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes for the year ended December 31, 2025.

Additionally, since there are no differences between net income (loss) and comprehensive income (loss), all references to comprehensive income (loss) have been excluded from the condensed consolidated financial statements.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES** (Continued)*Use of estimates*

The preparation of financial statements in conformity with U.S. GAAP requires Management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated balance sheets and the reported amounts of revenue and expenses during the reporting periods. Actual results may differ materially from those estimates. The most significant accounting estimates inherent in the preparation of the Company's consolidated financial statements include revenue recognition; measurement of digital assets; determination of the useful lives, residual values, depreciation method and recoverability of long-lived assets; impairment analysis of property, plant and equipment; allocating the fair value of purchase consideration to assets acquired and liabilities assumed in business combinations and measurement of financial instruments.

*Impairment of financial assets*

The Company recognizes an allowance for potentially uncollectable accounts under the current expected credit loss ("CECL") impairment model in accordance with ASC 326, *Financial Instruments – Credit Losses*, for all financial assets measured at amortized cost, including accounts receivable and refundable deposits. The CECL impairment model requires an estimate of expected credit losses measured over the contractual life of an instrument, which considers forecasts of future economic conditions in addition to information about past events and current conditions. Based on this model the Company considers many factors, including the aging of the balances, collection history, the counterparty's credit rating, current economic conditions, and reasonable and supportable forecasts, among other factors. The allowance is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, which may be discounted at the original effective interest rate ("EIR"), when the effect of discounting is material. Bad debts are written off against the allowance after all collection efforts have ceased.

*Recently issued accounting pronouncements*

In September 2025, the Financial Accounting Standards Board ("FASB") issued ASU 2025-06, *Intangibles-Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal Use Software* ("ASU 2025-06"). ASU 2025-06 eliminates the distinction between software project development stages and clarifies the threshold applied to begin capitalizing costs. The new standard is effective for the Company for its annual and interim periods beginning January 1, 2028, and permits prospective, modified prospective, retrospective or early adoption. The Company is currently evaluating the impact of adopting the standard.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets* ("ASU 2025-05"). ASU 2025-05 provides an optional practical expedient when applying the guidance related to the estimate of expected credit losses for current accounts receivable and current contract assets resulting from transactions arising from contracts with customers. The new standard is effective for the Company for its annual and interim periods beginning January 1, 2026, with early adoption permitted. The Company is evaluating the impact of adopting the standard.

In May 2025, the FASB issued ASU 2025-03, *Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity* ("ASU 2025-03"), which amends the guidance for identifying the accounting acquirer in transactions involving the acquisition of a variable interest entity that meets the definition of a business. The guidance is intended to reduce diversity in practice and improve consistency in the application of acquisition accounting. The new standard is effective for the Company for its annual periods beginning January 1, 2027, with early adoption permitted. The Company is currently evaluating the impact of adopting the standard.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES** (Continued)**Recently issued accounting pronouncements** (Continued)

In March 2025, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2025-02, *Liabilities (Topic 405): Amendments to SEC Paragraph Pursuant to SEC Staff Accounting Bulletin No. 122* (“ASU 2025-02”). ASU 2025-02 amends the Accounting Standard Codification to remove the text of SEC Staff Accounting Bulletin (“SAB”) 121, as rescinded by SAB 122. The new standard is effective immediately and did not have a material impact on the Company’s condensed consolidated financial statements.

In November 2024, the FASB issued ASU 2024-04, *Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments* (“ASU 2024-04”). ASU 2024-04 clarifies the accounting for induced conversions of convertible debt instruments and improves the consistency of accounting for settlements of convertible debt that occur at terms different from those specified in the original contract. The new standard is effective for the Company for its annual and interim periods beginning January 1, 2026, with early adoption permitted. The Company is currently evaluating the impact of adopting the standard.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* (“ASU 2024-03”). ASU 2024-03 requires additional disclosures of certain expenses in the notes of the financial statements, to provide enhanced transparency into the expense captions presented on the condensed Consolidated Statements of Operations. Additionally, in January 2025, the FASB issued ASU 2025-01, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date* (“ASU 2025-01”), to clarify the effective date of ASU 2024-03. The new standard is effective for the Company for its annual periods beginning January 1, 2027 and for interim periods beginning January 1, 2028, with early adoption permitted. The Company is currently evaluating the impact of adopting the standard.

**NOTE 3: BUSINESS COMBINATION**

On March 14, 2025 (the “Acquisition Date”), the Company acquired 100% of the issued share capital of Stronghold Digital Mining, Inc. (“Stronghold”) in a stock-for-stock merger transaction. Under the terms of the merger agreement, each Stronghold shareholder received 2.52 shares of Bitfarms for each Stronghold share they owned. A total of 59,866,609 common shares and 12,893,650 warrants were issued. In addition, the Company paid \$51,060 on closing to retire Stronghold’s outstanding loans and other closing costs. The acquisition was accounted for as a business combination using the acquisition method of accounting in accordance with ASC 805, *Business Combinations*. The fair value of the 59,866,609 shares issued as part of the consideration paid for Stronghold was based on the published share price on March 14, 2025 of \$1.11 per share. Issuance costs of \$196, which were directly attributable to the issuance of the shares, were netted against the deemed proceeds.

As a result of the business combination, the pre-existing hosting agreements between the Company and Stronghold were effectively settled. A gain of \$945 was recognized on the settlement of the Refundable Hosting Deposits. Refer to Note 12 and Note 16 for more details.

Stronghold is a vertically integrated power generation and data center company focused on environmental remediation and reclamation services in Pennsylvania, United States. The Stronghold transaction is aligned with the Company’s strategic objectives to diversify its operations and expand its presence in the United States through vertical integration of power generation and energy arbitrage capabilities.

The purchase price allocation for the acquisition reflects fair value estimates which are subject to change within the measurement period. As of September 30, 2025, the Company has substantially determined the fair values of most net assets except for property, plant and equipment and accounts payable and accrued expenses. The fair values of certain tangible assets remain preliminary and are subject to change as the Company continues to assess the condition and useful lives of the assets. Accounts payable and accrued expenses remain subject to change pending final confirmation of completeness. Measurement period adjustments that the Company determines to be material will be recognized in the period in which it determines the amounts, including the effect on earnings of any amounts it would have recognized in previous periods if the accounting had been completed at the acquisition date.

**NOTE 3: BUSINESS COMBINATION** (Continued)

Details of the final purchase price allocation and the fair value of the net assets acquired on March 14, 2025 are as follows:

	<b>As of March 14, 2025</b>
<b>Purchase consideration</b>	
Cash paid through repayment of debts	44,982
Reimbursement of Stronghold's acquisition-related costs	6,078
Fair value of shares issued	66,452
Fair value of warrants issued	11,477
Fair value of replacement stock-based compensation	232
Settlement of Refundable Hosting Deposits	15,474
<b>Fair value of consideration transferred</b>	<b>144,695</b>
<b>Net identifiable assets acquired</b>	
Cash	2,976
Accounts receivable, net	1,095
Short-term prepaid deposits	1,732
Other assets (current)	118
Rights to energy credits and waste tax credits (current portion)	7,395
Rights to waste tax credits (non-current portion)	1,594
Inventories	3,269
Property, plant and equipment, net	152,264
Intangible assets	51
Operating and finance lease right-of-use assets, net	1,594
Other non-current assets	1,550
Accounts payable and accrued expenses	(23,488)
Current portion of long-term debt	(420)
Current portion of operating and finance lease liabilities	(800)
Long-term debt	(460)
Non-current operating and finance lease liabilities	(756)
Other non-current liabilities	(3,019)
<b>Total net identifiable assets acquired</b>	<b>144,695</b>

Total acquisition-related costs that were not directly attributable to the issuance of shares amounted to \$7,081, of which \$1,571 were incurred during the first quarter of 2025, and \$5,510 were incurred during the year ended December 31, 2024. These amounts were included in general and administrative expenses in the condensed consolidated statements of operations.

**NOTE 3: BUSINESS COMBINATION** (Continued)

From the acquisition date through September 30, 2025, Stronghold's total revenue and net income (net of tax) included in the condensed consolidated statements of operations was \$57,035 and \$12,399, respectively.

**Revenue and profit and loss contribution**

The following pro-forma summary presents consolidated information of the Company as if the business combination had occurred on January 1, 2024 for the indicated periods:

(unaudited)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Revenue	67,969	35,095	191,104	150,171
Net loss, net of tax	(8,518)	(43,743)	(38,465)	(87,997)

The unaudited pro forma financial information should not be considered indicative of actual results that would have been achieved had the acquisition of Stronghold actually been consummated on the date indicated and does not purport to be indicative of the Company's future financial position or operating results. These pro forma results include the impact of depreciation and amortization of property, plant and equipment and intangible assets acquired, and the impact of the acquisition on interest expense and income tax expense. No adjustments have been reflected in the pro forma financial information for anticipated growth and efficiency opportunities. There were no material nonrecurring pro forma adjustments directly attributable to the acquisition included within the unaudited pro forma financial information.

The following table presents the supplemental cash flow information:

	Nine months ended September 30,
	2025
<b>Cash outflow, net of cash acquired</b>	
Cash consideration	51,060
Less: cash balances acquired	(2,976)
<b>Net cash outflow related to investing activities</b>	<b>48,084</b>

**Measurement period adjustments**

The Company obtained new information about amounts and the related facts and circumstances that existed at the Acquisition Date that should have been recognized as of the Acquisition Date.

During the second quarter of 2025, adjustments to record additional accrued liabilities and rights to energy credits of \$1,500 and \$3,102, respectively, were recognized with a corresponding net decrease of \$1,602 in property, plant and equipment.

During the three months ended September 30, 2025, an adjustment to recognize WTCs that existed as of the Acquisition Date of \$5,885 was recognized with a corresponding decrease in property, plant and equipment. In addition, other adjustments of \$1,462 were recognized with a corresponding increase in property, plant and equipment.

The measurement period adjustments are reflected in the purchase price allocation table above.

**BITFARMS LTD.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 4: ACCOUNTS RECEIVABLE, NET**

The balance of the allowance for credit losses on accounts receivable is as follows:

	<b>As of September 30,</b>	As of December 31,
	<b>2025</b>	2024
	nine-month period	twelve-month period
Balance as of January 1,	(63)	(51)
Current period allowance	—	(17)
Allowances for credit losses	(2)	5
Balance as of ending period	(65)	(63)

**NOTE 5: RIGHTS TO RENEWABLE ENERGY CREDITS AND WASTE TAX CREDITS**

	<b>As of September 30,</b>		
	<b>2025</b>		
	nine-month period		
	<b>Rights to renewable energy credits</b>	<b>Rights to waste tax credits</b>	<b>Total</b>
Balance as of January 1,	—	—	—
Addition related to business combination	3,104	5,885	8,989
Additions during the period	12,997	4,003	17,000
Less: sale of credits to third parties	(11,022)	—	(11,022)
Balance as of period end	5,079	9,888	14,967
Current portion	(5,079)	(4,291)	(9,370)
Non-current portion	—	5,597	5,597

**NOTE 6: DIGITAL ASSETS**

Bitcoin transactions and the corresponding values for the three and nine months ended September 30, 2025 and 2024 were as follows:

	<b>Three months ended September 30,</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Quantity</b>	<b>Value (\$)</b>	<b>Quantity</b>	<b>Value (\$)</b>
Balance of digital assets including restricted digital assets as of July 1,	1,176	125,951	905	56,748
Bitcoin earned *	520	59,417	414	25,057
Bitcoin earned from discontinued operations	124	14,416	289	17,781
Hosting revenue received in Bitcoin	15	446	—	—
Bitcoin received in advance for goods	6	741	—	—
Bitcoin earned, not received	2	140	—	—
Bitcoin exchanged for cash	(185)	(21,561)	(461)	(27,938)
Realized gain on disposition of digital assets	—	4,801	—	769
Change in fair value of digital assets	—	5,176	—	212
<b>Balance of digital assets including restricted digital assets as of</b>				
<b>September 30,</b>	<b>1,658</b>	<b>189,527</b>	<b>1,147</b>	<b>72,629</b>
Less: Restricted digital assets as of September 30, *	(157)	(17,933)	—	—
<b>Balance of digital assets excluding restricted digital assets as of</b>				
<b>September 30,</b>	<b>1,501</b>	<b>171,594</b>	<b>1,147</b>	<b>72,629</b>

**BITFARMS LTD.**
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of U.S. dollars, except data relating to number of PPE, shares, warrants, options and digital assets - unaudited)

**NOTE 6: DIGITAL ASSETS (Continued)**

	Nine months ended September 30,			
	2025		2024	
	Quantity	Value (\$)	Quantity	Value (\$)
Balance of digital assets including restricted digital assets as of January 1,	1,285	120,124	804	33,971
Bitcoin earned *	1,570	158,979	1,562	91,448
Bitcoin earned from discontinued operations	485	49,259	698	41,196
Hosting revenue received in Bitcoin	36	1,168	—	—
Bitcoin received in advance for goods	8	922	—	—
Bitcoin earned, not received	(6)	(714)	—	—
Bitcoin exchanged for cash	(1,665)	(159,295)	(1,917)	(111,264)
Bitcoin exchanged for services	(55)	(5,441)	—	—
Realized gain on disposition of digital assets	—	25,783	—	17,635
Change in unrealized loss on revaluation of digital assets	—	(1,574)	—	(357)
<b>Balance of digital assets including restricted digital assets as of September 30,</b>	<b>1,658</b>	<b>189,211</b>	<b>1,147</b>	<b>72,629</b>
Less: Restricted digital assets as of September 30, **	(157)	(17,933)	—	—
<b>Balance of digital assets excluding restricted digital assets as of September 30,</b>	<b>1,501</b>	<b>171,278</b>	<b>1,147</b>	<b>72,629</b>

\* Management estimates the fair value of Bitcoin earned on a daily basis as the quantity of cryptocurrency received multiplied by the price quoted on Coinbase Prime on the day it was received. Management considers the prices quoted on Coinbase Prime to be a level 1 input under ASC 820, Fair Value Measurement.

\*\* Restricted digital assets comprise of 157 Bitcoin for the Bitcoin payment (“Bitcoin Pledged”) to a third party as deposits for Miners presented as restricted digital assets. As the Company has the right to redeem the Bitcoin Pledged, the ability of the third party to control the asset is limited, and the Bitcoin Pledged does not meet the definition of a sale. Refer to Note 8, 11 and 16 for more details.

**NOTE 7: INVENTORIES**

	As of September 30,	As of December 31,
	2025	2024
Waste, limestone and fuel oil*	4,538	—
Electronic and networking components	2,441	1,137
	<b>6,979</b>	<b>1,137</b>

\* On the Acquisition Date, inventories from the Stronghold business combination amounted to \$3,269. Refer to Note 3 for more details.

**NOTE 8: DERIVATIVE ASSETS AND LIABILITIES****Bitcoin option and selling contracts**

The Company purchased Bitcoin option contracts that provide it the right, but not the obligation, to sell digital assets at a fixed price. The Company also entered into contracts and earned premiums by agreeing to sell Bitcoin if the Bitcoin price reached specific targets.

**Bitcoin Redemption Options and redemption obligations**

Beginning in November 2024, the Company entered into purchase orders of Miners with a supplier which allows the Company to pay for the Miners in cash, Bitcoin or a combination of both. In the event that the Company elects to pay using Bitcoin (Bitcoin Pledged, as defined in Note 6) either full or partial, the Company has the option to redeem the Bitcoin Pledged at the price originally pledged in four quarterly installments (“Bitcoin Installments”) within 12 months after the redemption period starts. The redemption period starts when the Miners are shipped. If the Company elects not to redeem one of the Bitcoin Installments, the Company forfeits the right to redeem the remaining Bitcoin Installments. The right to redeem the Bitcoin (“Bitcoin Redemption Option”) meets the definition of an embedded derivative.

In November 2024, the Company paid for the Miners ordered using 351 Bitcoin valued at \$33,230, i.e. 351 Bitcoin Pledged. On initial recognition, the Company recorded derivative assets of \$1,349 with a corresponding reduction in long-term deposit and equipment prepayments as the Miners were not yet shipped. On January 30, 2025, the Company exercised its option to redeem the first installment of the Bitcoin Pledged and redeemed 87 Bitcoin for \$8,308.

On March 12, 2025, an exchange agreement (“2025 Miners Swap Order”) was entered into to return 4,160 Bitmain T21 Miners. In consideration for the returned products, Bitmain provided the Company with a \$9,484 credit. Simultaneously, the Company placed a purchase order for 3,660 Bitmain S21+ Miners at a purchase price of \$11,858. The Company has the option to pay the net amount of \$2,374 in cash or in Bitcoin. On March 13, 2025, the Company paid the net \$2,374 in Bitcoin which can be redeemed on a quarterly basis, i.e. 29 Bitcoin Pledged. On initial recognition, the Company recorded derivative assets of \$393 with a corresponding reduction in long-term deposit and equipment prepayments as the Miners had not yet been shipped.

A redemption obligation was recognized for the remaining Bitcoin Redemption Options for which Miners have been shipped, reflecting the Company’s obligation to either redeem the Bitcoin Pledged for cash or use the Bitcoin Pledged for the purchase of the Miners. As of September 30, 2025, the redemption obligation amounted to \$15,339, which represented the value of Miners delivered, for which Bitcoin payments were made, and reduced by the value of the Bitcoin redeemed.

No redemption obligation was recognized as of December 31, 2024, as the Miners ordered, for which the deposit payment in Bitcoin was made, had not yet been shipped.

**NOTE 8: DERIVATIVE ASSETS AND LIABILITIES** (Continued)**Bitcoin Redemption Options and redemption obligations** (Continued)

The following table summarizes the Bitcoin Redemption Options:

	As of September 30, 2025	
	Quantity of restricted Bitcoin	Redemption Obligation
November 2024 Order	351	33,230
Redemption of Bitcoin	(262)	(24,923)
March 2025 Swap Order	29	2,374
Redemption of Bitcoin	(15)	(1,187)
July 2025 Swap Order	54	5,845
Redemption of Bitcoin	—	—
	<b>157</b>	<b>15,339</b>

In November 2024, the Company paid for the Miners ordered (“November 2024 Order”) using 351 Bitcoin valued at \$33,230 (i.e., 351 Bitcoin Pledged). On initial recognition, the Company recognized a derivative asset of \$1,349 with a corresponding reduction in long-term deposits and equipment prepayments as the Miners were not yet shipped. During the nine months ended September 30, 2025, the Company exercised its option to redeem the first three installments of the Bitcoin pledged and redeemed an aggregate 262 Bitcoin for \$24,923. Subsequently, in October 2025, the Company exercised the fourth and last Bitcoin Installment of the November 2024 Order. Refer to Note 24 for more details.

In March 2025, an exchange agreement (“March 2025 Swap Order”) was entered into to exchange Miners for which the Company paid \$2,374 in Bitcoin which can be redeemed on a quarterly basis (i.e., 29 Bitcoin Pledged). On initial recognition, the Company recognized a derivative asset of \$393 with a corresponding reduction in long-term deposits and equipment prepayments as the Miners had not yet been shipped. During the nine months ended September 30, 2025, the Company exercised its option to redeem the first and second installments of the Bitcoin Pledged and redeemed 15 Bitcoin for \$1,187. Subsequently, in October 2025, the Company exercised the third and fourth Bitcoin Installments of the March 2025 Swap Order. Refer to Note 24 for more details.

In July 2025, an exchange agreement (“July 2025 Swap Order”) was entered into to exchange Miners for which the Company paid \$5,966 in Bitcoin which can be redeemed on a quarterly basis (i.e., 54 Bitcoin Pledged). On initial recognition, the Company recognized a derivative asset of \$679 with a corresponding reduction in assets “held for sale”. During the three and nine months ended September 30, 2025, no option to redeem Bitcoin was exercised. Subsequently, in October 2025, the Company exercised the first Bitcoin Installment of the July 2025 Swap Order. Refer to Note 24 for more details.

Refer to Note 6, Note 16 and Note 24 for more details.

The following table summarizes the derivatives and reconciles the fair value measurement, which are classified within Level 2 of the fair value hierarchy:

	As of September 30, 2025			As of December 31, 2024		
	nine-month period			twelve-month period		
	Bitcoin redemption options	Bitcoin option and selling contracts		Bitcoin redemption options	Bitcoin option and selling contracts	
	Derivative Assets	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Assets	Derivative Liabilities
Balance as of January 1,	3,418	—	(128)	—	1,281	—
Initial recognition	1,071	—	—	1,349	—	—
Purchases	—	85,898	64,795	—	13,610	351
Settlement	—	(73,659)	(90,708)	—	(30,762)	(358)
Remeasurement recognized in statement of operations	(1,557)	(12,239)	26,041	2,069	15,871	(121)
Balance as of period end	<b>2,932</b>	—	—	3,418	—	(128)
Total derivative assets	<b>2,932</b>			3,418		
Total derivative liabilities	—			(128)		

**NOTE 8: DERIVATIVE ASSETS AND LIABILITIES** (Continued)

The following gain (loss) on derivatives is recognized in the condensed consolidated statements of operations:

	Three months ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
<b>Gain (loss) on Bitcoin options and selling contracts derivatives</b>				
Unrealized change in fair value of outstanding contracts	(458)	(732)	(230)	(1,028)
Realized gain (loss) on settled contracts	13,807	654	14,032	1,305
	13,349	(78)	13,802	277
<b>Gain (loss) on Bitcoin redemption options</b>				
Unrealized change in fair value	(3,498)	—	(5,006)	—
Realized gain on settled options	2,324	—	3,449	—
	(1,174)	—	(1,557)	—
<b>Gain (loss) on derivatives assets and liabilities</b>	12,175	(78)	12,245	277

**NOTE 9: ASSETS HELD FOR SALE**

As of September 30, 2025 and December 31, 2024, assets “held for sale” and related liabilities consisted of the following:

	As of September 30,	As of December 31,
	2025	2024
Miners	21,184	4,832
Mining electrical components	3,623	1,117
Assets of disposal group classified as held for sale	39,931	128,608
	64,738	134,557
<b>Current portion of assets held for sale</b>	<b>(64,738)</b>	<b>(9,419)</b>
<b>Non-current portion of assets held for sale</b>	<b>—</b>	<b>125,138</b>

As of September 30, 2025 and December 31, 2024, the Company determined it had surplus Miners and Mining electrical equipment that met the criteria as “assets held for sale” under ASC 360-10-45 as of the respective balance sheet dates. These assets were measured at the lower of their carrying amount and fair value less costs to sell at the time of the classification. These surplus assets are not determined to be discontinued operations as their planned sale did not represent a strategic shift on the Company’s operations and financial results.

The fair value of these assets were determined using the market approach, which is based on recent sales prices for similar Miners and equipment. Such fair value measurements are a non-recurring Level 3 measurement under the fair value hierarchy. The key assumption used by Management to determine fair value is the most recent amount contracted with a third party for a comparable Miner or equipment sold.

In addition to surplus Miners and equipment, the Company classified assets in Paraguay which met the criteria as “assets held for sale” during the three months ended September 30, 2025, which have been classified as discontinued operations in the consolidated financial statements, as detailed in this note. The Paraguay disposal group included the Paso Pe Bitcoin data center which met the “held for sale” criteria during the three months ended September 30, 2025 and the Yguazu Bitcoin data center which met the criteria and was sold in the first quarter of 2025. As such, the comparative amounts for the Paraguay Bitcoin data centers were reclassified. Refer to Note 22 for more details.

**NOTE 10: PROPERTY, PLANT AND EQUIPMENT, NET**

As of September 30, 2025 and December 31, 2024, property, plant and equipment (“PPE”) consisted of the following:

	As of September 30, 2025	As of December 31, 2024
BVVE	351,655	335,350
Land and buildings	11,561	5,039
Power plants	101,474	—
Machinery and Equipment	11,075	—
Leasehold improvements	22,620	59,449
Vehicles	5,390	1,754
	503,775	401,592
Accumulated Depreciation	(144,150)	(164,337)
Carrying amount	359,625	237,255

**Assets not subject to depreciation**

As of September 30, 2025, property, plant and equipment that are not yet placed into service amounted to \$3,485 and are not yet subject to depreciation.

**Dispositions**

In connection with the March 2025 Swap Order, dispositions included the Miners returned to the supplier as of September 30, 2025 with a cost \$11,928 and accumulated depreciation of \$4,201. Refer to Notes 8 for more details.

**NOTE 11: LONG-TERM DEPOSITS AND EQUIPMENT PREPAYMENTS**

	As of September 30, 2025	As of December 31, 2024
March 2024 Purchase Order	—	34,791
Other BVVE and electrical components	—	2,738
Cash deposits on construction work and materials**	822	2,530
Equipment and construction prepayments*	822	40,059
Insurance prepaids, security deposits for energy and rent	8,905	4,513
Deferred transaction fees - undrawn tranche of the credit facility	1,384	—
	<b>11,111</b>	<b>44,572</b>

\*Following the sale of the Yguazu Bitcoin data center, the Company sold \$18,321 of long-term deposits and equipment prepayments to HIVE.

\*\* Deposits for construction work and materials mainly related to the United States expansions.

*March 2024 Purchase Order*

During the first quarter of 2024, the Company ordered 19,369 Bitmain T21 Miners, 3,975 Bitmain S21 Miners and 762 Bitmain S21 Hydro Miners (collectively defined as the “March 2024 Purchase Order”) for \$51,285, \$13,608 and \$4,338, respectively, with deliveries scheduled from April 2024 to November 2024. In November 2024, the Company amended the March 2024 Purchase Order and upgraded 12,853 Bitmain T21 Miners to 12,853 S21 Pro Miners for \$22,654. The amendment had an embedded derivative for the Bitcoin Redemption Option, as described in Note 8, which was initially recognized at a fair value of \$1,349, reducing the Company’s Long-term deposits and equipment prepayments. As of September 30, 2025, all Miners on the March 2024 Purchase Order were received and the equipment prepayment amount was nil.

**NOTE 12: REFUNDABLE DEPOSITS**

	As of September 30, 2025	As of December 31, 2024
Refundable Hosting Deposits	—	14,216
Other	350	—
	<b>350</b>	<b>14,216</b>

*Refundable Hosting Deposits*

In September 2024 and in October 2024, the Company entered into two Miner hosting agreements (the “Panther Creek Hosting Agreement” and the “Scrubgrass Hosting Agreement”) with Stronghold Digital Mining Hosting, LLC, a subsidiary of Stronghold, which commenced on October 1, 2024 and November 1, 2024, respectively. In connection with the execution of these two Miner Hosting Agreements, the Company made two deposits of \$7,800 each with Stronghold (the “Panther Creek Refundable Deposit” and “Scrubgrass Refundable Deposit”, collectively, the “Refundable Hosting Deposits”). The Refundable Hosting Deposits bear an annual interest rate at Secured Overnight Financing Rate (“SOFR”) + 1% (the “Annual Interest Rate”). The Refundable Hosting Deposits were initially planned to be repaid in full to the Company within one business day from the end of the initial term expiring on December 31, 2025. Following the acquisition of Stronghold on March 14, 2025, the Panther Creek Hosting Agreement and Scrubgrass Hosting Agreement were terminated, settling the Refundable Hosting Deposits. Refer to Note 16 for more details on the financial instruments details.

**NOTE 13: ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

	As of September 30, 2025	As of December 31, 2024
Accounts payable and accrued expenses*	36,074	21,813
Government remittances payable	23,010	3,736
Obligation to return Miners	9,120	—
Bitcoin option and selling contracts payable	193	243
	<b>68,397</b>	<b>25,792</b>

\* On the Acquisition Date, additions from the business combination amounted to \$23,488 for accounts payable and accrued expenses. Refer to Note 3 for more details.

**Government Remittances**

In 2021, the Company imported Miners into Washington State, United States, that the vendor located in China claimed originated in Malaysia. In early 2022, U.S. Customs and Border Protection (“CBP”) challenged the origination of the Miners, asserting that the Miners were manufactured in China, and notified the Company of a potential assessment of a U.S. importation duty of 25%.

During the third quarter of 2023 and the first quarter of 2025, the Company submitted supporting documentation to CBP in defense of its position that the Miners were manufactured outside China and the associated custom duties in the amount of \$9,424 do not apply. In 2024, the Company paid \$180 of the custom duties resulting in an amount of \$9,244 related to the potential assessment.

In August 2025, the Company received a response letter from the CBP indicating that customs duties are required under the circumstances. During the three and nine months ended September 30, 2025, the Company recognized a payable of \$11,882 with a corresponding expense of \$9,244 recognized in costs of revenues relating to the customs duties and \$2,658 recognized in other expense (income) relating to interest. Subsequently, in October 2025, the Company paid the \$11,882 to the CBP.

**Obligation to return Miners**

In connection with the July 2025 Swap Order as described in Note 8, liabilities related to assets “held for sale” amounted to \$9,120 as of September 30, 2025 (December 31, 2024: nil). As of September 30, 2025, the Company received all the Miners from the supplier in the exchange swap. However, as of that date, the Company had not yet completed the return of all Miners that it had previously agreed to send back in the exchange, resulting in a non-cash obligation of \$9,120 to the supplier, which is recognized based on the value of the credit received for the Miners exchanged. The Miners that were received in the exchange were classified as assets “held for sale” (refer to Note 9) and were subsequently returned to the supplier in October 2025.

**NOTE 14: LONG-TERM DEBT**

The Company's long-term debt is as follows:

	As of September 30,	As of December 31,
	2025	2024
Building financing	1,679	1,576
Equipment financing	1,359	—
Credit Facility	51,917	—
Unamortized transaction costs and warrants	(3,471)	—
<b>Total long-term debt, net of transaction cost and warrants</b>	<b>51,484</b>	<b>1,576</b>
Current portion of long-term debt	(607)	(146)
<b>Non-current portion of long-term debt</b>	<b>50,877</b>	<b>1,430</b>

Movement in long-term debt is as follows:

	As of September 30,	As of December 31
	2025	2024
Balance as of January 1,	1,576	4,022
Issuance of long-term debt	50,772	1,695
Addition from business combination	880	—
Repayments	(1,480)	(4,435)
Interest on long-term debt	3,162	294
Transaction costs and warrants	(4,503)	—
Amortization of transaction costs and warrants	1,017	—
Foreign exchange	60	—
Balance as of period end	51,484	1,576

**Credit Facility**

In April 2025, the Company signed a credit facility for up to \$300,000 (the "Credit Facility") with Macquarie.

*Initial Tranche*

An initial \$50,000 was drawn (the "Initial Tranche"), bearing interest at 8% per annum, with monthly payments and a term of two years. Interest for the first three months was paid in kind and added to the loan. The payments shall be solely interest until the Initial Tranche maturity date, April 1, 2027, at which time the principal debt of \$50,000 and interest paid in kind will be payable in full. The EIR of the Credit Facility as of September 30, 2025 was 17.9%. The agreement specified a minimum base return of 25% and can be reduced to 9% depending on when principal payments are made (i.e., before end of term). In connection with the Initial Tranche, Macquarie received 5,330,946 warrants convertible for common shares of the Company with an initial fair value of \$2,900 recognized as equity warrants. Refer to Note 16 for more details. The \$50,000 proceeds from the Initial Tranche were allocated to the equity warrants and debt based on their relative fair values. Therefore, a discount on debt of \$2,711 is deducted from the carrying amount of the debt and is amortized over the term of the Initial Tranche.

**NOTE 14: LONG-TERM DEBT** (Continued)**Credit Facility** (Continued)*Second Tranche*

An additional \$250,000 (“Second Tranche”) will be made available to the Company if and as it achieves specific development milestones at the Panther Creek, Pennsylvania, United States location and contributes \$50,000 in kind or in cash to Macquarie as collateral.

Subsequently, in October 2025, the Company converted the entirety of the loan into a \$300,000 project debt facility for the development of the Panther Creek property and secured at the project level with a parent company guarantee. The Initial Tranche was rolled into the project debt facility and the facility is subject to new terms and restrictions from those of the Initial Tranche. Refer to Note 24 for more details.

*Transaction costs*

Transaction costs of \$3,161 relating to agent fees and legal fees were capitalized. The Company prorated the transaction costs between the Initial and Second Tranche, allocating \$1,777 and \$1,384 to each, respectively. The transaction costs allocated to the Initial Tranche were deducted from the carrying amount of the debt and the transaction costs allocated to the Second Tranche were capitalized to Long-term deposits and equipment prepayments which will begin amortization once the Second Tranche is drawn.

*Covenants and restrictions under the Initial Tranche*

The Credit Facility for the Initial Tranche includes various financial and non-financial covenants for the Company and its subsidiaries including restrictions on dispositions, dividends, the incurrence of debt and liens, material changes in the nature of its business, related party transactions and investments. The Company is also required to maintain a restricted cash balance of \$25,000 in a designated account for the Initial Tranche.

As of October 31, 2025, the most recently completed calendar month, the Company was in compliance with the covenants of its Credit Facility.

**NOTE 15: SHARE CAPITAL****Common shares**

The Company's authorized share capital consists of an unlimited number of common shares without par value and are fully paid. Each share entitles the holder to one vote per share and to receive equally any dividends declared by the Company and the remaining property and assets of the Company in the event Bitfarms undergoes a liquidation, dissolution or winding up.

The following table details the movement of the number of common shares:

	<b>Nine Months Ended September 30,</b>	
	<b>2025</b>	<b>2024</b>
Outstanding, January 1,	<b>479,332,885</b>	334,153,330
Issuance through at-the market equity offering program	<b>19,171,142</b>	109,323,321
Issuance through business combination	<b>59,866,609</b>	—
Share buyback and cancellation	<b>(7,807,141)</b>	—
Exercise of stock options	<b>7,254,449</b>	2,448,148
Settlement of share awards	<b>1,543,320</b>	—
Issuance of common shares related to right-of-use asset	—	1,532,745
Exercise of warrants	<b>1,176,783</b>	5,111,111
Settlement of restricted share units	<b>2,469,700</b>	366,666
Outstanding, September 30,	<b>563,007,747</b>	452,935,321

*At-The-Market Equity Offering Program ("ATM Program")*

Bitfarms commenced an ATM Program on March 11, 2024 (the "2024 ATM Program"), pursuant to which the Company may, at its discretion and from time-to-time, sell common shares of the Company, resulting in the Company receiving aggregate gross proceeds of up to \$375,000.

During the nine months ended September 30, 2025, the Company issued 19,171,142 common shares in exchange for gross proceeds of \$39,283 at an average share price of approximately \$2.05. The Company received net proceeds of \$38,043 after paying commissions of \$1,178 to the sales agent and \$61 in other transaction costs.

*Corporate Share Buyback Program*

On July 22, 2025, the Company announced that the TSX had approved a normal course issuer bid ("NCIB"), under which the Company may repurchase up to 49,943,031 of its common shares, representing approximately 10% of the Company's public float as of July 14, 2025.

Purchases under the NCIB commenced on July 28, 2025, and will terminate no later than July 27, 2026. All common shares purchased on the TSX or Nasdaq under the NCIB will be cancelled. The Company has entered into an automatic repurchase arrangement with a designated broker to facilitate repurchases under the NCIB, including during pre-determined blackout periods. The timing and number of shares repurchased will be determined by Management based on market conditions.

During the three and nine months ended September 30, 2025, the Company repurchased 7,807,141 common shares for cancellation through the Corporate Share Buyback Program in exchange for \$9,877 at an average share price of approximately \$1.27 and paid \$79 of commissions to the purchasing agent.

**NOTE 15: SHARE CAPITAL** (Continued)**Equity warrants**

Details of the outstanding number of warrants are as follows:

	Nine months ended September 30,			
	2025		2024	
	Number of warrants	Weighted Average Exercise Price (USD)	Number of warrants	Weighted Average Exercise Price (USD)
Outstanding, January 1,	10,841,482	1.19	35,009,390	2.83
Granted	18,224,596	1.20	—	—
Exercised	(1,222,222)	1.18	(5,111,111)	1.17
Expired	—	—	(19,056,797)	4.21
Outstanding, September 30,	27,843,856	1.20	10,841,482	1.19

The weighted average contractual life of the warrants as of September 30, 2025, was 3.8 years (December 31, 2024 and 2023: 1.9 years and 1.6 years, respectively).

In February 2024, 5,000,000 warrants and 111,111 broker warrants related to the 2023 Private Placement were exercised resulting in the issuance of 5,111,111 common shares for proceeds of approximately \$5,986.

On March 11, 2024, 25,000 warrants relating to the acquisition of the Garlock building in Sherbrooke, Québec, Canada issued during 2022 expired. These warrants were recognized as equity instruments.

On March 14, 2025, the Company issued 12,893,650 warrants at an average exercise price of \$1.30 as part of the consideration paid to acquire Stronghold. The total value was \$11,477 using the Black-Scholes valuation model. Refer to Note 3. The warrants are convertible for a fixed number of common shares of the Company, which are classified as equity instruments.

In April 2025, in connection with the Credit Facility, the Company granted Macquarie 5,330,946 warrants (the “2025 Warrants”) with an exercise price of \$1.17. The holder has the right to exercise the warrants before 2030 to subscribe for and purchase common shares from the Company. These warrants are classified as equity instruments.

In September 2025, 1,000,000 warrants and 111,111 broker warrants related to the 2023 private placement were exercised resulting in the issuance of 1,111,111 common shares for proceeds of approximately \$1,307. In addition, 111,111 broker warrants were exercised on a cashless basis in exchange for 65,672 common shares.

**NOTE 15: SHARE CAPITAL** (Continued)**Equity warrants** (Continued)

The Black-Scholes option-pricing model utilized the following weighted-average assumptions to determine the initial fair value of the warrants granted during the nine months ended September 30, 2025:

Dividend yield (%)		—%
Expected share price volatility (%)*		99%
Risk-free interest rate (%)		4.08%
Expected life of warrants (years)		5.68
Share price (CAD)	\$	1.12
Exercise price (USD)	\$	1.26
Fair value of warrants (USD)	\$	0.79
Number of warrants issued		18,224,596

\* Expected share price volatility is estimated based on a combination of the Company's stock price and Bitcoin price data.

**NOTE 16: FINANCIAL INSTRUMENTS****a. Measurement categories and fair value**

The following table presents the fair values of the Company's financial instruments and their level within the fair value hierarchy:

Measurement		As of September 30, 2025	As of December 31, 2024
<b>Financial assets at amortized cost</b>			
Cash	Level 1	86,952	59,542
Restricted cash	Level 1	25,000	—
Accounts receivable, net	Level 2	3,274	1,259
Other receivables	Level 2	2,826	1,387
Security deposits for energy	Level 2	5,157	7,740
Refundable Hosting Deposits	Level 2	—	14,216
Other refundable deposits	Level 3	350	—
<b>Financial assets at fair value through profit and loss</b>			
Derivative assets	Level 2	2,932	3,418
<b>Total fair value of financial assets</b>		<b>126,491</b>	<b>87,562</b>
<b>Financial liabilities at amortized cost</b>			
Accounts payable and accrued expenses	Level 2	36,267	22,158
Redemption obligation	Level 2	15,339	—
Long-term debt*	Level 2	55,438	1,576
<b>Financial liabilities at fair value through profit and loss</b>			
Derivative liabilities	Level 2	—	128
<b>Total fair value of financial liabilities</b>		<b>107,044</b>	<b>23,862</b>
<b>Net fair value</b>		<b>19,447</b>	<b>63,700</b>

\* The Credit Facility is recognized at amortized cost using the EIR method. Its carrying amount amounted to \$48,446 as of September 30, 2025, whereas its fair value, which is based on discounted cash flows using a current borrowing rate, amounted to \$52,400.

There were no transfers between Level 1, 2 or 3 of the fair value hierarchy during the nine months ended September 30, 2025 and year ended December 31, 2024.

In addition to assets and liabilities that are measured at fair value on a recurring basis, the Company also measures certain assets and liabilities at fair value on a non-recurring basis. The Company's long-lived assets, including intangible assets, operating lease right-of-use assets, and property, plant and equipment, are measured at fair value when there is an indication of impairment and the carrying amount exceeds the asset's projected undiscounted cash flows. These assets are measured at fair value only when an impairment loss is recognized.

The carrying amounts of cash, restricted cash, accounts receivable, net, other receivables, security deposits for energy, Refundable Hosting Deposits, other refundable deposits, receivable from disposal of business, accounts payable and accrued expenses and redemption obligations presented in the table above are a reasonable approximation of their fair value due to their short-term maturity or they are valued using the income approach valuation technique.

**NOTE 16: FINANCIAL INSTRUMENTS (Continued)****a. Measurement categories and fair value (Continued)****Derivatives assets and liabilities**

The fair value of derivatives is categorized as Level 2 in the fair value hierarchy and is presented under derivative assets and liabilities in the condensed consolidated balance sheets when there is an outstanding contract at period end. The derivatives are measured at fair values on a recurring basis.

*i. Bitcoin option and selling contracts (derivatives)*

Fair value of derivative financial instruments generally reflects the estimated amounts that the Company would receive or pay, taking into consideration the counterparty credit risk or the Company's credit risk at each reporting date. The Company uses market data such as Bitcoin option futures to estimate the fair value of option contracts at each reporting date. Refer to Note 8 for more details.

*ii. Bitcoin Redemption Options (embedded derivatives)*

The purchase order agreements explained in Note 8 provide the Company with the option to redeem the Bitcoin Pledged at a market price determined when the Bitcoin was first pledged ("Agreed Bitcoin Price").

The right to redeem the Bitcoin Pledged meets the definition of an embedded derivative as the derivative is embedded in the non-financial contract is not closely related to the economic characteristics and risks of the host non-financial contract. The fair value of the embedded derivative is determined using a combination of the Monte Carlo simulation model to simulate future price of Bitcoin prices based on probability factors and the Black-Scholes Model to estimate the value of each Bitcoin Redemption Option.

At each reporting date, the fair value is determined by multiplying the number of redeemable Bitcoin pledged by the present value of the difference between the Agreed Bitcoin Price and the simulated spot price of Bitcoin, while considering the likelihood of exercising the quarterly installments. Change in fair value is recognized to Other expense.

**Refundable deposits**

The refundable deposits are measured at amortized cost using the EIR method and are classified as Level 2 according to the Company's fair value hierarchy. Their fair values are a recurring measurement. The valuation technique used is the income approach (discounted future cash flows). Refer to Note 12 for more details.

*i. Refundable Hosting Deposits*

The Refundable Hosting Deposits are accounted for as financial assets and measured at fair value on initial recognition based on the contractual right to receive each refundable hosting deposit plus interest at the end of the term. Following the acquisition of Stronghold on March 14, 2025, the Panther Creek and the Scrubgrass Hosting Agreements were terminated, settling the Refundable Hosting Deposits.

**NOTE 16: FINANCIAL INSTRUMENTS** (Continued)**a. Measurement categories and fair value** (Continued)*ii. Security deposits for energy*

The security deposits for energy consumption related to the operational Paso Pe and in-construction Yguazu data centers in Paraguay, for which the undiscounted amounts represented \$5,931 and \$3,379, respectively, as of December 31, 2024. As of September 30, 2025, both amounts were nil as the Paso Pe Bitcoin data center was classified as assets of disposal group “held for sale” with a carrying amount of \$5,157 (refer to Note 9 and 17 for more details) and the Yguazu Bitcoin data center was disposed on March 17, 2025. The remaining deposit has an EIR of 6% over an approximately three-year period.

The following table details the movement in the refundable deposits:

	Panther Creek	Scrubgrass	Refundable Hosting Deposits	Security deposits for energy	Other	Total
Balance as of January 1, 2024	—	—	—	277	—	277
Additions	7,800	7,800	15,600	9,034	—	24,634
Initial loss on recognition	(675)	(258)	(933)	(1,571)	—	(2,504)
Fair value at initial recognition	7,125	7,542	14,667	7,740	—	22,407
Interest income	261	103	364	—	—	364
ECLs	(409)	(406)	(815)	—	—	(815)
Balance as of December 31, 2024 before reclassification to assets “held for sale”	6,977	7,239	14,216	7,740	—	21,956
Presented as non-current assets “held for sale”	—	—	—	(7,740)	—	(7,740)
Balance as of December 31, 2024	6,977	7,239	14,216	—	—	14,216
Addition from business combination	—	—	—	—	350	350
Interest Income	187	126	313	226	—	539
Gain on settlement	603	342	945	—	—	945
Derecognition	(7,767)	(7,707)	(15,474)	(2,809)	—	(18,283)
Balance as of September 30, 2025 before reclassification to assets “held for sale”	—	—	—	5,157	350	5,507
Presented as current assets “held for sale”	—	—	—	(5,157)	—	(5,157)
Balance as of September 30, 2025	—	—	—	—	350	350

**NOTE 17: DISCONTINUED OPERATIONS**

In 2025, the Company began a significant transformation of its corporate strategy, exiting its Latin American Bitcoin Mining operations in Paraguay and Argentina to fully concentrate on the U.S. and Canadian HPC infrastructure market. As a result of these strategic decisions, the Company classified certain of its Latin American asset group as “held for sale” and its operations as discontinued operations.

**Argentina’s operations as discontinued operations**

In the second quarter of 2025, the Company’s energy supplier halted the supply of electricity to the Company’s Rio Cuarto, Argentina Bitcoin data center. Following this event, on August 11, 2025, the Company determined that it would discontinue and abandon its operations in Rio Cuarto, Argentina. The Company negotiated to eliminate its asset retirement obligation and reduced the reserved power to a minimum. As of September 30, 2025, the Argentina’s operations were abandoned and classified as a discontinued operation. As these operations represent an asset group that was abandoned, it is not classified as “held for sale”.

Since the second quarter of 2025, the Company classified certain assets as “held for sale when the criteria for such classification were met”. As of September 30, 2025, the Company had \$5,224 of assets classified as “held for sale”, primarily related to its discontinued operations in Argentina. These assets mainly related to electrical components and BVVE.

**Paraguay’s operations as discontinued operations and assets held for sale**

During the first quarter of 2025, the Company finalized the sale of its Yguazu Bitcoin data center in Paraguay. During the three months ended September 30, 2025, Management determined that the Paso Pe facility met the criteria to be classified as “held for sale”, and all operations in Paraguay were classified as discontinued operations as the Company makes a strategic shift towards HPC data center projects in North America. The sale of the Paso Pe Bitcoin data center is anticipated to close within twelve months from the reporting date.

**NOTE 17: DISCONTINUED OPERATIONS** (Continued)**Paraguay's operations as discontinued operations and assets held for sale** (Continued)*Sale of the Yguazu Bitcoin data center*

On March 17, 2025, the Company completed the sale of its 200 MW Bitcoin data center under development in Yguazu, Paraguay to HIVE Digital Technologies Ltd. ("HIVE") pursuant to a binding letter of Intent ("LOI") originally signed on January 24, 2025, which was superseded by a share purchase agreement dated as of March 17, 2025. The transaction involved the sale of the Company's 100% ownership stake in the Yguazu Bitcoin data center.

The total consideration and the transaction details are as follows:

	<b>As of March 17</b>
	<b>2025</b>
<b>Consideration</b>	
Advance received in January 2025 upon signing the LOI	20,000
Cash received upon closing	12,038
Receivable over 6 equal monthly payments following the closing date*	31,000
Other costs assumed by HIVE	222
<b>Total consideration</b>	<b>63,260</b>
<b>Net assets transferred</b>	
Current assets	2,590
Property, plant and equipment	34,006
Intangible asset	309
Long-term deposits and equipment prepayments	18,321
Security deposit for energy	2,809
<b>Total net assets transferred</b>	<b>58,035</b>
Gain on disposal of subsidiary	5,225

\* As of September 30, 2025, the \$31,000 interest-free receivable was fully collected.

**Financial information of discontinued operations and assets held for sale****i. Assets classified as held for sale**

The following table presents the components of the assets or disposal groups that met the criteria for classification as "assets held for sale" as of September 30, 2025 or December 31, 2024. The Paraguay disposal group included the Paso Pe Bitcoin data center, which met the criteria for classification as "held for sale" during the third quarter of 2025, and the Yguazu Bitcoin data center which, met the criteria and was sold in the first quarter of 2025.

Certain prior period amounts as of December 31, 2024 have been reclassified to conform to the current-period presentation. The presentation of certain assets as non-current as of December 31, 2024 reflects their presentation prior to meeting the criteria for "held for sale" and is presented for comparative purposes only.

	<b>As of September 30,</b>	<b>As of December 31,</b>
	<b>2025</b>	<b>2024</b>
Other assets	1,287	3,427
Inventories - electronic and networking components	348	43
Miners and Mining electrical components included in assets held for sale	4,011	—
Property, plant and equipment	28,281	105,297
Finance lease right-of-use assets, net	—	306
Long-term deposits and equipment prepayments - equipment and	847	11,795
Refundable deposits - security deposits for energy	5,157	7,740
	<b>39,931</b>	<b>128,608</b>
<b>Current portion of assets "held for sale"</b>	<b>(39,931)</b>	<b>(3,470)</b>
<b>Non-current portion of assets "held for sale"</b>	<b>—</b>	<b>125,138</b>

During the three and nine months ended September 30, 2025, as a result of the reclassification of the assets of the Paso Pe facility as assets "held for sale", the Company recognized an impairment loss of \$26,962 to write down these assets to their estimated fair value less costs to sell.



**NOTE 17: DISCONTINUED OPERATIONS** (Continued)**Financial information of discontinued operations and assets held for sale** (Continued)**ii. Results of the discontinued operations** (Continued)**Extinguishment of asset retirement obligations**

On August 8, 2025, the Company entered into an agreement with Generación Mediterránea S.A. (“GMSA”) to eliminate the Company’s asset retirement obligation for the leased property in Argentina. As a result of this agreement, the Company’s extinguished an asset retirement obligation of \$1,753 and derecognized the related property, plant and equipment of \$42, resulting in a gain of \$1,711. This gain was recognized within net loss from discontinued operations during three and nine months ended September 30, 2025.

**Impairment***Impairment on Argentina asset group in the first quarter of 2025*

During the first quarter of 2025, due to indicators of impairment that included the decline of the Company’s market capitalization and Bitcoin price, the Company performed recoverability tests for operating Bitcoin data centers in Canada, United States, Paraguay and Argentina. The Company also experienced an increase in gas prices which affected the Company’s cost of energy in Argentina.

In performing a recoverability test, the Company calculated the sum of the estimated undiscounted future cash flows from continued use and eventual disposition for the Argentina asset group, and determined it was lower than its carrying amount, therefore the Argentina asset group was not recoverable, and an impairment loss in the amount of \$17,504 was recognized to write down the carrying amount of the asset group to its fair value.

To measure the impairment loss, fair value was determined using an income approach under ASC 820 based on a discounted cash flow model incorporating management’s estimates of future cash flows, expected Bitcoin prices, projected operating expenses, and a market-based discount rate. Due to the use of significant unobservable inputs, the fair value measurement was classified within Level 3 of the fair value hierarchy.

*Impairment in Argentina asset group in the second quarter of 2025*

Management considered the suspension of the cryptocurrency Mining activities in Argentina as an indicator of impairment and performed a recoverability test for its operating Bitcoin data center in Argentina. The sum of the estimated undiscounted future cash flows for the Argentina asset group was determined to be lower than its carrying amount, therefore the Argentina asset group is not recoverable and an impairment loss in the amount of \$14,872 was recognized to write down the carrying amount of the asset group to its fair value less cost to sell.

Fair value was determined using an income approach under ASC 820 based on a discounted cash flow model as previously described above.

*Impairment of assets during the third quarter of 2025*

Additional impairment loss of \$1,432 was recognized to write down the carrying amount of certain assets to their fair value less cost to sell in the third quarter of 2025.

**NOTE 17: DISCONTINUED OPERATIONS** (Continued)**Financial information of discontinued operations and assets held for sale** (Continued)**ii. Results of the discontinued operations** (Continued)**Impairment**

*Impairment of Paraguay asset group in the third quarter of 2025*

During the third quarter of 2025, upon classifying the assets of its Paso Pe operations as held for sale, the Company assessed their value at fair value less costs to sell which resulted in an impairment loss of \$26,962 on its Paraguay operations.

The following table summarizes the impairment loss of the Argentina and Paraguay operations:

	Q1 2025	Q2 2025	Q3 2025			Q3 2025		
	Three-month periods					Nine-month period		
	Argentina	Argentina	Argentina	Paraguay	Total	Argentina	Paraguay	Total
Other assets	—	—	—	(314)	(314)	—	(314)	(314)
Miners “held for sale”	(1,320)	—	—	—	—	(1,320)	—	(1,320)
Property, plant and equipment	(17,249)	(13,442)	637	(25,847)	(25,210)	(30,054)	(25,847)	(55,901)
ROU assets	(74)	—	—	(161)	(161)	(74)	(161)	(235)
Security deposits for energy	(181)	(1,430)	(2,069)	—	(2,069)	(3,680)	—	(3,680)
Intangible asset	—	—	—	(640)	(640)	—	(640)	(640)
	(18,824)	(14,872)	(1,432)	(26,962)	(28,394)	(35,128)	(26,962)	(62,090)

**iii. Cash flow information**

The net cash flows of the Argentina and Paraguay operations are as follows:

	Nine months ended September 30,					
	2025			2024		
	Argentina	Paraguay	Total	Argentina	Paraguay	Total
Net change in cash related to operating activities	(1,644)	(19,208)	(20,852)	(15,619)	(2,127)	(17,746)
Net change in cash related to investing activities	1,724	19,271	20,995	16,019	3,339	19,358
Net change in cash related to financing activities	(92)	(160)	(252)	(142)	(146)	(288)
<b>Net change in cash generated by the discontinued operations</b>	<b>(12)</b>	<b>(97)</b>	<b>(109)</b>	<b>258</b>	<b>1,066</b>	<b>1,324</b>

**NOTE 18: LOSS PER SHARE**

The following table presents the computation of basic and diluted loss per share from continuing operations:

<b>From continuing operations:</b>	<b>Three months ended September 30,</b>		<b>Nine months ended September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>Numerator:</b>				
Loss from continuing operations	<b>(11,009)</b>	(26,412)	<b>(36,398)</b>	(48,920)
<b>Denominator:</b>				
Denominator for basic loss per share - weighted average shares outstanding	<b>556,539,628</b>	448,711,912	<b>537,721,978</b>	396,423,169
<b>Loss from continuing operations per common share attributable to common shareholders</b>				
Basic and diluted	<b>(0.02)</b>	(0.06)	<b>(0.07)</b>	(0.12)

**NOTE 18: LOSS PER SHARE** (Continued)

The following table presents the computation of basic and diluted loss per share from discontinued operations:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>From discontinued operations:</b>				
<b>Numerator:</b>				
Loss from discontinued operations	(27,758)	(12,584)	(63,423)	(15,219)
<b>Denominator:</b>				
Denominator for basic loss per share - weighted average shares outstanding	556,539,628	448,711,912	537,721,978	396,423,169
<b>Loss per common share attributable to common shareholders</b>				
Basic and diluted	(0.05)	(0.03)	(0.12)	(0.04)

For the three and nine months ended September 30, 2025 and 2024, potentially dilutive securities have not been included in the calculation of diluted loss per share because their effect is anti-dilutive.

The following table presents potentially dilutive securities that are not included in the computation of diluted loss per share as their inclusion would be anti-dilutive:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Options	2,672,519	5,619,947	3,126,171	6,457,404
Warrants	11,150,547	5,376,281	1,148,776	6,061,257
RSUs	4,488,745	1,035,821	4,179,334	850,803
PSUs	3,924,443	—	1,322,523	—
Share awards	—	—	650,116	—
	22,236,254	12,032,049	10,426,920	13,369,464

**NOTE 19: STOCK-BASED COMPENSATION**

Stock-based compensation expense is recognized within general and administrative expenses in the consolidated statements of operations. The stock-based compensation expense related to stock options (“Options”), restricted share units (“RSUs”), performance share units (“PSUs”) and share awards for employees, directors, consultants and former employees received were as follows:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Options	1,434	4,031	4,928	7,073
RSUs	851	839	3,196	1,750
PSUs	566	—	566	—
Share awards	—	—	1,713	—
	<b>2,851</b>	<b>4,870</b>	<b>10,403</b>	<b>8,823</b>

**Long-Term Incentive Plan (“2025 LTIP”)**

The 2025 LTIP Plan was adopted in July 2025 and provides the Company the ability to grant various share-based compensation such as, but not limited to, Options, RSUs and PSUs. The 2025 LTIP is a 10% rolling plan, permitting the issuance of up to 10% of the Company’s outstanding shares in respect of the awards granted.

**Options**Under 2025 LTIP

During the nine months ended September 30, 2025, the Board approved Options grants to purchase 1,572,500 common shares in accordance with the 2025 LTIP (nine months ended September 30, 2024: nil common shares). All Options issued according to the 2025 LTIP become exercisable when they vest and can be exercised for a maximum period of 5 years from the date of the grant.

**NOTE 19: STOCK-BASED COMPENSATION** (Continued)**Options** (Continued)

## Under 2021 LTIP

During the nine months ended September 30, 2025, the Board approved Options grants to purchase 2,536,227 common shares in accordance with the 2021 Long-Term Incentive Plan (the "2021 LTIP") adopted on May 18, 2021 (nine months ended September 30, 2024: 8,410,000 common shares). All Options issued according to the 2021 LTIP become exercisable when they vest and can be exercised for a maximum period of 5 years from the date of the grant. As part of the options granted during the nine months ended September 30, 2025, the Company granted 302 Options to certain employees of Stronghold as part of the business combination described in Note 3.

Details of the outstanding Options are as follows:

	Nine months ended September 30,			
	2025		2024	
	Number of Options	Weighted Average Exercise Price (\$CAD)	Number of Options	Weighted Average Exercise Price (\$CAD)
<b>Outstanding, January 1,</b>	<b>26,865,764</b>	<b>2.64</b>	20,939,387	2.41
Granted	4,108,727	1.68	8,410,000	2.99
Exercised	(7,254,449)	1.97	(2,448,148)	1.50
Forfeited	(1,599,502)	2.53	(105,000)	2.95
Expired	(55,000)	3.25	(296,250)	5.90
<b>Outstanding, September 30,</b>	<b>22,065,540</b>	<b>2.69</b>	26,499,989	2.64
<b>Exercisable, September 30,</b>	<b>14,973,995</b>	<b>2.66</b>	11,251,873	1.79

The weighted average remaining contractual life of the outstanding Options as of September 30, 2025 was 3.3 years (September 30, 2024: 3.9 years).

The assumptions used to value the stock option grants using the Black-Scholes model are as follows:

Grant date	January 10, 2025	April 3, 2025	August 15, 2025	September 9, 2025
Dividend yield (%)	—	—	—	—
Expected share price volatility (%)*	80%	79%	75%	75%
Risk-free interest rate (%)	4.46%	3.68%	3.73%	3.48%
Expected life of stock options (years)	3	3	3	3
Share price (CAD)	\$ 2.27	\$ 1.16	\$ 1.75	\$ 2.19
Exercise price (CAD)	\$ 2.27	\$ 1.16	\$ 1.75	\$ 2.19
Fair value of options (USD)	\$ 0.79	\$ 0.41	\$ 0.64	\$ 0.91
Vesting period (years)	1.5	1.5	1.5	1.5
Number of options granted	540,000	1,996,227	150,000	1,422,500

\* Expected share price volatility is estimated based on a combination of the Company's stock price and Bitcoin price data.

**NOTE 19: STOCK-BASED COMPENSATION** (Continued)**RSUs**

Details of the RSUs are as follows:

	<b>Nine months ended September 30,</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Number of RSUs</b>	<b>Weighted Average Grant Price (\$CAD)</b>	<b>Number of RSUs</b>	<b>Weighted Average Grant Price (\$CAD)</b>
<b>Outstanding, January 1,</b>	<b>897,666</b>	<b>3.61</b>	624,998	4.05
Granted	6,333,878	1.42	706,000	3.27
Settled	(2,469,700)	2.22	(366,666)	3.62
Forfeited	(10,500)	1.59	—	—
<b>Outstanding, September 30,</b>	<b>4,751,344</b>	<b>1.42</b>	964,332	3.64

Under the 2025 LTIP

During the nine months ended September 30, 2025, the Board approved the grant of 3,550,453 RSUs to certain members of Management which vest 1/3 annually over three years.

Under the 2021 LTIP

During the nine months ended September 30, 2025, the Company granted 1,890,000 RSUs to certain employees and executive Management of Stronghold as part of the business combination described in Note 3. 1,631,700 RSUs were fully vested upon grant and 258,300 RSUs vest approximately 17% every 3 months. In addition, the Company granted 893,425 RSUs to the independent directors of the Board. These RSUs fully vest in 9 months. The fair value of the RSUs is based on the Company's share price at the date of grant.

During the nine months ended September 30, 2024, the Board approved the grant of 706,000 RSUs to certain members of senior Management. Of the 706,000 RSUs, 175,000 RSUs vest 50% approximately one month from the grant date and an additional 25% every 6 months and 531,000 RSUs vest 33% three months from the grant date and an additional 33% every six months.

**Share awards**

During the nine months ended September 30, 2025, following the Stronghold transaction, the Company entered into a stock award agreement as well as a consulting agreement with a former executive of Stronghold and granted 1,543,320 share awards. The share awards shall fully vest in September 2025, subject to continued provision of services through this date. Notwithstanding the foregoing, the share awards can be accelerated and fully vested if certain conditions are met. In April 2025, the conditions were met and the share awards were settled.

**NOTE 19: STOCK-BASED COMPENSATION** (Continued)**PSUs**

Details of the PSUs are as follows:

	Nine months ended September	
	2025	
	Number of	Weighted
	PSUs	Average
		Grant Price
		(\$CAD)
<b>Outstanding, January 1,</b>	—	—
Granted	4,349,985	1.41
<b>Outstanding, September 30,</b>	4,349,985	1.41

During the nine months ended September 30, 2025, the Company granted 4,349,985 PSUs to senior executives as part of the 2025 LTIP, which will vest at the end of the three years.

**NOTE 20: ADDITIONAL DETAILS TO THE STATEMENT OF OPERATIONS****Disaggregated revenues**

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Cryptocurrency Mining	60,439	25,621	161,751	92,012
Cryptocurrency Hosting	1,461	—	3,339	—
Electrical services	1,122	1,451	3,222	3,510
Energy sales	4,947	—	8,216	—
	<b>67,969</b>	<b>27,072</b>	<b>176,528</b>	<b>95,522</b>

**Cost of revenues**

		Three months ended		Nine months ended	
		September 30,		September 30,	
	Notes	2025	2024	2025	2024
Energy	a, b	(19,742)	(13,108)	(57,153)	(44,620)
Sales tax recovery - energy		—	—	—	17,017
Depreciation and amortization		(26,544)	(11,564)	(71,431)	(87,620)
Sales tax recovery - depreciation and amortization		—	—	—	8,760
Hosting expenses		—	—	(7,735)	—
Infrastructure expenses	c	(22,854)	(1,797)	(43,283)	(5,614)
Electrical components and salaries	a	(1,081)	(1,097)	(2,788)	(2,678)
		<b>(70,221)</b>	<b>(27,566)</b>	<b>(182,390)</b>	<b>(114,755)</b>

**NOTE 20: ADDITIONAL DETAILS TO THE STATEMENT OF OPERATIONS (Continued)****Cost of revenues (Continued)****a. Inventories**

During the three and nine months ended September 30, 2025, the cost of electrical component inventory and waste, limestone and fuel oil recognized as an expense and included in cost of revenues was \$15,290 and \$31,054, respectively (three and nine months ended September 30, 2024: \$1,085 and \$26,966, respectively).

**b. Energy costs are net of RECs and WTCs**

During the three and nine months ended September 30, 2025, RECs amounted to \$6,436 and \$12,997, respectively, and the WTCs amounted to \$1,888 and \$4,003, respectively (three and nine months ended September 30, 2024: RECs and WTCs were nil), all of which offset energy expenses in the cost of revenues.

**c. Custom duties**

During the three and nine months ended September 30, 2025, infrastructure expenses included \$9,244 of customs duties in connection with the importation of Miners in 2021. Refer to Note 13 for more details.

**General and administrative expenses**

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Salaries and wages	(6,992)	(6,774)	(19,630)	(15,777)
Stock-based compensation	(2,851)	(4,870)	(10,403)	(8,823)
Professional services	(3,755)	(11,366)	(13,067)	(18,077)
Sales tax recovery - professional services	—	—	—	1,389
Insurance, duties and other	(2,622)	(1,531)	(7,651)	(4,964)
Travel, motor vehicle and meals	(491)	(310)	(1,444)	(893)
Telecom hosting and telecommunications	(127)	(57)	(436)	(194)
Advertising and promotion	(313)	(321)	(1,518)	(600)
Sales tax recovery - other general and administrative expenses	(4)	(5)	(8)	735
	(17,155)	(25,234)	(54,157)	(47,204)

**NOTE 20: ADDITIONAL DETAILS TO THE STATEMENT OF OPERATIONS** (Continued)**Other expense**

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Gain on derecognition of warrants	—	—	—	61
Gain on settlement of Refundable Hosting Deposits	—	—	945	—
Loss on initial recognition of refundable deposits	—	(675)	—	(675)
(Loss) gain on exchange rates	(202)	104	(450)	(917)
Other financial (expenses) income	(3,013)	(119)	(4,198)	504
	(3,215)	(690)	(3,703)	(1,027)

**NOTE 21: SEGMENT AND GEOGRAPHICAL INFORMATION****Reportable segment**

The Company has aggregated all of its Cryptocurrency Mining operating segments into a single operating segment, which is the Company's only reportable segment, Cryptocurrency Mining. The CODM manages segment performance and resource allocation based upon net income (loss). The CODM uses consolidated net income (loss) to evaluate the overall financial performance of the Company, to compare actual results against internal budgets and forecasts and to inform capital allocation decisions, including the prioritization of investments across the Company's Bitcoin Mining Operations. The measure of segment assets is reported on the consolidated balance sheets as total consolidated assets. Significant expenses reviewed by the CODM include those that are presented in the consolidated statements of operations and the more detailed component disclosed in Note 22.

**Revenues**

Revenues by country are as follows:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
<b>North America</b>				
United States	38,109	2,171	87,889	10,354
Canada	29,860	24,901	88,639	85,168
<b>Total</b>	<b>67,969</b>	<b>27,072</b>	<b>176,528</b>	<b>95,522</b>

Revenues are presented based on the geographical contribution of computational power used for hashing calculations (measured by hashrate) or sales to external customers. During the three and nine months ended September 30, 2025, the Company earned 87% and 90% of its revenues, respectively, from one Mining pool operator (three and nine months ended September 30, 2024: 95% and 96%). Such revenues are reported under the cryptocurrency Mining segment. The Company has the ability to switch Mining pools or to mine independently at any time.

**NOTE 21: SEGMENT AND GEOGRAPHICAL INFORMATION** (Continued)**Property, Plant and Equipment and other non-current assets**

The net book value of property, plant and equipment and other non-current assets (excluding financial assets, deferred tax assets and intangible assets) by country is as follows:

	As of September 30, 2025			As of December 31, 2024		
	PPE	Other	Total non-current assets	PPE	Other	Total non-current assets
<b>North America</b>						
United States	283,271	17,467	300,738	63,146	14,535	77,681
Canada	76,341	15,821	92,162	117,026	52,819	169,845
	<b>359,612</b>	<b>33,288</b>	<b>392,900</b>	<b>180,172</b>	<b>67,354</b>	<b>247,526</b>

## NOTE 22: ADDITIONAL DETAILS TO THE STATEMENTS OF CASH FLOWS

	Nine months ended September 30,	
	2025	2024
<b>Changes in working capital components:</b>		
Increase in accounts receivable, net	(587)	(758)
Decrease (increase) in other current assets	8,363	(9,123)
Increase in inventories	(3,210)	(471)
Increase in deposits	(1,011)	(5,097)
Increase in accounts payable and accrued expenses	13,710	9,264
Increase in operating lease liability	2,474	983
Increase (decrease) in taxes payable	180	(254)
Decrease in other non-current liabilities	(403)	—
	<b>19,516</b>	<b>(5,456)</b>
<b>Significant non-cash transactions:</b>		
Issuance of common shares, warrants and RSUs in connection with the acquisition of Stronghold	78,161	—
Issuance of warrants in connection with debt issuance	2,900	—
Equipment prepayments realized as additions to PPE	41,045	29,674
Liabilities related to assets held for sale	9,120	—
Addition of ROU assets and related lease liabilities	565	9,226
Purchase of PPE financed by short-term credit	8,975	4,846
Issuance of common shares in connection with acquisitions of assets	—	3,000
Computational power revenue and its related service expense	2,777	564
<b>Depreciation and Amortization*</b>		
Property, plant and equipment, net	94,657	109,903
Finance lease right-of-use assets	839	1,154
Intangible assets, net	435	448
	<b>95,931</b>	<b>111,505</b>

\* Depreciation and amortization expenses are part of the non-cash adjustments in the cash flow statement, and these amounts also include figures from discontinued operations. See Note 17 for more details.

The following table provides a reconciliation of cash and restricted cash reported within the consolidated balance sheets that sum to the total of the same amounts shown in the consolidated statements of cash flows:

	Nine months ended September 30,	
	2025	2024
Cash	86,952	72,913
Restricted cash	25,000	—
Total cash and restricted cash	<b>111,952</b>	<b>72,913</b>

Amounts included in restricted cash represent amounts pledged as collateral for long-term financing arrangements as contractually required by a lender.

**NOTE 23: COMMITMENTS AND CONTINGENCIES****Lawsuits**

		As of September 30, 2025	As of December 31, 2024
FERC Matters	i.	1,065	—
Stronghold Shareholder Securities Lawsuit	ii.	1,825	—
<b>Total settlement accruals</b>		<b>2,890</b>	<b>—</b>
Current portion		(1,635)	—
Effect of discounting		(67)	—
<b>Non-current portion</b>		<b>1,188</b>	<b>—</b>

The undiscounted legal settlement accruals amounted to \$2,890 as of September 30, 2025. The current portion and the non-current portion were recognized in accounts payable and accrued expenses and in other non-current liabilities, respectively, in the condensed consolidated balance sheets (December 31, 2024: nil).

*i. Federal Energy Regulatory Commission (“FERC”) Matters*

On November 19, 2021, Scrubgrass received a notice of breach from PJM Interconnection, LLC alleging that Scrubgrass breached Interconnection Service Agreement – No. 1795 (the “ISA”) by failing to provide advance notice to PJM Interconnection, LLC and Mid-Atlantic Interstate Transmission, LLC pursuant to ISA, Appendix 2, section 3, of modifications made to the Scrubgrass Plant. On May 11, 2022, the Division of Investigations of the FERC Office of Enforcement (“OE”) informed the Company that the OE was conducting a non-public preliminary investigation concerning Scrubgrass’ compliance with various aspects of the PJM tariff. On January 30, 2025, the Federal Energy Regulatory Commission (the “Commission”) approved a Stipulation and Settlement Agreement between the OE and Scrubgrass (the “Settlement Agreement”). Pursuant to the Settlement Agreement, Scrubgrass agreed to: (a) disgorge to PJM \$679 in capacity revenues received during the relevant period; (b) pay a civil penalty of \$741, for a total of \$1,420 to the United States Treasury; and (c) provide compliance training to relevant personnel and compliance monitoring reports. Scrubgrass is to pay the settlement amount over a period of three years. In the first year, Scrubgrass is to pay a lump sum of \$355, which Scrubgrass paid in February of 2025. In the second and third years, Scrubgrass shall make 8 payments of \$133 on a calendar quarter basis. For a period of five years following the effective date of the Settlement Agreement, Scrubgrass is to provide annual compliance training focused primarily on the applicable tariff and related rules, regulations, and requirements applicable to operating generators, to all personnel whose job responsibilities relate to the generators’ participation in Commission jurisdictional markets. As of September 30, 2025, the settlement accrual was \$1,065 and represents the 8 installment payments.

*ii. Shareholder Securities Lawsuit*

On April 14, 2022, Stronghold, and certain of its former directors, officers and underwriters were named in a putative class action complaint filed in the United States District Court for the Southern District of New York (Winter v. Stronghold Digital Mining, Case No. 1:22-cv-3088). On October 18, 2022, the plaintiffs filed an amended complaint, alleging that the Company made misleading statements and/or failed to disclose material facts in violation of Section 11 of the Securities Act, 15 U.S.C. §77k and Section 15 of the Securities Act of 1933, as amended (the “Securities Act”), about the Company’s business, operations, and prospects in the Company’s registration statement on Form S-1 related to its initial public offering, and when subsequent disclosures were made regarding these operational issues when the Company announced its fourth quarter and full year 2021 financial results, the Company’s stock price fell, causing significant losses and damages.

**NOTE 23: COMMITMENTS AND CONTINGENCIES** (Continued)**Lawsuits** (Continued)

On December 16, 2024, the District Court issued an Order granting Preliminary Approval of the Class Action Settlement, Approving Form and Manner of Notice, and Setting Date for Hearing on Final Approval of Settlement. The Company agreed to pay \$4,750 in cash and 25 Bitcoin. On January 15, 2025, \$2,500 was covered by the Company's insurance providers and Stronghold paid the remaining \$2,250 into escrow. One Bitcoin will be paid monthly for two years. The cash value of each Bitcoin is expected to be calculated monthly according to a price set by the Nasdaq Bitcoin reference price index. As of September 30, 2025, the settlement accrual was \$1,825 and represents the value of the remaining 16 Bitcoin to be paid.

*iii. Class Action Lawsuit*

On May 9, 2025, and as amended on October 21, 2025, a purported shareholder filed a putative class action complaint in the United States District Court for the Eastern District of New York, in a case now titled In re: Bitfarms Securities Litigation, case no 1:25-cv-02630. Co-Lead Plaintiffs Zhao Jun, Gong Lanfang, Michael Pearl, Kazim Khan, and Michael Lawarre sued Bitfarms Ltd., Benjamin Gagnon, Jeffrey Lucas and Geoffrey Morphy alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5, promulgated thereunder. The lawsuit alleges that the Company, its current CEO, its former CFO and its former CEO made materially false and/or misleading statements regarding the Company's business, operations and internal controls over financial reporting. The Plaintiff seeks class certification, unspecified damages plus interest and attorney and expert witness fees and other costs on behalf of a purported class consisting of all persons and entities (subject to specified exceptions) that purchased or otherwise acquired Company common stock from March 21, 2023 and December 9, 2024. The lawsuit was filed by Pomerantz Law Firm. The Company cannot predict the duration or outcome of this lawsuit at this time. As a result, the Company is unable to estimate the reasonably possible loss or range of reasonably possible loss arising from this lawsuit and no provision was recognized as of September 30, 2025. The Company intends to vigorously defend itself in this matter.

**Commitments**

The Company is committed to purchase the following property, plant and equipment as of September 30, 2025:

	Notes	2025	2026
Land	i.	5,348	—
HPC data center projects		1,289	—
HPC data center projects in Sharon, Pennsylvania, United States		—	14,775
		<b>6,637</b>	<b>14,775</b>

*i. Agreements to purchase land*

In August 2025, the Company entered into agreements to purchase 3 acres of land in Washington State, United States and 181 acres of land in Pennsylvania, United States for \$1,898 and \$3,500, respectively.

**NOTE 23: COMMITMENTS AND CONTINGENCIES (Continued)****Contingent Liability**

As the Company continues to periodically import products into the United States, it is subject to review by the CBP regarding the classification and origin of such imports. Refer to Note 16 for more details regarding the Company's Miners imported in 2021. There were no Miners imported into the United States in 2022 or 2023; and for 2024 and 2025, the Company has not received any assessment or communication of a potential assessment.

Furthermore, the Company took several steps to ensure compliance with CBP rules and regulations by sourcing non-Chinese origin equipment including, but not limited to, the specifications of which non-Chinese production facilities could be supplied under our purchase agreements with Bitmain Development PTE. Ltd., in person factory inspections by the Company's employees to verify production, and the collection of various importation documents that confer non-Chinese origin. While the Company has addressed certain concerns related to previous importations, additional assessments may be made by the CBP in connection with other importations.

The Company imported 9,399 and 34,179 Miners in the United States during 2024 and 2025, respectively, and had delivered asset values of \$25,782 and \$130,698, respectively. Importation tariffs from China were 22.4% in 2024 and fluctuated between 22.4% and 150.5% in 2025. Any assessments made on previous importations by the CBP could also include penalties and interest.

At this time, while the Company believes it has taken the appropriate steps to reduce the risk of potential exposure, the Company is unable to predict the outcome of any future assessments or to reasonably estimate the amount, if any, that may be payable in connection with these matters. The facts surrounding each importation may vary and the Company reserves the right and may challenge any assessments.

**NOTE 24: SUBSEQUENT EVENTS**

Management has evaluated subsequent events from October 1, 2025 to November 12, 2025.

**2024 ATM Program**

During the period from October 1, 2025 to October 7, 2025, the Company issued 10,445,797 common shares through the 2024 ATM Program in exchange for gross proceeds of \$35,811 at an average share price of approximately \$3.43. The Company received net proceeds of \$34,705 after paying commissions of \$1,106 to the sales agent. The 2024 ATM Program was terminated on October 7, 2025 after \$375,000 of gross proceeds was reached. Refer to Note 15 for further details of the Company's 2024 ATM program.

**Credit Facility with Macquarie**

In October 2025, the Company converted its Credit Facility with Macquarie as described in Note 14 to an up to \$300,000 project-specific financing facility for the development of its data center campus in Panther Creek, Pennsylvania, United States. The Company drew an additional \$50,000 from the converted facility, for a total of \$100,000 drawn and issued an additional 2,197,127 warrants with a strike price of \$5.69 and a term of 5 years. As a result of the project-specific financing facility's requirements, the restricted cash balance increased from \$25,000 to \$50,000.

**Convertible Senior Notes**

In October 2025, the Company issued \$588,000 aggregate principal amount of convertible senior notes (the "Convertible Notes"), which included the full exercise of the purchasers' option to purchase up to an additional \$88,000 aggregate amount of Convertible Notes. The Convertible Notes are unsecured, bear interest at 1.375% per annum payable semi-annually and mature on January 15, 2031.

Prior to October 15, 2030, the Convertible Notes may be converted only upon the occurrence of certain events. Thereafter, holders may convert their notes at any time until maturity. Upon conversion, the Company may settle the obligation in cash, common shares, or a combination of both, at its discretion. The initial conversion rate is 145.6876 common shares per \$1 principal amount (equivalent to a conversion price of approximately \$6.86 per share), representing a 30% premium over the \$5.28 reference price (the last reported sale price per common share of Bitfarms on Nasdaq on October 16, 2025), subjected to adjustments upon the occurrence of certain events.

The Convertible Notes are not redeemable prior to October 20, 2028, except in the event of certain changes in Canadian tax law. After that date, the Company may redeem the Convertible Notes, in whole or in part, for cash if the market price of its common shares exceeds 130% of the conversion price for a specified period. In the event of a fundamental change, holders may require the Company to repurchase their notes for cash.

Net proceeds from the offering were approximately \$568,860.

**Capped call transactions**

In October 2025, in connection with the Convertible Notes, the Company entered into capped call transactions, with a cap price of \$11.88 per share (representing a 125% premium over the reference price).

**NOTE 24: SUBSEQUENT EVENTS** (Continued)**Redemption options of Bitcoin**

In October 2025, the Company exercised its option to redeem the fourth and last installment of the Bitcoin pledged in relation to the purchase of Miners under the November 2024 Order. The Company redeemed 89 Bitcoin for \$8,307.

Also in November 2025, the Company exercised its option to redeem the third and fourth installments of the Bitcoin pledged in relation to the purchase of Miners under the March 2025 Swap Order. The Company redeemed 14 Bitcoin for \$1,187.

Additionally, during October 2025, the Company exercised its option to redeem the first installment of the Bitcoin pledged in relation to the purchase of Miners under the July 2025 Swap Order. The Company redeemed 14 Bitcoin for \$1,492.

Refer to Note 6 and 8 for more details.

**Sharon Purchase of Leased Property**

In October 2025, the Company acquired the property it was leasing in Sharon, Pennsylvania, from the landlord for a total consideration of \$38,745 consisting of \$5,000 in cash and \$33,745 worth of the Company's shares as at the date of the close. This resulted in the issuance of 8,500,000 shares of the Company to the seller.

**Commitment for HPC Data Center Projects**

In November 2025, the Company entered into a purchase commitment of \$128,742, payable over the next 12 months, for the development and expansion of HPC data center projects with a large publicly traded American multinational provider of critical infrastructure and services for data centers. Under the terms of the agreement, the provider will deliver a range of services that include engineering, project management assistance, procurement and manufacturing, site management support and factory acceptance testing, all contributing, in addition to other expenses, to the construction of a fully integrated 18 MW hybrid-built data center in Washington State, United States.

**NOTICE TO READER**

As of December 31, 2025, Bitfarms Ltd. (“Company”) determined that it would prepare its financial statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). As a result, pursuant to section 4.3(4) of National Instrument 51-102 - Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company must restate its previously filed interim financial reports for the year ended December 31, 2025 in accordance with U.S. GAAP, such interim financial reports having previously been prepared in accordance with IFRS Accounting Standards.

The attached restated Management’s Discussion and Analysis for the three and nine months ended September 30, 2025 (“Q3 2025 MD&A”) have been prepared in accordance with U.S. GAAP, and should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2025, filed on March 31, 2026 and is available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on EDGAR at [www.sec.gov](http://www.sec.gov). Other than as expressly set forth above, the Q3 2025 MD&A do not, and do not purport to, update or restate the information in the original MD&A or reflect any events that occurred after the date of the filing of the original MD&A.

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**BITFARMS LTD.**

**Management's Discussion & Analysis (Restated)**

**For the three and nine months ended September 30, 2025**

**Q3 2025**

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**1. INTRODUCTION**

The following restated Management's Discussion and Analysis (the "MD&A") for Bitfarms Ltd. (together with its subsidiaries, the "Company" or "Bitfarms") for the three and nine months ended September 30, 2025 (the "Restated MD&A") is being filed in connection with and should be read in conjunction with the Company's unaudited restated condensed consolidated financial statements for the three and nine months ended September 30, 2025 and its accompanying notes (the "Financial Statements"). This Restated MD&A is intended to replace and supersede in its entirety the original MD&A for the three and nine months ended September 30, 2025, which was filed by the Company on SEDAR+ and EDGAR on November 12, 2025. This Restated MD&A is available on SEDAR+ and EDGAR as filed on March 31, 2026. This Restated MD&A should also be read in conjunction with the Company's 2025 annual report on Form 10-k dated March 31, 2026, which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and EDGAR at [www.sec.gov/edgar](http://www.sec.gov/edgar).

Effective the fiscal year 2025, the Company has transitioned from presenting its Financial Statements according to International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), to accounting principles generally accepted in the United States of America ("U.S. GAAP"). All comparative figures in this Restated MD&A have been adjusted to U.S. GAAP for consistency. The Company's Financial Statements and this MD&A are reported in thousands of U.S. dollars and U.S. dollars, respectively, except where otherwise noted.

Bitfarms' management team ("Management") is responsible for the preparation and integrity of the Financial Statements including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the Financial Statements and MD&A, is complete and reliable.

The Company utilizes non-GAAP financial measures and ratios in assessing operating performance. Non-GAAP financial measures and ratios may exclude the impact of certain items and are used internally when analyzing operating performance. Refer to Section 10 - *Non-GAAP and Other Financial Measures and Ratios* and Section 21 - *Cautionary Note Regarding Non-GAAP and Other Financial Measures and Ratios* of this MD&A for more information.

This MD&A contains forward-looking statements. Refer to the risk factors described in Section 18 - *Risk Factors* of this MD&A and in Section 19 - *Risk Factors* of the Company's MD&A for the year ended December 31, 2024, dated March 26, 2025 and to Section 20 - *Cautionary Note Regarding Forward-Looking Statements* of this MD&A for more information. This MD&A contains various terms related to the Company's business and industry which are defined in Section 23 - *Glossary of Terms* of this MD&A.

In this MD&A, the following terms shall have the following definitions:

<b>Term</b>	<b>Definition</b>
Q3 2025	Three months ended September 30, 2025
Q3 2024	Three months ended September 30, 2024
YTD Q3 2025	Nine months ended September 30, 2025
YTD Q3 2024	Nine months ended September 30, 2024

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**2. COMPANY OVERVIEW**

Founded in 2017, Bitfarms (Nasdaq/TSX: BITF) is a North American, publicly traded energy and compute infrastructure company. Since 2017, Bitfarms develops and operates data centers primarily for Bitcoin mining with in-house management and company-owned electrical engineering, installation service, and multiple onsite technical repair centers. Having completed planned investments into Bitcoin mining operations, the Company is now focused on converting its existing energy and data center infrastructure to HPC and AI uses. Through the conversion of the Company's assets to HPC and AI infrastructure projects, the Company aims to realize greater value for its portfolio of North American energy assets in Pennsylvania, United States; Washington State, United States; and Quebec, Canada.

Currently, Bitfarms primarily owns and operates data centers housing computers (referred to as "Miners") designed for the purpose of validating transactions on the Bitcoin Blockchain (referred to as "Mining"). Bitfarms generally operates its Miners 24 hours per day to produce computational power used for hashing calculations (measured by hashrate) that Bitfarms sells to Mining pool operators under a formula-driven rate commonly known in the industry as Full Pay Per Share ("FPPS"). Under FPPS, Mining pool operators compensate Mining companies for their computational power used for hashing calculations, measured by hashrate, based on what the Mining pool operator would expect to generate in revenue for a given time period if there was no randomness involved. The fee paid by a Mining pool operator to Bitfarms for its computational power used for hashing calculations may be in cryptocurrency, U.S. dollars, or another currency. However, the fees are paid to the Company on a daily basis in Bitcoin ("BTC"). Bitfarms accumulates the cryptocurrency fees it receives or exchanges them for U.S. dollars through reputable and established cryptocurrency trading platforms.

As described in Note 3 to the Financial Statements, the Company acquired Stronghold Digital Mining, Inc. ("Stronghold") on March 14, 2025 (the "Stronghold Transaction"). Through the acquisition of Stronghold, the Company now owns and operates two refuse power generation facilities in Pennsylvania, United States with a combined capacity of 473 MW. Both facilities qualify as an "Alternative Energy System" under Pennsylvania, United States law because mining refuse is classified as a Tier II Alternative Energy Source (large-scale hydropower is also classified in this tier). The Company sells its electricity into the Pennsylvania, New Jersey, Maryland Interconnection ("PJM") Merchant Market under a professional services agreement with Customized Energy Solutions, Ltd. To support each site's data centers, the Company's primary fuel source at these facilities is waste which is provided by various third parties. Waste tax credits ("WTCs") are earned by the Company by utilizing refuse to generate electricity. The Company either consumes the energy internally to support computational activities related to hashing calculations or sells the energy it produces to the local energy supplier (the "Grid").

To support and accelerate the development of the Company's HPC/AI infrastructure projects, the Company undertook several significant initiatives. In October 2025, the Company raised \$588.0 million and \$50.0 million through the issuance of convertible notes and the conversion of its credit facility with Macquarie Equipment Capital, Inc. ("Macquarie"), respectively. In November 2025, the Company advanced its HPC/AI infrastructure strategy by acquiring the Sharon property in Pennsylvania, United States, for \$38.7 million and entered into a purchase commitment of \$128.7 million, payable in the next 12 months, for the development and expansion of HPC data center projects with a large publicly traded American multinational provider of critical infrastructure and services for data centers. Refer to Section 5 - *Recent and Subsequent Events* for more details.

**2. COMPANY OVERVIEW** (Continued)

Bitfarms currently has 13<sup>1</sup> operating Bitcoin data centers situated in three countries: Canada, the United States and Paraguay, powered by long-term competitively priced power contracts.

The Company's ability to operate and secure power through its production sites as of November 12, 2025 are summarized below. The Company intends to allocate some or all of this power pipeline to its HPC/AI infrastructure strategy.

<b>Region<sup>1</sup></b>	<b>Energized capacity</b>	<b>Secured contracted growth capacity</b>	<b>Capacity under application</b>	<b>Total pipeline</b>
<b>North America</b>				
United States	171 MW <sup>2</sup>	430 MW <sup>3</sup>	1,360 MW	1,961 MW
Canada	170 MW	10 MW <sup>4</sup>	—	180 MW
	341 MW	440 MW	1,360 MW	2,141 MW
<b>South America</b>				
Paraguay <sup>5</sup>	70 MW	—	—	70 MW
<b>Total</b>	<b>411 MW</b>	<b>440 MW</b>	<b>1,360 MW</b>	<b>2,211 MW</b>

<b>Bitcoin data centers<sup>1</sup></b>	<b>State/Province</b>	<b>Country</b>	<b>Energized capacity</b>	<b>Secured contracted growth capacity</b>	<b>Capacity under application</b>	<b>Total pipeline</b>
Bunker	Quebec	Canada	48 MW	—	—	48 MW
Leger	Quebec	Canada	30 MW	—	—	30 MW
Baie-Comeau	Quebec	Canada	22 MW	—	—	22 MW
Garlock	Quebec	Canada	18 MW	—	—	18 MW
Cowansville	Quebec	Canada	17 MW	—	—	17 MW
Saint-Hyacinthe	Quebec	Canada	15 MW	—	—	15 MW
Magog	Quebec	Canada	10 MW	—	—	10 MW
Farnham	Quebec	Canada	10 MW	—	—	10 MW
Panther Creek <sup>3</sup>	Pennsylvania	United States	60 MW	350 MW	60 MW	470 MW
Sharon	Pennsylvania	United States	30 MW	80 MW	—	110 MW
Scrubgrass	Pennsylvania	United States	63 MW	—	1,300 MW	1,363 MW
Washington	Washington	United States	18 MW	—	—	18 MW
Paso Pe	Guaira Department	Paraguay	70 MW	—	—	70 MW

<sup>1</sup> This data excludes the discontinued operations in Rio Cuarto, Argentina and in Paraguay. On May 12, 2025, the Company's energy provider, Generación Mediterránea S.A. ("GMSA"), halted the supply of electricity to the Company's Rio Cuarto Bitcoin data center with energized capacity of 58 MW. On August 11, 2025, three months after being informed that electricity supply was being halted and with no expected path forward to resume operations in the future, the decision was made to shut down the plant, which was abandoned as of September 30, 2025. Refer to Section 8 - *Financial performance (Discontinued operations)* and Section 18 - *Risk Factors (The Company's operations in Rio Cuarto have been suspended due to a halt in its supply of electrical power on May 12, 2025)* of this MD&A.

<sup>2</sup> The Company has a hosting contract to operate 21 MW of Miners on behalf of a third party at the Panther Creek Bitcoin data center.

<sup>3</sup> Refer to Section 7 - *HPC Data Center and Bitcoin Mining Expansion Projects* for details on the timing of the remaining MW not yet operational.

<sup>4</sup> The Company has secured the rights for 10 MW of hydro-electricity in the province of Quebec, Canada and is continuing its efforts to search for economically viable properties for the available 10 MW of hydro-electricity.

<sup>5</sup> As of September 30, 2025, the Paso Pe operations were classified as a disposal group held for sale, and all operations in Paraguay were designated as discontinued operations as the Company makes a strategic shift towards HPC/AI infrastructure in North America. Refer to Section 8 - *Financial performance (Discontinued operations)* of this MD&A.

**3. FINANCIAL HIGHLIGHTS FROM CONTINUING OPERATIONS<sup>1</sup>**

(U.S.\$ in thousands except where indicated)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Revenues	<b>67,969</b>	27,072	<b>176,528</b>	95,522
Gross loss	<b>(2,252)</b>	(494)	<b>(5,862)</b>	(19,233)
Gross margin <sup>(2)</sup>	<b>(3)%</b>	(2)%	<b>(3)%</b>	(20)%
Operating loss	<b>(18,469)</b>	(27,623)	<b>(42,713)</b>	(52,565)
Operating margin <sup>(2)</sup>	<b>(27)%</b>	(102)%	<b>(24)%</b>	(55)%
Loss from continuing operations	<b>(11,009)</b>	(26,412)	<b>(36,398)</b>	(48,920)
Net loss from discontinued operations	<b>(27,758)</b>	(12,584)	<b>(63,423)</b>	(15,219)
Net loss	<b>(38,767)</b>	(38,996)	<b>(99,821)</b>	(64,139)
Basic and diluted loss per share from continuing operations	<b>(0.02)</b>	(0.06)	<b>(0.07)</b>	(0.12)
Gross Mining profit <sup>(3)</sup>	<b>22,155</b>	10,729	<b>65,888</b>	45,679
Gross Mining margin <sup>(3)</sup>	<b>37%</b>	42%	<b>41%</b>	50%
Adjusted EBITDA <sup>(3)</sup>	<b>19,236</b>	1,668	<b>32,734</b>	22,243
Adjusted EBITDA margin <sup>(3)</sup>	<b>28%</b>	6%	<b>19%</b>	23%
			<b>As of</b>	<b>As of</b>
			<b>September 30,</b>	<b>December 31,</b>
			<b>2025</b>	<b>2024</b>
Total assets			<b>802,917</b>	663,132
Current financial liabilities			<b>53,168</b>	22,562
Non-current financial liabilities			<b>50,877</b>	1,430

There have not been any distributions or cash dividends declared for the periods disclosed above.

<sup>1</sup> Discontinued operations refer to the operations in Rio Cuarto, Argentina, which have been abandoned due to the halting of the energy supply since May 12, 2025 and economic uncertainty in the region, and to the Paso Pe, Paraguay, operations that met the criteria to be classified as held for sale as the Company makes a strategic shift towards HPC/AI infrastructure in North America. Refer to Sections 8 - *Financial performance (Discontinued operations)* and 18 - *Risk Factors (The Company's operations in Rio Cuarto have been suspended due to a halt in its supply of electrical power on May 12, 2025)* of this MD&A.

<sup>2</sup> Gross margin and Operating margin are supplemental financial ratios; refer to Section 10 - *Non-GAAP and Other Financial Measures and Ratios*.

<sup>3</sup> Gross Mining profit, Gross Mining margin, Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures or ratios; refer to Section 10 - *Non-GAAP and Other Financial Measures and Ratios*.

**4. THIRD QUARTER 2025 FINANCIAL RESULTS AND OPERATIONAL HIGHLIGHTS FROM CONTINUING OPERATIONS<sup>1</sup>****Financial**

- Revenues of \$68.0 million;
- Gross Mining profit<sup>3</sup> of \$22.2 million (37% Gross Mining margin<sup>3</sup>);
- Adjusted EBITDA<sup>3</sup> of \$19.2 million (28% Adjusted EBITDA margin<sup>3</sup>); and
- Gross loss of \$2.3 million (Gross margin<sup>2</sup> of negative 3%) including non-cash depreciation and amortization expense of \$26.5 million, operating loss of \$18.5 million (Operating margin<sup>2</sup> of negative 27%) including an impairment loss of \$9.1 million, and net loss of \$11.0 million.

**Operations**

- Hashrate under Management remained consistent at 14.8 EH/s as of September 30, 2025 compared to June 30, 2025;
- Earned 520 Bitcoin at an average direct cost of \$44,100 per Bitcoin<sup>2</sup>, or an average total cash cost of \$80,600 per Bitcoin<sup>3</sup>, and received 15 Bitcoin through hosting revenue;
- Held 1,658 Bitcoin, including 157 restricted Bitcoin, valued at approximately \$189.2 million as of September 30, 2025;
- Sold 185 Bitcoin at an average price of \$116,500 per Bitcoin for total proceeds of \$21.6 million, a portion of which was used to pay capital expenditures to support the Company's growth and efficiency improvement objectives; and
- Achieved realized and unrealized gain of \$13.3 million on Bitcoin option contracts. Total cash cost per Bitcoin would be reduced to \$53,300 after considering the realized gains and unrealized losses of Bitcoin option contracts.

**Corporate Share Buyback Program**

- Commenced a corporate share buyback program authorizing the Company to purchase up to 10% of the Company's public float as of July 14, 2025; and
- Repurchased 7,807,141 common shares for cancellation through the corporate share buyback program for net costs of \$10.0 million at an average share price of approximately \$1.27.

**Expansions**

- Entered into a partnership with T5 Data Centers, LLC ("T5") to advance HPC data center projects at the Panther Creek campus in Pennsylvania, United States.

**Divestitures**

- Refocused its business from Latin American Mining to North America HPC data center projects;
- Abandoned Argentina operations after the Rio Cuarto, Argentina Bitcoin data center lost its energy supply; and
- Classified the Paso Pe, Paraguay Bitcoin data center as held for sale, reflecting the intention to exit the Paraguay Mining operations.

<sup>1</sup> Excluding discontinued operations in Rio Cuarto, Argentina, which have been abandoned due to the halting of the energy supply since May 12, 2025 and economic uncertainty in the region, and in Paso Pe, Paraguay, which met the criteria to be classified as held for sale as the Company makes a strategic shift towards HPC/AI Infrastructure in North America. Refer to Sections 8 - *Financial performance (Discontinued operations)* and 18 - *Risk Factors (The Company's operations in Rio Cuarto have been suspended due to a halt in its supply of electrical power on May 12, 2025)* of this MD&A.

<sup>2</sup> Gross margin and Operating margin are supplemental financial ratios; refer to Section 10 - *Non-GAAP and Other Financial Measures and Ratios*.

<sup>3</sup> Gross Mining profit, Gross Mining margin, Adjusted EBITDA, Adjusted EBITDA margin, Direct Cost per Bitcoin and Total Cash Cost per Bitcoin are non-GAAP measures or ratios; refer to Section 10 - *Non-GAAP and Other Financial Measures and Ratios*.

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**4. THIRD QUARTER 2025 FINANCIAL RESULTS AND OPERATIONAL HIGHLIGHTS FROM CONTINUING OPERATIONS (Continued)****Other**

- Appointed Wayne Duso as an independent director of the Board of Directors (the "Board"); and
- Established a second principal executive office in New York City, United States

**5. RECENT AND SUBSEQUENT EVENTS**

Management has evaluated subsequent events from October 1, 2025 to November 12, 2025.

**A. 2024 ATM Program**

During the period from October 1, 2025 to October 7, 2025, the Company issued 10,445,797 common shares through the 2024 ATM Program in exchange for gross proceeds of \$35.8 million at an average share price of approximately \$3.43. The Company received net proceeds of \$34.7 million after paying commissions of \$1.1 million to the sales agent. The 2024 ATM Program was terminated on October 7, 2025 after \$375.0 million of gross proceeds was reached.

**B. Convertible Senior Notes**

In October 2025, the Company issued \$588.0 million aggregate principal amount of convertible senior notes (the "Convertible Notes"), which included the full exercise of the purchasers' option to purchase up to an additional \$88.0 million aggregate amount of Convertible Notes. The Convertible Notes are unsecured, bear interest at 1.375% per annum payable semi-annually and mature on January 15, 2031.

Prior to October 15, 2030, the Convertible Notes may be converted only upon the occurrence of certain events. Thereafter, holders may convert their notes at any time until maturity. Upon conversion, the Company may settle the obligation in cash, common shares, or a combination of both, at its discretion. The initial conversion rate is 145.6876 common shares per \$1,000 principal amount (equivalent to a conversion price of approximately \$6.86 per share), representing a 30% premium over the \$5.28 reference price (the last reported sale price per common share of Bitfarms on Nasdaq on October 16, 2025), subjected to adjustments upon the occurrence of certain events.

The Convertible Notes are not redeemable prior to October 20, 2028, except in the event of certain changes in Canadian tax law. After that date, the Company may redeem the Convertible Notes, in whole or in part, for cash if the market price of its common shares exceeds 130% of the conversion price for a specified period. In the event of a fundamental change, holders may require the Company to repurchase their notes for cash.

Net proceeds from the offering were approximately \$568.9 million.

**C. Capped call transactions**

In October 2025, in connection with the Convertible Notes, the Company entered into capped call transactions, with a cap price of \$11.88 per share (representing a 125% premium over the reference price).

**5. RECENT AND SUBSEQUENT EVENTS (Continued)****D. Credit Facility with Macquarie**

In October 2025, the Company converted its Credit Facility with Macquarie as described in Note 14 to the Financial Statements to an up to \$300.0 million project-specific financing facility for the development of its data center campus in Panther Creek, Pennsylvania, United States. The Company drew an additional \$50.0 million from the converted facility, for a total of \$100.0 million drawn and issued an additional 2,197,127 warrants with a strike price of \$5.69 and a term of 5 years. As a result of the project-specific financing facility's requirements, the restricted cash balance increased from \$25.0 million to \$50.0 million.

**E. Sharon Purchase of Leased Property**

In October 2025, the Company acquired the property it was leasing in Sharon, Pennsylvania, from the landlord for a total consideration of \$38.7 million consisting of \$5.0 million in cash and \$33.7 million worth of the Company's shares as at the date of the close. This resulted in the issuance of 8,500,000 shares of the Company to the seller.

**F. Redemption options of Bitcoin**

In October 2025, the Company exercised its option to redeem the fourth and last installment of the Bitcoin pledged in relation to the purchase of Miners under the November 2024 Order. The Company redeemed 89 Bitcoin for \$8.3 million.

Also in November 2025, the Company exercised its option to redeem the third and fourth installments of the Bitcoin pledged in relation to the purchase of Miners under the March 2025 Swap Order. The Company redeemed 14 Bitcoin for \$1.2 million.

Additionally, during October 2025, the Company exercised its option to redeem the first installment of the Bitcoin pledged in relation to the purchase of Miners under the July 2025 Swap Order. The Company redeemed 14 Bitcoin for \$1.5 million.

**G. Commitment for HPC Data Center Projects**

In November 2025, the Company entered into a purchase commitment of \$128.7 million, payable over the next 12 months, for the development and expansion of HPC data center projects with a large publicly traded American multinational provider of critical infrastructure and services for data centers. Under the terms of the agreement, the provider will deliver a range of services that include engineering, project management assistance, procurement and manufacturing, site management support and factory acceptance testing, all contributing, in addition to other expenses, to the construction of a fully integrated 18 MW hybrid-built data center in Washington State, United States.

**6. PRODUCTION AND MINING OPERATIONS<sup>1</sup>**
**Key Performance Indicators**

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	% Change	2025	2024	% Change
Total Bitcoin earned	520	414	26%	1,570	1,562	1%
Bitcoin received through hosting revenue	15	—	100%	36	—	100%
Average Watts/Average TH efficiency*	18	21	(14)%	19	27	(30)%
Installed Watts/TH efficiency	18	21	(14)%	18	27	(33)%

\* Average Watts represents the average energy consumption of deployed Miners

**Q3 2025 v. Q3 2024**

- 520 Bitcoin earned in Q3 2025, compared to 414 Bitcoin earned in Q3 2024, representing an increase of 26% as a result of an increase in average Hashrate from the Company's expansions and upgrades to its Miner fleet with additional and higher efficiency Miners, partially offset by a 49% increase in average Network Difficulty; and
- Improved ending energy efficiency to 18 Watts/TH on September 30, 2025 compared to 27 Watts/TH on September 30, 2024, as a result of the Company upgrading its fleet with more efficient Miners. This improvement resulted in a 18 average Watts/Average TH efficiency during Q3 2025, compared to 21 average Watts/Average TH efficiency during Q3 2024, representing an improvement of 14%.

**YTD Q3 2025 v. YTD Q3 2024**

- 1,570 Bitcoin earned during YTD Q3 2025, compared to 1,562 Bitcoin earned during YTD Q3 2024, representing an increase of 1% from the previous year as a result of an increase in Hashrate from the Company's expansions and upgrades to its Miner fleet with higher efficiency Miners, partially offset by reduced Block Rewards following the April 2024 halving event and a 46% increase in average Network Difficulty; and
- Improved ending energy efficiency to 18 Watts/TH on September 30, 2025, compared to 21 Watts/TH on September 30, 2024, with the Company upgrading its Mining fleet. This improvement resulted in a 19 average Watts/Average TH efficiency during YTD Q3 2025, compared to 27 average Watts/Average TH efficiency during YTD Q3 2024, representing an improvement of 30%.

	As of September 30,	As of June 30,	% Change
	2025	2025	
Period-end operating EH/s	14.8	14.8	—%
Watts/TH efficiency*	18	18	—%
Installed Watts/TH efficiency	18	18	—%
Period-end energized capacity (MW)**	341	330	3%

\* Watts represents the energy consumption of deployed Miners

\*\* Includes 21 MW operated on behalf of a third party through a hosting contract at the Panther Creek Bitcoin data center (as of September 30, 2024: nil)

<sup>1</sup> Excluding discontinued operations in Rio Cuarto, Argentina, which have been abandoned due to the halting of the energy supply since May 12, 2025 and economic uncertainty in the region, and in Paso Pe, Paraguay, which met the criteria to be classified as held for sale as the Company makes a strategic shift towards HPC/AI Infrastructure in North America. Refer to Sections 8 - *Financial performance (Discontinued operations)* and 18 - *Risk Factors (The Company's operations in Rio Cuarto have been suspended due to a halt in its supply of electrical power on May 12, 2025)* of this MD&A.

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**7. HPC DATA CENTER AND BITCOIN MINING EXPANSION PROJECTS**

The Company describes its expansion plans below under the sections entitled "United States Expansion", "Paraguay Update" and "Canada Expansion". These expansion projects do not include updates from 2024 or earlier.

**Cautionary statements**

The estimated costs and timelines to achieve these expansion plans may change based on, among other factors, the cost and supply of equipment, the ability to import equipment into countries where it operates in a cost-effective and timely manner, the supply of electrical and other supporting infrastructure equipment, the availability of construction materials, currency exchange rates and the impact of geopolitical events on the supply chains described above. The Company's expansion plans rely on, among other factors, a consistent supply of electricity at cost-effective rates; refer to Section 19 - *Risk Factors* (Section *Economic Dependence on Regulated Terms of Service and Electricity Rates Risks*) of the MD&A for the year ended December 31, 2024, dated March 26, 2025 for further details, including a description of these and other factors. Also refer to Section 20 - Cautionary Note Regarding Forward-Looking Statements.

**A. Development of HPC Data Center Projects**

In January 2025, the Company engaged two established consultants in HPC/AI infrastructure, Appleby Strategy Group ("ASG") and World Wide Technology ("WWT"), to conduct independent evaluations of the Company's data centers and energy assets for potential partial or total conversion to HPC data centers. In parallel, ASG and WWT are conducting feasibility assessments, data center engineering, site map planning, construction budgeting, and accelerate marketing and development strategies. Combined, they will support the building of the Company's operational capabilities and will market the Company's sites to potential HPC data centers, offtake counterparties or partners.

In April 2025, WWT completed the first phase of its feasibility assessments and provided its findings to the Company which confirmed the suitability of all US sites and most Canadian sites for potential conversion to HPC data centers.

In July 2025, the Company engaged T5 to oversee construction as the Owner's Representative for the Panther Creek HPC development following a thorough review process conducted with multiple data center developers. T5 was chosen for their multi-decade experience developing and operating HPC data centers and their unique end-to-end services offering. As Owners Representative for the site, T5 will be responsible for managing all of the contracting, permitting and construction for the Panther Creek data center campus. The engagement with T5 is designed such that the engagement can continue to expand in scope across general contracting, site commissioning and site operations and maintenance.

In August 2025, the Company entered into a binding purchase agreement for 181 acres of contiguous land at the Panther Creek campus for \$3.5 million, which is anticipated to be more than sufficient land for multiple phases of HPC/AI development in this campus.

In October 2025, the owner of the 181 acres agreed to amend the plot map extending into an adjacent property owned by the same owner, which would give the Company approximately 20 additional acres for no additional cost. Subject to local approvals, this change would increase the purchased property from 181 acres to approximately 201 acres.

**7. HPC DATA CENTER AND BITCOIN MINING EXPANSION PROJECTS (Continued)****A. Development of HPC Data Center Projects (Continued)**

In October 2025, WWT completed the second phase of its HPC development consulting engagement with the Company, providing defined service offerings for colocation data center services and information/operational technology stack high-level designs.

In November 2025, the Company opted to convert its Washington State Bitcoin data center to HPC/AI workloads as early as December 2026. Refer to Section 7B - *HPC Data Center and Bitcoin Mining Expansion Projects (United States Expansion)* for more details

In November 2025, the Company entered into a purchase commitment of \$128.7 million, payable over the next 12 months, for the development and expansion of HPC data center projects with a large publicly traded American multinational provider of critical infrastructure and services for data centers. Under the terms of the agreement, the provider will deliver a range of services that include engineering, project management assistance, procurement and manufacturing, site management support and factory acceptance testing, all contributing, in addition to other expenses, to the construction of a fully integrated 18 MW hybrid-built data center in Washington State, United States.

***Macquarie Credit Facility***

In April 2025, the Company entered into an agreement for a credit facility up to \$300.0 million from Macquarie for HPC development at the Panther Creek campus and drew down the initial tranche of \$50.0 million. The Company issued 5,330,946 warrants convertible for a fixed number of common shares at an exercise price of \$1.17, and paid \$3.2 million in transaction fees which will be deferred and/or amortized over the term of the credit facility.

In October 2025, the Company amended the facility to, among other things, limit the borrowers and guarantors under the credit facility's loan agreement to certain subsidiaries of the Company holding Panther Creek project-specific assets, other than as unsecured guarantee of the Company and limited guarantees and collateral provided by certain subsidiaries of the Company. The Company accessed an additional \$50.0 million of the credit facility to expedite the procurement of essential equipment and further its HPC data center projects, bringing the cumulative borrowed funds to \$100.0 million. The Company issued 2,197,127 warrants convertible for a fixed number of common shares at an exercise price of \$5.69, a 23% premium to the closing price on October 24, 2025.

The subsequent tranche(s) of the credit facility will allow the Company to draw up to an additional \$200.0 million and will be drawable as the Company achieves specific development milestones at its Panther Creek location. The Company will contribute \$50.0 million in kind, or in cash, to be held by the Company's dedicated Panther Creek subsidiary and issue additional warrants equivalent to 10% of the amount drawn up to \$125.0 million. The maturity of each tranche is 2 years from the date of closing and each facility bears interest at 8% per annum. The funding facility is expected to provide the necessary capital for the Company to fund the initial portion of the Panther Creek data centers development and buildout.

**7. HPC DATA CENTER AND BITCOIN MINING EXPANSION PROJECTS (Continued)****A. Development of HPC Data Center Projects (Continued)*****Convertible Senior Notes***

In October 2025, the Company issued \$588.0 million aggregate principal amount of convertible senior notes (the "Convertible Notes"), which included the full exercise of the purchasers' option to purchase up to an additional \$88.0 million aggregate amount of Convertible Notes. The Convertible Notes are unsecured, bear interest at 1.375% per annum payable semi-annually and mature on January 15, 2031.

Prior to October 15, 2030, the Convertible Notes may be converted only upon the occurrence of certain events. Thereafter, holders may convert their notes at any time until maturity. Upon conversion, the Company may settle the obligation in cash, common shares, or a combination of both, at its discretion. The initial conversion rate is 145.6876 common shares per \$1,000 principal amount (equivalent to a conversion price of approximately \$6.86 per share), representing a 30% premium over the \$5.28 reference price (the last reported sale price per common share of Bitfarms on Nasdaq on October 16, 2025), subjected to adjustments upon the occurrence of certain events.

The Convertible Notes are not redeemable prior to October 20, 2028, except in the event of certain changes in Canadian tax law. After that date, the Company may redeem the Convertible Notes, in whole or in part, for cash if the market price of its common shares exceeds 130% of the conversion price for a specified period. In the event of a fundamental change, holders may require the Company to repurchase their notes for cash.

Net proceeds from the offering were approximately \$568.9 million.

**B. United States Expansion*****Acquisition of Stronghold***

On March 14, 2025, the Company acquired Stronghold in a stock-for-stock merger transaction (the "Transaction"). The Transaction was unanimously approved by the Board of Directors of both companies and was approved by shareholders representing a majority of the outstanding shares of Stronghold on February 27, 2025.

Stronghold shareholders received 2.52 shares of Bitfarms for each share of Stronghold held. The Company issued 59,866,609 common shares and 12,893,650 warrants in connection with the consummation of the Merger. In addition, the Company paid \$51.1 million on closing to retire Stronghold's outstanding loans and other closing costs.

The Stronghold Transaction initially added to the Company's operations up to 307 MW of potential power capacity, with an additional 648 MW of incremental potential power capacity, for a total of 955 MW of potential power capacity. This transaction is aligned with the Company's strategic objectives to diversify its operations and expand its presence in the United States through vertical integration of power generation and energy arbitrage capabilities. Further, the transaction solidifies Bitfarms' standing in the Bitcoin Mining sector and positions it well for expansion into the HPC data center sector with two strategically located facilities with energy infrastructure and expansion capacity. As of November 12, 2025, the two refuse power generation plants have a combined energized and secured contracted growth capacity of 473 MW.

During the first quarter of 2025, approximately 14,500 S21 Pro Bitmain Miners were installed at the Stronghold Scrubgrass and Panther Creek Bitcoin data centers. Following the closing of the Stronghold Transaction on March 14, 2025, the Panther Creek Hosting Agreement and Scrubgrass Hosting Agreement were terminated, settling the \$15.6 million Refundable Hosting Deposits to the Company.

**7. HPC DATA CENTER AND BITCOIN MINING EXPANSION PROJECTS (Continued)****B. United States Expansion (Continued)*****Scrubgrass and Panther Creek 2025 update***

During the second quarter of 2025, approximately 3,400 S21+ and 6,000 S21 Pro Bitmain Miners were installed at the Scrubgrass and Panther Creek Bitcoin data centers.

In October 2025, the Company entered into an Electricity Supply Agreement (“ESA”) with PPL Electric Utilities Corporation (“PPL”) to secure an additional 350 MW of secured contracted growth capacity at the Company’s Panther Creek location, with 50 MW to be delivered by the end of 2026, and 300 MW by the end of 2027.

***Sharon 2025 update***

In January 2025, the Company installed 3,300 miners and energized 12 MW at the Sharon data center. In May 2025, the Company energized an incremental 18 MW expansion project, bringing the total energized capacity to 30 MW with 8,000 Miners installed.

In May 2025, the Company was registered for PJM’s Peak Saver and Synchronized Reserves Dispatchable Programs. In August 2025 the Company initiated its customer base load baseline qualification run, and in October the Company successfully passed PJM’s baseline requirements for registration in the Price Response (Economic Demand Response) Dispatchable Program and is now in the registration process with PJM. Participation in these programs includes both demand response and energy arbitrage strategies that the Company plans to develop in the coming months across its PJM portfolio. These programs are anticipated to contribute to maximizing the value of its PJM assets through more effective control of energy prices and will be accretive to the Company’s flexible HPC data center strategy currently under development in PJM.

In July 2025, the Company entered into an agreement with a vendor for the procurement of all equipment required to develop the 80 MW substation to increase capacity from 30 MW to 110 MW by the end of 2026. In September 2024, the Company executed a contract with a group of vendors for the construction, installation and commissioning of the 80 MW substation.

In October 2025, the Company acquired the Sharon property from the landlord for a total consideration of \$38.7 million consisting of \$5.0 million in cash and \$33.7 million worth of the Company’s shares as at the date of the close. This resulted in the issuance of 8,500,000 shares of the Company to the seller. Following the termination of the long-term lease agreement for the site, the Company anticipates average annual rent savings of \$1.8 million for each of the remaining years.

***Sharon Position as of September 30, 2025***

As of September 30, 2025, the Company had placed deposits of \$1.4 million with the energy supplier and suppliers for construction costs and for electrical components. As of September 30, 2025, property, plant and equipment (“PPE”) included \$16.3 million related to the Sharon data center for facility construction and infrastructure equipment costs.

***Washington 2025 update***

The Company completed the upgrade of a portion of its current fleet of Miners in Washington during February 2025 with new T21 Miners. In August 2025, the Company secured a binding agreement for an adjacent land parcel for \$1.9 million due to its proximity to a major data center cluster and is anticipated to be sufficient for a potential conversion to HPC data centers.

**7. HPC DATA CENTER AND BITCOIN MINING EXPANSION PROJECTS (Continued)****B. United States Expansion (Continued)*****Washington 2025 update*** (Continued)

In November 2025, the Company opted to convert its Washington State site to HPC/AI workloads. The 18 MW Bitcoin data center is anticipated to be the first site fully converted to support HPC/AI workloads with up to 190 KW per rack and advanced liquid cooling. The Company signed a \$128.7 million purchase commitment for IT infrastructure and building materials as described above in Section 7A - *HPC Data Center and Bitcoin Mining Expansion Projects (Development of HPC Data Center Projects)*. The HPC data center will have validated reference designs ensuring compatibility with GB300s, modular infrastructure enabling phased deployment and scalability and proven thermal and power management critical for HPC data center operations. The Company is targeting completion of the HPC data center as early as December 2026.

**C. Paraguay Update****Sale of Yguazu data center 2025 update**

On January 24, 2025, the Company announced that it had entered into a binding letter of intent to sell its 200 MW development site in Yguazu to HIVE Digital Technologies Ltd. ("HIVE") (the "Yguazu Sale").

On March 14, 2025, the Yguazu Sale closed. HIVE purchased from Bitfarms its 100% ownership stake of its Yguazu Bitcoin data center and the Company's loan receivable from its Yguazu subsidiary, Zunz SA ("Backbone Yguazu"), for \$63.3 million, with Bitfarms receiving:

- \$20.0 million advance payments made in January 2025 upon signing the letter of intent;
- \$12.0 million upon the closing of the transaction;
- \$31.0 million in equal installments over 6 months following the closing; and
- \$0.2 million of other costs assumed by HIVE.

As of September 30, 2025, the Company received all the payments from HIVE, as per the terms of the agreement. Refer to Note 17 to the Financial Statements for more details.

**Paso Pe 2025 update**

As of September 30, 2025, the Paso Pe facility met the criteria to be classified as "held for sale", and all operations in Paraguay were classified as discontinued operations as the Company makes a strategic shift towards HPC data center projects in North America. The sale of the Paso Pe Bitcoin data center is anticipated to close within twelve months from the reporting date.

**Villarrica 2025 update**

In November 2025, the Company disposed of its 10 MW Bitcoin data center in Villarrica. The Company's Miners at this Bitcoin data center were sold to a third party.

**D. Canada Expansion*****Baie-Comeau 2025 update***

In January 2025, the utility provider energized an additional 11 MW, increasing the Baie-Comeau data center total to 22 MW.

***Baie-Comeau position as of September 30, 2025***

The Company has \$11.6 million of PPE at the Baie-Comeau data center, including infrastructure equipment that was repurposed from other data centers.

**7. HPC DATA CENTER AND BITCOIN MINING EXPANSION PROJECTS (Continued)****E. Cryptocurrency Mining**

As of September 30, 2025, the Company operated<sup>1</sup> 14.8 EH/s under Management across its facilities, which was consistent compared to the EH/s under Management as of June 30, 2025.

Through its expansion projects and the investment in its fleet upgrade, the Company achieved its initial 2025 targets of 18 EH/s operational and 19 w/TH installed in March 2025. The Company currently has no plans to increase its hashrate beyond the current operational hashrate<sup>1</sup> of 14.8 EH/s.

The Company continues to prudently explore further opportunities to monetize and expand its infrastructure to create long-term value for shareholders.

***Fleet Upgrade***

Securing additional Miners was anticipated to benefit the Company by capitalizing on higher bitcoin prices and drive rapid and meaningful improvements across three key operating metrics: Hashrate, energy efficiency and operating costs per TH.

In August 2025, the Company completed its fleet upgrade, incorporating 85,442 new Miners into its operations, consisting of Bitmain T21, S21, Pro, S21 hydro and S21+ Miners. According to the average specifications outlined in the purchase contracts and the Company's actual achieved Hashrate, these additions were projected to deliver a combined output of 17.7 EH/s.

Throughout 2024 and 2025, Bitfarms executed a series of strategic fleet upgrade transactions to enhance operational efficiency and optimize its miner portfolio. In November 2024, the Company amended its Purchase Option and March 2024 Purchase Order, upgrading 18,853 Bitmain T21 Miners to more efficient S21 Pro models for an additional \$33.2 million, paid in Bitcoin and structured for redemption in four installments.

In March 2025, Bitfarms completed a swap order, returning 4,160 Bitmain T21 Miners in exchange for 3,660 Bitmain S21+ Miners, utilizing a \$9.5 million credit and settling the \$2.4 million net balance in Bitcoin, with all miners received and prepayments cleared by September 30, 2025. The Bitcoin payment is structured for redemption in four installments.

Subsequently, in July 2025, the Company returned 10,467 Bitmain T21 Miners for a \$23.9 million credit and purchased 8,585 Bitmain S21+ Miners for \$29.9 million, paying the \$6.0 million net balance in Bitcoin, with plans to sell these new units. The Bitcoin payment is structured for redemption in four installments.

As of September 30, 2025, all three transactions had been fully executed, with the upgraded and swapped Miners received, equipment prepayments settled, and Bitcoin redemption options. Management oversees the Bitcoin redemption options which are generally available on a quarterly basis, in line with the agreed schedules. Management monitors market conditions, liquidity needs, making strategic adjustments as necessary to ensure efficient redemptions. This approach allows for flexibility and responsiveness, helping to optimize outcomes for all stakeholders. Refer to Note 8 to the Financial Statements for more details. As of October 31, 2025, the Company sold the 8,585 S21+ Miners from the July 2025 swap for approximately \$24.7 million.

<sup>1</sup> Excluding discontinued operations in Rio Cuarto, Argentina, which have been abandoned due to the halting of the energy supply since May 12, 2025 and economic uncertainty in the region, and in Paso Pe, Paraguay, which met the criteria to be classified as held for sale as the Company makes a strategic shift towards HPC/AI Infrastructure in North America. Refer to Sections 8 - Financial performance (Discontinued operations) and 18- *Risk Factors (The Company's operations in Rio Cuarto have been suspended due to a halt in its supply of electrical power on May 12, 2025)* of this MD&A.

**7. HPC DATA CENTER AND BITCOIN MINING EXPANSION PROJECTS (Continued)**
**E. Cryptocurrency Mining (Continued)**
**Fleet Upgrade (Continued)**

Prior to the Company's Argentina operations shutdown, the Company's fleet upgrade enabled the Company to reach 19.5 EH/s operating capacity and 19 w/TH efficiency in Q1 2025. The Company intends to continue liquidating older, less efficient Miners to offset the cost of the capital expenditure. During YTD Q3 2025, the Company sold 17,176 older generation Miners to third parties for approximately \$30.0 million. Refer to Note 9 to the Financial Statements.

**8. FINANCIAL PERFORMANCE**
**Consolidated Financial & Operational Results**

(U.S.\$ in thousands except where indicated)	Three months ended September 30,				Nine months ended September 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
<b>Revenues</b>	<b>67,969</b>	27,072	40,897	151%	<b>176,528</b>	95,522	81,006	85%
Cost of revenues	<b>(70,221)</b>	(27,566)	(42,655)	155%	<b>(182,390)</b>	(114,755)	(67,635)	59%
<b>Gross loss</b>	<b>(2,252)</b>	(494)	(1,758)	356%	<b>(5,862)</b>	(19,233)	13,371	(70)%
Gross margin <sup>(1)</sup>	<b>(3)%</b>	(2)%	—	—	<b>(3)%</b>	(20)%	—	—
<b>Operating expenses</b>								
General and administrative expenses	<b>(17,155)</b>	(25,234)	8,079	(32)%	<b>(54,157)</b>	(47,204)	(6,953)	15%
Change in fair value of digital assets	<b>5,176</b>	212	4,964	<i>nm</i>	<b>(1,574)</b>	(357)	(1,217)	341%
Realized gain on disposition of digital assets	<b>4,801</b>	768	4,033	525%	<b>25,783</b>	17,635	8,148	46%
Gain on disposition of property, plant and equipment and deposits	<b>64</b>	753	(689)	(92)%	<b>2,200</b>	222	1,978	891%
Impairment of long-lived assets	<b>(9,103)</b>	(3,628)	(5,475)	151%	<b>(9,103)</b>	(3,628)	(5,475)	151%
<b>Operating loss</b>	<b>(18,469)</b>	(27,623)	9,154	(33)%	<b>(42,713)</b>	(52,565)	9,852	(19)%
Operating margin <sup>(1)</sup>	<b>(27)%</b>	(102)%	—	—	<b>(24)%</b>	(55)%	—	—
Interest income	<b>511</b>	2,452	(1,941)	(79)%	<b>1,773</b>	5,174	(3,401)	(66)%
Interest expense	<b>(2,051)</b>	(312)	(1,739)	557%	<b>(3,818)</b>	(618)	(3,200)	518%
Gain (loss) on derivative assets and liabilities	<b>12,175</b>	(78)	12,253	<i>nm</i>	<b>12,245</b>	277	11,968	<i>nm</i>
Other expense	<b>(3,215)</b>	(690)	(2,525)	366%	<b>(3,703)</b>	(1,027)	(2,676)	261%
Total Other income (expense)	<b>7,420</b>	1,372	6,048	441%	<b>6,497</b>	3,806	2,691	71%
<b>Loss before income taxes</b>	<b>(11,049)</b>	(26,251)	15,202	(58)%	<b>(36,216)</b>	(48,759)	12,543	(26)%
Income tax recovery (expense)	<b>40</b>	(161)	201	125%	<b>(182)</b>	(161)	(21)	13%
Loss from continuing operations	<b>(11,009)</b>	(26,412)	15,403	(58)%	<b>(36,398)</b>	(48,920)	12,522	(26)%
Loss from discontinued operations <sup>(2)</sup>	<b>(27,758)</b>	(12,584)	(15,174)	121%	<b>(63,423)</b>	(15,219)	(48,204)	317%
<b>Net loss</b>	<b>(38,767)</b>	(38,996)	229	(1)%	<b>(99,821)</b>	(64,139)	(35,682)	56%
<b>From continuing operations</b>								
Basic and diluted net loss per share from continuing operations (in U.S. dollars)	<b>(0.02)</b>	(0.06)	—	—	<b>(0.07)</b>	(0.12)	—	—
Gross Mining profit <sup>(3)</sup>	<b>22,155</b>	10,729	11,426	106%	<b>65,888</b>	45,679	20,209	44%
Gross Mining margin <sup>(3)</sup>	<b>37%</b>	42%	—	—	<b>41%</b>	50%	—	—
Adjusted EBITDA <sup>(3)</sup>	<b>19,236</b>	1,668	17,568	<i>nm</i>	<b>32,734</b>	22,243	10,491	47%
Adjusted EBITDA margin <sup>(3)</sup>	<b>28%</b>	6%	—	—	<b>19%</b>	23%	—	—

*nm*: not meaningful

<sup>1</sup> Gross margin and Operating margin are supplemental financial ratios; refer to Section 10 - *Non-GAAP and Other Financial Measures and Ratios*.

<sup>2</sup> Discontinued operations refer to the operations in Rio Cuarto, Argentina, which have been abandoned due to the halting of the energy supply since May 12, 2025 and economic uncertainty in the region, and to the Paso Pe, Paraguay, operations that met the criteria to be classified as held for sale as the Company makes a strategic shift towards HPC/AI infrastructure in North America. Refer to Sections 8 - *Financial performance (Discontinued operations)* and 18 - *Risk Factors (The Company's operations in Rio Cuarto have been suspended due to a halt in its supply of electrical power on May 12, 2025)* of this MD&A.

<sup>3</sup> Gross Mining profit, Gross Mining margin, EBITDA, EBITDA margin, Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures or ratios; refer to Section 10 - *Non-GAAP and Other Financial Measures and Ratios*.

## 8. FINANCIAL PERFORMANCE (Continued)

## A. Revenues from continuing operations

(U.S.\$ in thousands except where indicated)	Three months ended September 30,				Nine months ended September 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
Cryptocurrency Mining	60,439	25,621	34,818	136%	161,751	92,012	69,739	76%
Cryptocurrency Hosting	1,461	—	1,461	100%	3,339	—	3,339	100%
Electrical services	1,122	1,451	(329)	(23)%	3,222	3,510	(288)	(8)%
Energy sales	4,947	—	4,947	100%	8,216	—	8,216	100%
	67,969	27,072	40,897	151%	176,528	95,522	81,006	85%

## Q3 2025 v. Q3 2024

Revenues were \$68.0 million in Q3 2025 compared to \$27.1 million in Q3 2024, an increase of \$40.9 million, or 151%.

The most significant factors impacting the increase in Bitfarms' revenues in Q3 2025 compared to Q3 2024 are presented in the table below. Revenues increased mostly due to an increase in the Company's average Bitcoin Hashrate and average Bitcoin price, partially offset by the increase in Network Difficulty.

(U.S. \$ in thousands except where indicated)	Note	Bitcoin	\$	% Change
Bitcoin and revenues, including Volta*, for the three months ended September 30, 2024		414	27,072	—
Impact of increase in Network Difficulty during Q3 2025 as compared to Q3 2024	1	(254)	(29,807)	(110)%
Impact of increase in average Bitfarms' Bitcoin Hashrate during Q3 2025 as compared to Q3 2024	2	375	45,096	167%
Impact of difference in average Bitcoin price in Q3 2025 as compared to Q3 2024	3		24,325	90%
Other Mining variance, Computational power sold in exchange for services variance, other revenues and change in Volta*			1,283	5%
<b>Bitcoin and revenues, including Volta*, for the three months ended September 30, 2025</b>		<b>535</b>	<b>67,969</b>	<b>152%</b>

\*9159-9290 Québec Inc. ("Volta") is a wholly-owned subsidiary of the Company, assists the Company in building and maintaining its data centers and provides electrician services to both commercial and residential customers in Quebec, Canada.

## Notes

- 1 Calculated as the difference in Bitcoin earned in Q3 2025 compared to Q3 2024, based on the change in Network Difficulty, multiplied by Q3 2025 average Bitcoin price earned.
- 2 Calculated as the difference in Bitcoin earned in Q3 2025 compared to Q3 2024, based on the change in Bitfarms' average Hashrate, multiplied by Q3 2025 average Bitcoin price earned.
- 3 Calculated as the difference in average Bitcoin price in Q3 2025 compared to Q3 2024 multiplied by Bitcoin earned in Q3 2024.

**8. FINANCIAL PERFORMANCE** (Continued)

**A. Revenues from continuing operations** (Continued)

**Q3 2025 v. Q3 2024** (Continued)

The following tables summarize the Company's revenues and average Hashrate for Q3 2025 and Q3 2024 by country:

Revenues (U.S.\$ in thousands except where indicated)	Three months ended September 30,			
	2025	2024	\$ Change	% Change
<b>North America</b>				
United States	38,109	2,171	35,938	nm
Canada	29,860	24,901	4,959	20%
	67,969	27,072	40,897	151%

Average Operational Hashrate under Management* (Average Hashrate in EH/s except where indicated)	Three months ended September 30,			
	2025	2024	Change	% Change
<b>North America</b>				
United States	6.8	0.5	6.3	nm
Canada	5.5	5.6	(0.1)	(2)%
	12.3	6.1	6.2	102%

nm: not meaningful

\*Average operational hashrate reflects the hashrate of the Miners that the Company owns and operates.

Bitfarms earned its revenues during Q3 2025 from its North American operations. The United States and Canada accounted for 56% and 44% of total revenues, respectively, compared to 8% and 92% in Q3 2024, respectively.

In Q3 2025, revenues from the Company's operations in United States and Canada increased by \$35.9 million and \$5.0 million, respectively, compared to Q3 2024. The increases are mainly due to the average Hashrate increase of the United States operations of 6.3 EH/s, and the increase in average Bitcoin price, partially offset by the increase in Network Difficulty. The Company's acquisition of Stronghold's facilities as part of the Stronghold Transaction contributed to 1.4 EH/s, or 23% of the Hashrate increase.

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(In U.S. dollars, except where otherwise indicated)

**8. FINANCIAL PERFORMANCE** (Continued)**A. Revenues from continuing operations** (Continued)**YTD Q3 2025 v. YTD Q3 2024**

Revenues were \$176.5 million in YTD Q3 2025 compared to \$95.5 million in YTD Q3 2024, an increase of \$81.0 million, or 85%.

The most significant factors impacting the increase in Bitfarms' revenues in YTD Q3 2025, compared to YTD Q3 2024, are presented in the table below. Revenues increased mostly due to the increase in average Bitcoin price and the increase in average Bitfarms' Hashrate, partially offset by the increase in Network Difficulty and lower Bitcoin Block Rewards following the Bitcoin halving event that occurred on April 19, 2024.

(U.S. \$ in thousands except where indicated)	Note	Bitcoin	\$	% Change
Bitcoin and revenues, including Volta*, for the nine months ended September 30, 2024		1,562	95,522	—
Impact of Bitcoin halving event on April 19, 2024 on Bitfarms' quantity of Bitcoin earned during YTD Q3 2025	1	(611)	(55,251)	(58)%
Impact of increase in Network Difficulty during YTD Q3 2025 as compared to YTD Q3 2024	2	(1,034)	(103,096)	(107)%
Impact of increase in average Bitfarms' Bitcoin Hashrate during YTD Q3 2025 as compared to YTD Q3 2024	3	1,689	167,183	175%
Impact of difference in average Bitcoin price in YTD Q3 2025 as compared to YTD Q3 2024	4		66,764	70%
Other Mining variance, Computational power sold in exchange for services variance, other revenues and change in Volta*			5,406	5%
<b>Bitcoin and revenues, including Volta*, for the nine months ended September 30, 2025</b>		<b>1,606</b>	<b>176,528</b>	<b>85%</b>

\*Volta is a wholly-owned subsidiary of the Company, assists the Company in building and maintaining its data centers and provides electrician services to both commercial and residential customers in Quebec, Canada

## Notes

- 1 Calculated as the theoretical Bitcoin earned based on Bitfarms' actual Hashrate during YTD Q3 2025 assuming the Bitcoin halving event did not occur, compared to actual Bitcoin earned during the same period multiplied by average Bitcoin price earned.
- 2 Calculated as the difference in Bitcoin earned in YTD Q3 2025 compared to YTD Q3 2024, based on the change in Network Difficulty, multiplied by YTD Q3 2025 average Bitcoin price earned.
- 3 Calculated as the difference in Bitcoin earned in YTD Q3 2025 compared to YTD Q3 2024, based on the change in Bitfarms' average Hashrate, multiplied by YTD Q3 2025 average Bitcoin price earned.
- 4 Calculated as the difference in average Bitcoin price in YTD Q3 2025 compared to YTD Q3 2024 multiplied by Bitcoin earned in YTD Q3 2024.

**8. FINANCIAL PERFORMANCE** (Continued)**A. Revenues from continuing operations** (Continued)**YTD Q3 2025 v. YTD Q3 2024** (Continued)

The following tables summarize the Company's revenues and average Hashrate for YTD Q3 2025 and YTD Q3 2024 by country:

Revenues (U.S.\$ in thousands except where indicated)	Nine months ended September 30,			
	2025	2024	\$ Change	% Change
<b>North America</b>				
United States	87,889	10,354	77,535	749%
Canada	88,639	85,168	3,471	4%
	<b>176,528</b>	<b>95,522</b>	<b>81,006</b>	<b>85%</b>

Average Hashrate under Management* (Average Hashrate in EH/s except where indicated)	Nine months ended September 30,			
	2025	2024	Change	% Change
<b>North America</b>				
United States	5.6	0.5	5.1	nm
Canada	5.8	4.6	1.2	26%
	<b>11.4</b>	<b>5.1</b>	<b>6.3</b>	<b>124%</b>

nm: not meaningful

\*Average operational hashrate reflects the hashrate of the Miners that the Company owns and operates.

Bitfarms earned its revenues during YTD Q3 2025 from its North American operations. The United States and Canada accounted for 50% and 50% of total revenues, respectively, compared to 11% and 89% in YTD Q3 2024, respectively.

In YTD Q3 2025, revenues from the Company's operations in United States and Canada increased by \$77.5 million and \$3.5 million, respectively, compared to YTD Q3 2024. The increases are mainly due to average hashrate increase of the United States and Canada operations of 5.1 EH/s and 1.2 EH/s, respectively, and the increases in average Bitcoin price, partially offset by the increase in Network Difficulty and the decrease in Block Rewards following the Bitcoin halving event that occurred on April 19, 2024. The Company's acquisition of Stronghold facilities as part of the Stronghold Transaction contributed to 1.4 EH/s, or 22% of the Hashrate increase.

## 8. FINANCIAL PERFORMANCE (Continued)

## B. Cost of Revenues from continuing operations

(U.S.\$ in thousands except where indicated)	Three months ended September 30,				Nine months ended September 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
Energy	(19,742)	(13,108)	(6,634)	51%	(57,153)	(44,620)	(12,533)	28%
Sales tax recovery - energy	—	—	—	(100)%	—	17,017	(17,017)	(100)%
Depreciation and amortization	(26,544)	(11,564)	(14,980)	130%	(71,431)	(87,620)	16,189	(18)%
Sales tax recovery - depreciation and amortization	—	—	—	—%	—	8,760	(8,760)	(100)%
Hosting expenses	—	—	—	—%	(7,735)	—	(7,735)	100%
Infrastructure expenses	(22,854)	(1,797)	(21,057)	<i>nm</i>	(43,283)	(5,614)	(37,669)	671%
Electrical components and salaries	(1,081)	(1,097)	16	(1)%	(2,788)	(2,678)	(110)	4%
	(70,221)	(27,566)	(42,655)	155%	(182,390)	(114,755)	(67,635)	59%

*nm*: not meaningful

**Q3 2025 v. Q3 2024**

Bitfarms' cost of revenues for Q3 2025 was \$70.2 million, compared to \$27.6 million for Q3 2024. The increase in cost of revenues was mainly attributable to:

- \$21.1 million increase in infrastructure expenses, mainly due to:
  - \$9.2 million non-recurring expense in customs duties following a determination by U.S. Customs and Border Protection's regarding Miners imported by the Company in 2021, compared to nil in Q3 2024. Refer to Note 13 to the Financial Statements for more details; and
  - \$8.3 million increase related to operating expenses at the Panther Creek and Scrubgrass power plants, following the acquisition of Stronghold in the first quarter of 2025. The expenses included \$3.9 million of labor costs and other employee benefits, \$2.0 million of plant maintenance costs and \$2.3 million of other operating expenses.
- \$6.6 million, or 51%, increase in energy expenses, mainly due to:
  - The Company adding new and more efficient Miners, which increased energy utilization to an average of 238 MW during Q3 2025 versus 133 MW for the same period in 2024, resulting in an increase in electricity costs of \$5.3 million; and
  - \$11.6 million increase due to fuel expenses for the Panther Creek and Scrubgrass power plants following the acquisition of Stronghold in the first quarter of 2025, partially offset by renewable energy credits ("RECs") and waste tax credits ("WTCs") of \$6.4 million and \$1.9 million, respectively, in Q3 2025.
- \$15.0 million increase in non-cash depreciation and amortization expense as the Company added new Miners, power plants and electrical infrastructure.

**8. FINANCIAL PERFORMANCE (Continued)****B. Cost of Revenues from continuing operations (Continued)****YTD Q3 2025 v. YTD Q3 2024**

Bitfarms' cost of revenues was \$182.4 million for YTD Q3 2025 compared to \$114.8 million for YTD Q3 2024. The increase in cost of revenues was mainly due to:

- \$37.7 million, or 671%, increase in infrastructure expenses, mainly due to:
  - A \$20.4 million increase related to operating expenses at the Panther Creek and Scrubgrass power plants following the acquisition of Stronghold in the first quarter of 2025. The expenses included \$7.8 million of labor costs and other employee benefits, \$7.9 million of plant maintenance costs and \$4.7 million of other operating expenses; and
  - A \$9.2 million increase in non-recurring expense of customs duties following a determination by U.S. Customs and Border Protection's regarding Miners imported by the Company in 2021, compared to nil in YTD Q3 2024. Refer to Note 13 to the Financial Statements for more details.
- \$12.5 million, or 28%, increase in energy expenses, mainly due to:
  - A \$23.5 million increase due to fuel expenses from its power plants to generate revenues following the acquisition of Stronghold in the first quarter of 2025, partially offset by RECs and WTCs of \$13.0 million and \$4.0 million, respectively, in YTD Q3 2025; and
  - The Company adding new and more efficient Miners, which increased energy utilization to an average of 222 MW during YTD Q3 2025 versus 144 MW for the same period in 2024, resulting in an increase in electricity costs of \$5.6 million.
- \$25.8 million sales tax recovery received in Q3 2024 for sales taxes paid by the Company from February 5, 2022 to April 2024 due to the Company receiving confirmation from the provincial tax authorities that Canadian sales taxes are refundable, compared to nil in YTD Q3 2025.
- A \$7.7 million, or 100%, increase in hosting expenses, mainly due to:
  - A \$4.4 million increase in electricity costs incurred in Q1 2025 for the hosting of the Company's Miners at the Panther Creek and Scrubgrass facilities prior to the acquisition of Stronghold; and
  - A non-recurring increase of \$3.3 million in hosting expenses as the Company had its Miners hosted at Stronghold's Panther Creek and Scrubgrass facilities in the first quarter of 2025, prior to the acquisition of Stronghold.

These increases were partially offset by:

- A \$16.2 million decrease in non-cash depreciation and amortization expense due to the accelerated depreciation recorded in YTD Q3 2024 related to the upgrade program which decreased the anticipated useful life of older Miners. Refer to Note 12 - *Property, Plant and Equipment, Net* to the 2024 Annual Financial Statements.

## 8. FINANCIAL PERFORMANCE (Continued)

## C. General &amp; Administrative Expenses from continuing operations

(U.S.\$ in thousands except where indicated)	Three months ended September 30,				Nine months ended September 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
Salaries and wages	(6,992)	(6,774)	(218)	3%	(19,630)	(15,777)	(3,853)	24%
Stock-based compensation	(2,851)	(4,870)	2,019	(41)%	(10,403)	(8,823)	(1,580)	18%
Professional services	(3,755)	(11,366)	7,611	(67)%	(13,067)	(18,077)	5,010	(28)%
Sales tax recovery - professional services	—	—	—	—%	—	1,389	(1,389)	(100)%
Insurance, duties and other	(2,622)	(1,531)	(1,091)	71%	(7,651)	(4,964)	(2,687)	54%
Travel, motor vehicle and meals	(491)	(310)	(181)	58%	(1,444)	(893)	(551)	62%
Telecom hosting and telecommunications	(127)	(57)	(70)	122%	(436)	(194)	(242)	125%
Advertising and promotion	(313)	(321)	8	(2)%	(1,518)	(600)	(918)	153%
Sales tax recovery - other general and administrative expenses	(4)	(5)	1	(20)%	(8)	735	(743)	(101)%
	(17,155)	(25,234)	8,079	(32)%	(54,157)	(47,204)	(6,953)	15%

**Q3 2025 v. Q3 2024**

Bitfarms' general and administrative ("G&A") expenses were \$17.2 million in Q3 2025, compared to \$25.2 million for Q3 2024. The decrease of \$8.1 million, or 32%, was largely due to:

- \$7.6 million decrease in professional services mainly due to legal and accounting fees incurred in Q3 2024 associated with non-recurring activities including (i) the Stronghold Transaction, (ii) the Strategic Alternatives Review Process as defined in the Company's 2024 Annual MD&A, (iii) the response to the shareholder dispute involving Riot Platforms, Inc. ("Riot"), including with respect to the implementation and defense of the shareholder rights plan adopted by the Company on June 20, 2024 and the Company entering into the Settlement Agreement, and (iv) the settlement of the employment claim against the Company brought by the Company's former Chief Executive Officer ("CEO"), compared to nil in Q3 2025; and
- \$2.0 million decrease in stock-based compensation due to less total stock options, restricted stock units ("RSU") and performance stock units ("PSUs") granted with lower fair values and longer vesting periods during Q3 2025 compared to Q3 2024.

**8. FINANCIAL PERFORMANCE (Continued)****C. General & Administrative Expenses from continuing operations (Continued)*****YTD Q3 2025 v. YTD Q3 2024***

For YTD Q3 2025, Bitfarms' G&A expenses were \$54.2 million, compared to \$47.2 million for the same period in 2024. The increase in G&A expenses of \$7.0 million, or 15%, was mainly due to:

- \$3.9 million increase in salaries and wages due to (i) the increase in the Company's headcount in YTD Q3 2025 compared to YTD Q3 2024 to support the global expansion as well as merit and market-based adjustments and cost of living salary increases and (ii) the salaries paid to Stronghold employees following the acquisition in the first quarter of 2025;
- \$2.7 million increase in insurance, duties and other due to increases in property and liability insurance expense as a result of expanded infrastructure and a larger number of Miners deployed as well as increases in property taxes, other taxes, permits and software licenses to support the global expansion under our previous strategy;
- \$2.1 million sales tax recovery received in YTD Q3 2024 for sales taxes paid by the Company from February 5, 2022 to April 2024 due to the Company receiving confirmation from the provincial tax authorities that Canadian sales taxes are refundable, compared to nil in YTD Q3 2025; and

The increases were partially offset by:

- \$5.0 million decrease in professional services mainly due to legal and accounting fees incurred in YTD Q3 2024 associated with nonrecurring activities including (i) the Stronghold Transaction, (ii) the Strategic Alternatives Review Process as defined in the Company's 2024 Annual MD&A, (iii) the response to the shareholder dispute involving Riot, including with respect to the implementation and defense of the shareholder rights plan adopted by the Company on June 20, 2024 and the Company entering into the Settlement Agreement, and (iv) the settlement of the employment claim against the Company brought by the Company's former CEO, compared to nil in YTD Q3 2025.

## 8. FINANCIAL PERFORMANCE (Continued)

## D. Total other income (expense)

(U.S.\$ in thousands except where indicated)	Three months ended September 30,				Nine months ended September 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
Interest income	511	2,452	(1,941)	(79)%	1,773	5,174	(3,401)	(66)%
Interest expense	(2,051)	(312)	(1,739)	557%	(3,818)	(618)	(3,200)	518%
Gain on derecognition of warrants	—	—	—	—%	—	61	(61)	(100)%
Gain (loss) on derivative assets and liabilities	12,175	(78)	12,253	nm	12,245	277	11,968	nm
Gain on settlement of Refundable Hosting Deposits	—	—	—	—%	945	—	945	100%
Loss on initial recognition of refundable deposits	—	(675)	675	100%	—	(675)	675	100%
(Loss) gain on exchange rates	(202)	104	(306)	(294)%	(450)	(917)	467	(51)%
Other financial (expenses) income	(3,013)	(119)	(2,894)	nm	(4,198)	504	(4,702)	(933)%
	7,420	1,372	6,048	441%	6,497	3,806	2,691	71%

nm: not meaningful

**Q3 2025 v. Q3 2024**

Bitfarms' total other income was \$7.4 million for Q3 2025, compared to \$1.4 million for Q3 2024. The \$6.0 million favorable change was primarily related to:

- \$12.3 million favorable change in gain (loss) on derivative assets and liabilities mainly due to a net gain of \$13.3 million in Q3 2025 from the Bitcoin One Program, which includes a realized gain of \$13.8 million on closed positions, partially offset by unrealized losses of \$0.5 million on open positions. Refer to Section 11b - *Capital Resources (Bitcoin One program for digital assets management)*.

The favorable change was partially offset by:

- \$2.9 million unfavorable change in other financial income (expenses) mainly due to \$2.7 million of non-recurring interest on customs duties described in Section 8C - *Financial Performance (General & Administrative expenses from continuing operations)* in Q3 2025, and the amortization of transactions fees related to the Macquarie credit facility.

**8. FINANCIAL PERFORMANCE** (Continued)

**D. Total other income (expense) from continuing operations** (Continued)

***YTD Q3 2025 v. YTD Q3 2024***

Bitfarms' total other income was \$6.5 million for YTD Q3 2025, compared to \$3.8 million for YTD Q3 2024. The \$2.7 million favorable change was mainly due to:

- \$12.0 million increase in gain (loss) on derivative assets and liabilities mainly due to a net gain of \$13.8 million in YTD Q3 2025 from the Bitcoin One Program, which includes a realized gain of \$14.0 million on closed positions, partially offset by unrealized losses of \$0.2 million on open positions. Refer to Section 11b - *Capital Resources (Bitcoin One program for digital assets management)*.

The favorable change was partially offset by:

- \$4.7 million unfavorable change in other financial income (expenses) mainly due to \$2.7 million non-recurring interest on customs duties described in Section 8C - *Financial Performance (General & Administrative expenses from continuing operations)* in YTD Q3 2025, and the amortization of transactions fees related to the Macquarie credit facility;
- \$3.2 million increase in interest on long-term debt and lease liabilities due to the interest on the Macquarie credit facility, and higher interest on lease liabilities in YTD Q3 2025 compared to YTD Q3 2024 due to new leases; and
- \$3.4 million decrease in interest income due to the Company's lower average cash balance during YTD Q3 2025 compared to YTD Q3 2024. Refer to Section 11a - *Liquidity and Capital Resources (Cash Flows)* for details of the Company's cash flows.

**8. FINANCIAL PERFORMANCE** (Continued)**E. Discontinued Operations**

In 2025, the Company began a significant transformation of its corporate strategy, exiting its Latin American Bitcoin Mining operations in Paraguay and Argentina to fully concentrate on the U.S. and Canadian HPC infrastructure market. As a result of these strategic decisions, the Company classified certain of its Latin American asset group as "held for sale" and its operations as discontinued operations.

**Argentina's operations as discontinued operations**

In the second quarter of 2025, the Company's energy supplier halted the supply of electricity to the Company's Rio Cuarto, Argentina Bitcoin data center. Following this event, on August 11, 2025, the Company determined that it would discontinue and abandon its operations in Rio Cuarto, Argentina. The Company negotiated to eliminate its asset retirement obligation and reduced the reserved power to a minimum. As of September 30, 2025, the Argentina's operations were abandoned and classified as a discontinued operation. As these operations represent an asset group that was abandoned, it is not classified as "held for sale".

**Paraguay's operations as discontinued operations and assets held for sale**

During the first quarter of 2025, the Company finalized the sale of its Yguazu Bitcoin data center in Paraguay. During the three months ended September 30, 2025, Management determined that the Paso Pe facility met the criteria to be classified as "held for sale", and all operations in Paraguay were classified as discontinued operations as the Company makes a strategic shift towards HPC data center projects in North America. The sale of the Paso Pe Bitcoin data center is anticipated to close within twelve months from the reporting date.

Refer to Note 17 - *Discontinued Operations* to the Financial Statements for more information on the results of Argentina's and Paraguay's operations and the impairment loss on the cash generating unit ("CGU").

**9. SELECTED QUARTERLY INFORMATION FROM CONTINUING OPERATIONS<sup>3</sup>**

Set forth below is unaudited supplemental quarterly financial information that reflects material retrospective adjustments to our consolidated statements of operations as a result of the transition to U.S. GAAP and is intended to assist investors in evaluating our results of operations on a consistent basis across periods. This data should be read in conjunction with our unaudited condensed consolidated financial statements and audited consolidated financial statements and related notes for the relevant period. These quarterly operating results are not necessarily indicative of our operating results for a full year or any future periods.

(U.S. \$ in thousands except earnings per share)	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Revenues	<b>67,969</b>	60,908	47,651	37,752	27,072	31,425	37,025	34,562
Loss from continuing operations, net	<b>(11,009)</b>	13,196	(38,585)	41,561	(26,412)	(21,541)	(967)	6,484
Basic (loss) earnings per share from continuing operations	<b>(0.02)</b>	0.02	(0.08)	0.09	(0.06)	(0.05)	—	0.02
Diluted (loss) earnings per share from continuing operations	<b>(0.02)</b>	0.02	(0.08)	0.09	(0.06)	(0.05)	—	0.02

Although the Bitcoin Mining industry experiences volatility, Bitcoin prices are not generally subject to seasonality or seasonal effects. Seasonal fluctuations in energy supply, however, may impact the Company's operations. The Company's had operations in Quebec, Canada, where power was sourced directly from Hydro-Québec, Hydro-Magog, Hydro-Sherbrooke and the City of Baie-Comeau. The Company also had operations in Washington State, United States, that were powered by the Grant County Power Utility District; as well as operations in Pennsylvania, United States, that were powered by Stronghold and the PJM Interconnection Merchant Market. Among other phenomena, changing weather in Quebec (Canada), Washington State and Pennsylvania (United States) may impact seasonal electricity needs and costs. Periods of extreme cold or extreme hot weather may contribute to service interruptions in cryptocurrency Mining operations. Changes to supply and/or demand of electricity may result in curtailment of electricity to the Company's cryptocurrency Mining operations. The Company's geographical diversification may reduce the risk and extent of extreme weather and other external factors unduly affecting the Company's overall performance.

For Q3 2025 details, refer to Section 8A - *Financial Performance (Revenues)*; Section 11A - *Liquidity and Capital Resources (Cash Flows)*; and Section 7 - *HPC Data Center and Bitcoin Mining Expansion Projects (United States Expansion and Canada Expansion)* of this MD&A.

<sup>1</sup> EBITDA, EBITDA margin, Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures or ratios; refer to Section 10 - *Non-GAAP and Other Financial Measures and Ratios*.

<sup>2</sup> Sales tax recovery relating to energy and infrastructure and general and administrative expenses have been allocated to their respective periods; refer to Note 29b - *Additional Details to the Statement of Profit or Loss and Comprehensive Profit or Loss (Canadian sales tax refund)* to the 2024 Annual Financial Statements.

<sup>3</sup> This data excludes the discontinued operations in Rio Cuarto, Argentina and in Paraguay. On May 12, 2025, the Company's energy provider GMSA, halted the supply of electricity to the Company's Rio Cuarto Bitcoin data center with energized capacity of 58 MW. On August 11, 2025, three months after being informed that electricity supply was being halted and with no path forward to resume operations in the future, the decision was made to shut down the plant, which was abandoned by September 30, 2025. Additionally, as of September 30, 2025, the Paso Pe facility met the criteria to be classified as held for sale, and all operations in Paraguay were designated as discontinued operations as the Company makes a strategic shift towards HPC/AI infrastructure in North America. Refer to Section 8 - *Financial performance (Discontinued operations)* and Section 18 - *Risk Factors (The Company's operations in Rio Cuarto have been suspended due to a halt in its supply of electrical power on May 12, 2025)* of this MD&A.

**10. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS**

**Non-GAAP financial measures from continuing operations<sup>1</sup>**

The Company utilizes a number of non-GAAP financial measures and ratios in assessing operating performance. Non-GAAP financial measures and ratios may exclude the impact of certain items and are used internally when analyzing operating performance. Refer to Section 21 - *Cautionary Note Regarding Non-GAAP and Other Financial Measures and Ratios* of this MD&A.

<b>Measures</b>	<b>Definition</b>	<b>Purpose</b>
<b>Gross Mining profit</b>	Gross Profit adjusted to exclude: (i) non-Mining revenues; (ii) depreciation and amortization; (iii) expenses related to hosting and energy revenues; (iv) purchase of electrical components and other expenses; (v) electrician salaries and payroll taxes; and (vi) sales tax recovery.	<ul style="list-style-type: none"> <li>• To assess profitability after power costs in cryptocurrency production and other infrastructure costs. Power costs are the largest variable expense in Mining.</li> <li>• To provide the users of the MD&amp;A the ability to assess the gross profitability of the Company’s digital asset Mining operations.</li> </ul>
<b>EBITDA</b>	Net income (loss) adjusted to exclude: (i) interest expense; (ii) income tax expense; and (iii) depreciation and amortization.	<ul style="list-style-type: none"> <li>• To assess profitability before the impact of different financing methods, income taxes, depreciation of capital assets and amortization of intangible assets.</li> <li>• To provide the users of the MD&amp;A with additional information to assist them in understanding components of the Company’s financial results, including a more complete understanding of factors and trends affecting its performance.</li> <li>• Used by Management to facilitate comparisons of cash operating performance excluding the impact of charges and credits associated with financing the operations and growth of the Company from period to period and to prepare annual operating budgets and forecasts.</li> </ul>
<b>Adjusted EBITDA</b>	EBITDA adjusted to exclude: (i) stock-based compensation; (ii) non-cash finance expenses; (iii) asset impairment charges; (iv) (reversal of) revaluation loss on digital assets; (v) gain on disposition of marketable securities, gains or losses on derivative assets and liabilities and discount expense on VAT receivable; (vi) loss (gain) on revaluation of warrants and warrant issuance costs; (vii) loss on currency exchange; (viii) sales tax recovery; and (iv) other non-recurring items that do not reflect the core performance of the Company.	<ul style="list-style-type: none"> <li>• To assess profitability before the impact of all of the items in calculating EBITDA in addition to certain other non-cash expenses.</li> <li>• To provide the users of the MD&amp;A a consistent comparable metric for profitability of the Company’s core operations across time periods.</li> <li>• Used by Management to facilitate comparisons of operating performance from period to period and to prepare annual operating budgets and forecasts.</li> </ul>

<sup>1</sup> The definitions exclude the discontinued operations in Rio Cuarto, Argentina and in Paraguay. On May 12, 2025, the Company’s energy provider GMSA, halted the supply of electricity to the Company’s Rio Cuarto Bitcoin data center with energized capacity of 58 MW. On August 11, 2025, three months after being informed that electricity supply was being halted and with no path forward to resume operations in the future, the decision was made to shut down the plant, which was abandoned by September 30, 2025. Additionally, as of September 30, 2025, the Paso Pe facility met the criteria to be classified as held for sale, and all operations in Paraguay were designated as discontinued operations as the Company makes a strategic shift towards HPC/AI infrastructure in North America. Refer to Section 8 - *Financial performance (Discontinued operations)* and Section 18 - *Risk Factors (The Company’s operations in Rio Cuarto have been suspended due to a halt in its supply of electrical power on May 12, 2025)* of this MD&A.

**10. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS (Continued)****Non-GAAP financial measures from continuing operations (Continued)**

<b>Measures</b>	<b>Definition</b>	<b>Purpose</b>
<b>Direct Cost</b>	Cost of revenues adjusted to exclude: (i) depreciation and amortization; (ii) expenses related to hosting and energy revenues; (iii) purchases of electrical components; (iv) electrician salaries and payroll taxes; (v) infrastructure; (vi) sales tax recovery; and (vii) other direct expenses.	<ul style="list-style-type: none"> <li>• To assess the Company's power and hosting costs, the largest variable expense in Mining.</li> <li>• To provide the users of the MD&amp;A a metric to evaluate the Company's direct variable cost and marginal cost for its core digital asset Mining operations across time periods.</li> <li>• Used by Management to assess the operating performance from period to period and to prepare annual operating budgets and forecasts.</li> </ul>
<b>Total Cash Cost</b>	The sum of cost of revenues and general and administrative expenses before: (i) depreciation and amortization; (ii) non-cash service expense; (iii) expenses related to hosting and energy revenues; (iv) purchases of electrical components; (v) electrician salaries and payroll taxes; (vi) stock-based compensation; (vii) other direct expenses; (viii) sales tax recovery; and (ix) other non-recurring items that do not reflect the core performance of the Company.	<ul style="list-style-type: none"> <li>• To assess the total cash cost of the Company's core digital asset Mining operations.</li> <li>• To provide the users of the MD&amp;A a consistent comparable metric for the liquidity impact of the Company's mining activities across time periods.</li> <li>• Used by Management to assess the operating performance from period to period and to prepare annual operating budgets and forecasts.</li> </ul>
<b>Gross Mining margin</b>	The percentage obtained when dividing Gross Mining profit by Mining related revenues.	<ul style="list-style-type: none"> <li>• To assess profitability after power costs in cryptocurrency production, the largest variable expense in Mining.</li> <li>• To provide the users of the MD&amp;A the ability to assess the profitability of the Company's core digital asset Mining operations, exclusive of depreciation and amortization and certain general and administrative expenses.</li> </ul>
<b>EBITDA margin</b>	The percentage obtained when dividing EBITDA by Revenues.	<ul style="list-style-type: none"> <li>• To assess profitability before the impact of different financing methods, income taxes, depreciation of capital assets and amortization of intangible assets.</li> <li>• Used by Management to facilitate comparisons of operating performance from period to period and to prepare annual operating budgets and forecasts.</li> <li>• Useful for providing users of the MD&amp;A with additional information to assist them in understanding components of the Company's financial results, including a more complete understanding of factors and trends affecting its performance.</li> </ul>

**10. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS (Continued)****Non-GAAP financial ratios from continuing operations (Continued)**

<b>Ratios</b>	<b>Definition</b>	<b>Purpose</b>
<b>Adjusted EBITDA margin</b>	The percentage obtained when dividing Adjusted EBITDA by Revenues.	<ul style="list-style-type: none"> <li>• To assess profitability before the impact of all of the items in calculating EBITDA in addition to certain other non-cash expenses.</li> <li>• To provide a consistent comparable metric for profitability of the Company's core performance across time periods.</li> <li>• Used by Management to facilitate comparisons of operating performance from period to period and to prepare annual operating budgets and forecasts.</li> </ul>
<b>Direct Cost per Bitcoin</b>	The amount obtained when dividing Direct Cost by the quantity of Bitcoin earned.	<ul style="list-style-type: none"> <li>• To assess the Company's power costs, the largest variable expense in Mining.</li> <li>• To provide the users of the MD&amp;A a metric to evaluate the Company's direct variable cost for its core digital asset Mining operations across time periods.</li> <li>• Used by Management to assess the operating performance from period to period and to prepare annual operating budgets and forecasts.</li> </ul>
<b>Total Cash Cost per Bitcoin</b>	The amount obtained when dividing Total Cash cost by the quantity of Bitcoin earned.	<ul style="list-style-type: none"> <li>• To assess the total cash cost of the Company's core digital asset Mining operations.</li> <li>• To provide the users of the MD&amp;A a consistent comparable metric for the liquidity impact of the Company's mining activities across time periods.</li> <li>• Used by Management to assess the operating performance from period to period and to prepare annual operating budgets and forecasts.</li> </ul>

**Supplemental financial ratios**

The Company utilizes the following supplemental financial ratios in assessing operating performance.

<b>Ratios</b>	<b>Definition</b>	<b>Purpose</b>
<b>Gross margin</b>	The percentage obtained when dividing Gross profit by Revenues.	<ul style="list-style-type: none"> <li>• To assess profitability of the Company across time periods.</li> </ul>
<b>Operating margin</b>	The percentage obtained when dividing Operating income (loss) by Revenues.	<ul style="list-style-type: none"> <li>• To assess operational profitability of the Company across time periods.</li> </ul>

## 10. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS (Continued)

A. Reconciliation of Consolidated Net Income (loss) to EBITDA and Adjusted EBITDA from Continuing Operations<sup>2</sup>

(U.S.\$ in thousands except where indicated)	Three months ended September 30,				Nine months ended September 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
<b>Revenues</b>	<b>67,969</b>	27,072	40,897	151%	<b>176,528</b>	95,522	81,006	85%
<b>Loss before income taxes</b>	<b>(11,049)</b>	(26,251)	15,202	(58)%	<b>(36,216)</b>	(48,759)	12,543	(26)%
Interest income	(511)	(2,452)	1,941	(79)%	(1,773)	(5,174)	3,401	(66)%
Interest expense	2,051	312	1,739	557%	3,818	618	3,200	518%
Depreciation and amortization	26,544	11,564	14,980	130%	71,431	87,620	(16,189)	(18)%
Sales tax recovery - depreciation and amortization	—	—	—	—%	—	(8,760)	8,760	100%
<b>EBITDA</b>	<b>17,035</b>	(16,827)	33,862	<i>nm</i>	<b>37,260</b>	25,545	11,715	46%
<b>EBITDA margin</b>	<b>25%</b>	(62)%	—	—	<b>21%</b>	27%	—	—
Stock-based compensation	2,851	4,870	(2,019)	(41)%	10,403	8,823	1,580	18%
Realized gain on disposition of digital assets	(4,801)	(768)	(4,033)	525%	(25,783)	(17,635)	(8,148)	46%
Change in fair value of digital assets	(5,176)	(212)	(4,964)	<i>nm</i>	1,574	357	1,217	341%
Impairment of long-lived assets	9,103	3,628	5,475	151%	9,103	3,628	5,475	151%
(Gain) loss on derivative assets and liabilities	(12,175)	78	(12,253)	<i>nm</i>	(12,245)	(277)	(11,968)	<i>nm</i>
Loss (gain) on derecognition of warrants	—	—	—	—%	—	(61)	61	100%
Gain on settlement of Refundable Hosting Deposits	—	—	—	—%	(945)	—	(945)	100%
Costs not associated with ongoing operations	9,244	9,383	(139)	(1)%	10,915	12,479	(1,564)	(13)%
Sales tax recovery - prior years - energy and infrastructure and G&A expenses <sup>(1)</sup>	4	5	(1)	(20)%	4	(16,063)	16,067	<i>nm</i>
Net financial (income) expense and other	3,151	1,511	1,640	109%	2,448	5,447	(2,999)	(55)%
<b>Adjusted EBITDA</b>	<b>19,236</b>	1,668	17,568	<i>nm</i>	<b>32,734</b>	22,243	10,491	47%
<b>Adjusted EBITDA margin</b>	<b>28%</b>	6%	—	—	<b>19%</b>	23%	—	—

1 Sales tax recovery relating to energy and infrastructure and general and administrative expenses have been allocated to their respective periods; refer to Note 29b - *Additional Details to the Statement of Operations (Canadian sales tax refund)* to the 2025 Annual Financial Statements.

2 This data excludes the discontinued operations in Rio Cuarto, Argentina and in Paraguay. On May 12, 2025, the Company's energy provider GMSA, halted the supply of electricity to the Company's Rio Cuarto Bitcoin data center with energized capacity of 58 MW. On August 11, 2025, three months after being informed that electricity supply was being halted and with no path forward to resume operations in the future, the decision was made to shut down the plant, which was abandoned by September 30, 2025. Additionally, as of September 30, 2025, the Paso Pe facility met the criteria to be classified as held for sale, and all operations in Paraguay were designated as discontinued operations as the Company makes a strategic shift towards HPC/AI infrastructure in North America. Refer to Section 8 - *Financial performance (Discontinued operations)* and Section 18 - *Risk Factors (The Company's operations in Rio Cuarto have been suspended due to a halt in its supply of electrical power on May 12, 2025)* of this MD&A.

## 10. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS (Continued)

B. Calculation of Gross Mining Profit and Gross Mining Margin from Continuing Operations<sup>4</sup>

(U.S.\$ in thousands except where indicated)	Three months ended September 30,				Nine months ended September 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
<b>Gross loss</b>	<b>(2,252)</b>	(494)	(1,758)	356%	<b>(5,862)</b>	(19,233)	13,371	(70)%
Non-Mining revenues <sup>1</sup>	<b>(7,530)</b>	(1,451)	(6,079)	419%	<b>(14,777)</b>	(3,510)	(11,267)	321%
Depreciation and amortization	<b>26,544</b>	11,564	14,980	130%	<b>71,431</b>	87,620	(16,189)	(18)%
Expenses related to hosting and energy revenues	<b>4,312</b>	—	4,312	100%	<b>12,308</b>	—	12,308	100%
Sales tax recovery - depreciation and amortization	—	—	—	—%	—	(8,760)	8,760	100%
Electrical components and salaries	<b>1,081</b>	1,097	(16)	(1)%	<b>2,788</b>	2,678	110	4%
Sales tax recovery - prior years - energy and infrastructure <sup>2</sup>	—	—	—	100%	—	(14,338)	14,338	100%
Other	—	13	(13)	(100)%	—	1,222	(1,222)	100%
<b>Gross Mining profit</b>	<b>22,155</b>	10,729	11,426	106%	<b>65,888</b>	45,679	20,209	44%
<b>Gross Mining margin</b>	<b>37%</b>	42%	—	—	<b>41%</b>	50%	—	—

(1) Non-Mining revenues reconciliation:

(U.S.\$ in thousands except where indicated)	Three months ended September 30,				Nine months ended September 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
<b>Revenues</b>	<b>67,969</b>	27,072	40,897	151%	<b>176,528</b>	95,522	81,006	85%
Less Mining related revenues for the purpose of calculating gross Mining margin:								
Mining revenues <sup>3</sup>	<b>(60,439)</b>	(25,621)	(34,818)	136%	<b>(161,751)</b>	(92,012)	(69,739)	76%
<b>Non-Mining revenues</b>	<b>7,530</b>	1,451	6,079	419%	<b>14,777</b>	3,510	11,267	321%

(2) Sales tax recovery relating to energy and infrastructure expenses has been allocated to their respective periods; refer to Note 29b - *Additional Details to the Statement of Operations (Canadian sales tax refund)* to the 2025 Annual Financial Statements.

(3) Mining revenues include revenues from sale of computational power used for hashing calculations and revenues from computational power sold in exchange of services.

(4) This data excludes the discontinued operations in Rio Cuarto, Argentina and in Paraguay. On May 12, 2025, the Company's energy provider GMSA, halted the supply of electricity to the Company's Rio Cuarto Bitcoin data center with energized capacity of 58 MW. On August 11, 2025, three months after being informed that electricity supply was being halted and with no path forward to resume operations in the future, the decision was made to shut down the plant, which was abandoned by September 30, 2025. Additionally, as of September 30, 2025, the Paso Pe facility met the criteria to be classified as held for sale, and all operations in Paraguay were designated as discontinued operations as the Company makes a strategic shift towards HPC/AI infrastructure in North America. Refer to Section 8 - *Financial performance (Discontinued operations)* and Section 18 - *Risk Factors (The Company's operations in Rio Cuarto have been suspended due to a halt in its supply of electrical power on May 12, 2025)* of this MD&A.

## 10. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS (Continued)

C. Calculation of Direct Cost and Direct Cost per Bitcoin from Continuing Operations<sup>2</sup>

(U.S.\$ in thousands except where indicated)	Three months ended September 30,				Nine months ended September 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
<b>Cost of revenues</b>	<b>70,221</b>	27,566	42,655	155%	<b>182,390</b>	114,755	67,635	59%
Depreciation and amortization	(26,544)	(11,564)	(14,980)	130%	(71,431)	(87,620)	16,189	(18)%
Expenses related to hosting and energy revenues	(2,034)	—	(2,034)	(100)%	(5,039)	—	(5,039)	(100)%
Sales tax recovery - depreciation and amortization	—	—	—	—%	—	8,760	(8,760)	(100)%
Electrical components and salaries	(1,081)	(1,097)	16	(1)%	(2,788)	(2,678)	(110)	4%
Infrastructure expenses	(22,854)	(1,797)	(21,057)	nm	(43,283)	(5,614)	(37,669)	671%
Infrastructure expenses related to self-producing energy for mining	5,212	—	5,212	100%	13,498	—	13,498	100%
Sales tax recovery - prior years - energy and infrastructure <sup>(1)</sup>	—	—	—	—%	—	14,338	(14,338)	(100)%
<b>Direct Cost</b>	<b>22,920</b>	13,108	9,812	75%	<b>73,347</b>	41,941	31,406	75%
Quantity of Bitcoin earned	520	414	106	26%	1,570	1,562	8	1%
<b>Direct Cost per Bitcoin (in U.S. dollars)</b>	<b>44,100</b>	31,700	12,400	39%	<b>46,700</b>	26,900	19,800	74%

nm: not meaningful

1 Sales tax recovery relating to energy and infrastructure has been allocated to its respective periods; refer to Note 29b - *Additional Details to the Statement of Operations (Canadian sales tax refund)* to the 2025 Annual Financial Statements.

2 This data excludes the discontinued operations in Rio Cuarto, Argentina and in Paraguay. On May 12, 2025, the Company's energy provider GMSA, halted the supply of electricity to the Company's Rio Cuarto Bitcoin data center with energized capacity of 58 MW. On August 11, 2025, three months after being informed that electricity supply was being halted and with no path forward to resume operations in the future, the decision was made to shut down the plant, which was abandoned by September 30, 2025. Additionally, as of September 30, 2025, the Paso Pe facility met the criteria to be classified as held for sale, and all operations in Paraguay were designated as discontinued operations as the Company makes a strategic shift towards HPC/AI infrastructure in North America. Refer to Section 8 - *Financial performance (Discontinued operations)* and Section 18 - *Risk Factors (The Company's operations in Rio Cuarto have been suspended due to a halt in its supply of electrical power on May 12, 2025)* of this MD&A.

## 10. NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS (Continued)

D. Calculation of Total Cash Cost and Total Cash Cost per Bitcoin from Continuing Operations<sup>3</sup>

(U.S.\$ in thousands except where indicated)	Three months ended September 30,				Nine months ended September 30,			
	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
<b>Cost of revenues</b>	<b>70,221</b>	27,566	42,655	155%	<b>182,390</b>	114,755	67,635	59%
<b>General and administrative expenses</b>	<b>17,155</b>	25,234	(8,079)	(32)%	<b>54,157</b>	47,204	6,953	15%
	<b>87,376</b>	52,800	34,576	65%	<b>236,547</b>	161,959	74,588	46%
Depreciation and amortization	(26,544)	(11,564)	(14,980)	130%	(71,431)	(87,620)	16,189	(18)%
Sales tax recovery - depreciation and amortization	—	—	—	—%	—	8,760	(8,760)	(100)%
Expenses related to hosting and energy revenues	(4,714)	—	(4,714)	(100)%	(13,216)	—	(13,216)	(100)%
Non-cash service expense <sup>(2)</sup>	(1,027)	(564)	(463)	82%	(2,777)	(564)	(2,213)	392%
Electrical components and salaries	(1,081)	(1,097)	16	(1)%	(2,788)	(2,678)	(110)	4%
Stock-based compensation	(2,851)	(4,870)	2,019	(41)%	(10,403)	(8,823)	(1,580)	18%
Costs not associated with ongoing operations	(9,244)	(9,383)	139	(1)%	(10,915)	(12,479)	1,564	(13)%
Sales tax recovery - prior years - energy and infrastructure and G&A expenses <sup>(1)</sup>	(4)	(5)	1	(20)%	(4)	16,063	(16,067)	(100)%
Other	—	(2,500)	2,500	100%	—	(5,659)	5,659	100%
<b>Total Cash Cost</b>	<b>41,911</b>	22,817	19,094	84%	<b>125,013</b>	68,959	56,054	81%
Quantity of Bitcoin earned	520	414	106	26%	1,570	1,562	8	1%
<b>Total Cash Cost per Bitcoin (in U.S. dollars)</b>	<b>80,600</b>	55,100	25,500	46%	<b>79,600</b>	44,100	35,500	80%

<sup>1</sup> Sales tax recovery relating to energy and infrastructure and general and administrative expenses have been allocated to their respective periods; refer to Note 29b - *Additional Details to the Statement of Operations (Canadian sales tax refund)* to the 2025 Annual Financial Statements.

<sup>2</sup> Non-cash service expense, included in infrastructure, which was exchanged for computational power sold.

<sup>3</sup> This data excludes the discontinued operations in Rio Cuarto, Argentina and in Paraguay. On May 12, 2025, the Company's energy provider GMSA, halted the supply of electricity to the Company's Rio Cuarto Bitcoin data center with energized capacity of 58 MW. On August 11, 2025, three months after being informed that electricity supply was being halted and with no path forward to resume operations in the future, the decision was made to shut down the plant, which was abandoned by September 30, 2025. Additionally, as of September 30, 2025, the Paso Pe facility met the criteria to be classified as held for sale, and all operations in Paraguay were designated as discontinued operations as the Company makes a strategic shift towards HPC/AI infrastructure in North America. Refer to Section 8 - *Financial performance (Discontinued operations)* and Section 18 - *Risk Factors (The Company's operations in Rio Cuarto have been suspended due to a halt in its supply of electrical power on May 12, 2025)* of this MD&A.

**11. LIQUIDITY AND CAPITAL RESOURCES**

As discussed below, the Company's current financing strategy involves (a) strategically selling the Bitcoin it earns and the Bitcoin it holds in treasury and (b) utilizing short-term debt, long-term debt and equity instruments (including the 2024 ATM Program) to fund its expansion activities, operating expenses and debt service requirements. The Company may require additional funds to complete its 2025 and 2026 growth plans discussed in Section 7 - *HPC Data Center and Bitcoin Mining Expansion Projects* of this MD&A.

Although the Company operates through its subsidiaries, there are no material legal restrictions and generally no practical restrictions on the ability of the subsidiaries to transfer funds to the Company, except that the Company may be subject to practical limitations on transferring funds from its Argentinian subsidiary. Beginning in the second half of 2019, the Argentine government instituted certain foreign currency exchange controls that could restrict the Company's Argentinian subsidiary's access to foreign currency, including the U.S. dollar, for making payments abroad or transferring funds to its parent without prior authorization from the Argentine Central Bank. These regulations have continued to evolve and may become more stringent depending on the Argentine government's perception of the availability of sufficient national foreign currency reserves. Further, recent changes, as well as any future changes, in national and provincial leadership may result in changing governmental perceptions and actions surrounding importation policies and the availability of foreign currency reserves for commerce. In late 2023, Argentina held a presidential election resulting in the election of a new president, Javier Milei. Many of the foreign exchange restrictions implemented in 2019 are still in place, particularly for imports and dividend payments related to transactions before December 13, 2023.

On April 11, 2025, the International Monetary Fund approved a new \$20 billion, 48-month support program for Argentina. At the same time, the Central Bank of Argentina introduced a floating exchange rate system ranging from 1,000 to 1,400 ARS per USD, gradually widening about 1% per month. The central bank will intervene if rates move outside this band, directly affecting the money supply. Capital and currency controls were also eased, improving access to the official exchange market for individuals, businesses, importers, and foreign dividend payments (from 2025 onward). The central bank has issued BOPREAL bonds to address pre-2025 undistributed dividends.

In addition, the United States government announced in October 2025 efforts to support Argentina with approximately \$40.0 billion in total funding, including \$20.0 billion through currency exchange stabilization measures and \$20.0 billion in loans facilitated by major U.S. banks. These initiatives aim to strengthen Argentina's foreign reserves, stabilize the peso, and enhance liquidity in the financial system.

The full impact of these changes on Bitfarms remains uncertain as of the date this MD&A.

The Company sent funds periodically to its Argentinian subsidiary to fund its expansion and operations based on supplier invoices that are paid by the Argentinian subsidiary. The Argentinian subsidiary provided Hashrate services for a market-based fee to its Canadian parent which, in turn, purchased that Hashrate to consolidate and sell to a third-party Mining Pool for which the Canadian parent is compensated in Bitcoin. Accordingly, the Argentinian subsidiary is not structured or contemplated to generate substantial cash flows above its internal requirements.

## 11. LIQUIDITY AND CAPITAL RESOURCES (Continued)

A. Cash Flows<sup>1</sup>

(U.S. \$ in thousands except where indicated)	Nine months ended September 30,			
	2025	2024	\$ Change	% Change
<b>Cash, beginning of the period</b>	<b>59,542</b>	84,038	(24,496)	(29)%
Cash flows from (used in):				
Operating activities	(153,920)	(98,233)	(55,687)	57%
Investing activities	120,180	(157,598)	277,778	176%
Financing activities	86,058	244,737	(158,679)	(65)%
Exchange rate differences on currency translation	92	(31)	123	397%
<b>Cash and restricted cash, end of the period</b>	<b>111,952</b>	72,913	39,039	54%

**Cash Flows used in Operating Activities**

Cash flows used in operating activities increased by \$55.7 million during YTD Q3 2025 compared to YTD Q3 2024. The Company's operating cash flows are negative as the proceeds from the Bitcoin sold from its Mining operations are classified within investing activities.

The increase in cash flow used in operating activities is driven primarily by:

- Higher cash G&A expenses from continuing operations, net of sales tax refund, of \$5.4 million as explained in Section 8C - *Financial Performance - General & Administrative expenses* of this MD&A; and
- Higher cash energy costs of \$29.5 million from continuing operations, including the sales tax recovery of \$17.0 million recognized during YTD Q3 2024 for energy costs, and infrastructure expenses of \$37.7 million, as explained in Section 8B - *Financial Performance - Cost of Revenues* of this MD&A.

The increase was partially offset by:

- An increase in working capital of \$25.0 million as explained in Section 12 - *Financial Position* of this MD&A.

<sup>1</sup> Cash flows include the discontinued operations in Rio Cuarto, Argentina and in Paraguay. On May 12, 2025, the Company's energy provider GMSA, halted the supply of electricity to the Company's Rio Cuarto Bitcoin data center with energized capacity of 58 MW. On August 11, 2025, three months after being informed that electricity supply was being halted and with no path forward to resume operations in the future, the decision was made to shut down the plant, which was abandoned by September 30, 2025. Additionally, as of September 30, 2025, the Paso Pe facility met the criteria to be classified as held for sale, and all operations in Paraguay were designated as discontinued operations as the Company makes a strategic shift towards HPC/AI infrastructure in North America. Refer to Section 8 - *Financial performance (Discontinued operations)* and Section 18 - *Risk Factors (The Company's operations in Rio Cuarto have been suspended due to a halt in its supply of electrical power on May 12, 2025)* of this MD&A.

**11. LIQUIDITY AND CAPITAL RESOURCES** (Continued)**A. Cash Flows<sup>1</sup>** (Continued)**Cash Flows from Investing Activities**

Cash flows from investing activities increased by \$277.8 million during YTD Q3 2025 compared to YTD Q3 2024. The increase in cash flow from investing activities is driven primarily by:

- An increase in proceeds from sale of digital assets earned of \$48.0 million as a result of higher Bitcoin prices when selling 1,665 Bitcoin in YTD Q3 2025 compared to lower Bitcoin prices when selling 1,917 Bitcoin in YTD Q3 2024;
- \$58.1 million of net additions of PPE during YTD Q3 2025, compared to \$166.1 million for the same period in 2024, primarily due to the acquisition of Miners and infrastructure build-out;
- \$7.8 million of refundable deposits paid in YTD Q3 2024, compared to nil in YTD Q3 2025;
- \$13.7 million of net proceeds from disposition of derivative assets and liabilities in YTD Q3 2025, as described in Note 8 - *Derivative Assets and Liabilities* to the Financial Statements, compared to nil in YTD Q3 2024; and
- \$0.8 million in advance payments YTD Q3 2025, compared to \$96.5 million in advanced payments during YTD Q3 2024, mainly for the fleet upgrade; and
- \$63.0 million of proceeds received from the sale of the Yguazu Mining Site, as described in Note 17 *Discontinued Operations* to the Financial Statements.

The increase was partially offset by:

- The acquisition of Stronghold which included \$48.1 million of cash payment in YTD Q3 2025, as described in Note 3 - *Business Combination* to the Financial Statements, compared to nil in YTD Q3 2024.

**Cash Flows from Financing Activities**

Cash flows from financing activities decreased by \$158.7 million from \$244.7 million for YTD Q3 2024 to \$86.1 million for YTD Q3 2025.

**YTD Q3 2025**

- The Company raised:
  - \$50.0 million through the Macquarie credit facility and incurred \$3.2 million of professional fees;
  - \$38.0 million of net proceeds from its 2024 ATM Program as discussed below; and
  - \$11.4 million of net proceeds from the exercise of stock options and warrants.
- The amounts raised were partially offset by payment of \$10.0 million related to share purchased and cancelled.

**YTD Q3 2024**

- The Company raised:
  - \$240.3 million of net proceeds from its 2024 ATM Program as discussed below; and
  - \$8.6 million of net proceeds from the exercise of stock options and warrants.
- The amounts raised were partially offset by scheduled and one-time payments relating to the principal repayments of \$4.0 million to fully repay the NYDIG loan, which matured and expired in February 2024.

<sup>1</sup> Cash flows include the discontinued operations in Rio Cuarto, Argentina and in Paraguay. On May 12, 2025, the Company's energy provider GMSA, halted the supply of electricity to the Company's Rio Cuarto Bitcoin data center with energized capacity of 58 MW. On August 11, 2025, three months after being informed that electricity supply was being halted and with no path forward to resume operations in the future, the decision was made to shut down the plant, which was abandoned by September 30, 2025. Additionally, as of September 30, 2025, the Paso Pe facility met the criteria to be classified as held for sale, and all operations in Paraguay were designated as discontinued operations as the Company makes a strategic shift towards HPC/AI infrastructure in North America. Refer to Section 8 - *Financial performance (Discontinued operations)* and Section 18 - *Risk Factors (The Company's operations in Rio Cuarto have been suspended due to a halt in its supply of electrical power on May 12, 2025)* of this MD&A.

**11. LIQUIDITY AND CAPITAL RESOURCES** (Continued)**A. Cash Flows<sup>1</sup>** (Continued)**Cash Flows from Financing Activities** (Continued)*At-The-Market Equity Offering Program*

Bitfarms commenced the 2024 ATM Program on March 11, 2024, by means of a prospectus supplement dated March 8, 2024 ("March Supplement"), to the Company's short form base shelf prospectus dated November 10, 2023 ("Base Shelf"), and U.S. registration statement on Form F-10, which included a prospectus supplement related to the 2024 ATM Program. The Company may, at its discretion and from time-to-time, sell common shares of the Company in the 2024 ATM Program for aggregate gross proceeds of up to \$375.0 million. The Company capitalized \$0.9 million of professional fees and registration expenses to initiate the 2024 ATM Program.

The Company filed amended and restated prospectus supplements dated October 4, 2024, and December 17, 2024, providing disclosure regarding the Stronghold Transaction and the restatement of the Company's 2023 annual consolidated financial statements and MD&A for the year ended December 31, 2023 and interim consolidated financial statements and MD&A for the nine months ended September 30, 2024, respectively, and amending and restating the March Supplement, to the Company's existing \$375.0 million Base Shelf, with both the Base Shelf and amended and restated prospectus supplement forming a part of the Company's registration statement on Form F-10.

On October 7, 2025, the 2024 ATM Program was completed, as the Company issued a total of 165,091,099 common shares in exchange for gross proceeds of \$375.0 million, receiving net proceeds of \$363.2 million since the inception of the 2024 ATM Program.

**Q3 2025 v. Q3 2024**

During the three months ended September 30, 2025, the Company issued 4,726,499 common shares through the 2024 ATM Program in exchange for gross proceeds of \$14.9 million at an average share price of approximately \$3.15. The Company received net proceeds of \$14.4 million after paying commissions of \$0.4 million to the sales agent.

During the three months ended September 30, 2024, the Company issued 25,127,177 common shares through the 2024 ATM Program in exchange for gross proceeds of \$67.9 million at an average share price of approximately \$2.70. The Company received net proceeds of \$65.8 million after paying commissions of \$2.0 million to the sales agent, in addition to \$0.1 million of other transaction fees.

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<sup>1</sup> Cash flows include the discontinued operations in Rio Cuarto, Argentina and in Paraguay. On May 12, 2025, the Company's energy provider GMSA, halted the supply of electricity to the Company's Rio Cuarto Bitcoin data center with energized capacity of 58 MW. On August 11, 2025, three months after being informed that electricity supply was being halted and with no path forward to resume operations in the future, the decision was made to shut down the plant, which was abandoned by September 30, 2025. Additionally, as of September 30, 2025, the Paso Pe facility met the criteria to be classified as held for sale, and all operations in Paraguay were designated as discontinued operations as the Company makes a strategic shift towards HPC/AI infrastructure in North America. Refer to Section 8 - *Financial performance (Discontinued operations)* and Section 18 - *Risk Factors (The Company's operations in Rio Cuarto have been suspended due to a halt in its supply of electrical power on May 12, 2025)* of this MD&A.

**11. LIQUIDITY AND CAPITAL RESOURCES (Continued)**
**A. Cash Flows<sup>1</sup> (Continued)**
**Cash Flows from Financing Activities (Continued)**
*At-The-Market Equity Offering Program (Continued)*
**YTD Q3 2025 v. YTD Q3 2024**

During YTD Q3 2025, the Company issued 19,171,142 common shares in the 2024 ATM Program in exchange for gross proceeds of \$39.3 million at an average share price of approximately \$2.05. The Company received net proceeds of \$38.0 million after paying commissions of \$1.2 million to the sales agent.

During YTD Q3 2024, the Company issued 109,323,321 common shares in the 2024 ATM program in exchange for gross proceeds of \$248.1 million at an average share price of approximately \$2.27. The Company received net proceeds of \$240.3 million after paying commissions of \$7.4 million to the sales agent, in addition to \$0.4 million of other transaction fees. The Company capitalized \$0.9 million of professional fees and registration expenses to initiate the 2024 ATM Program.

*Use of Proceeds*

The Company has used the proceeds from the 2024 ATM Program prudently to support the growth and development of the Company's major Mining capital expenditure program, as described in Section 7 - *HPC Data Center and Bitcoin Mining Expansion Projects* of this MD&A, as well as for working capital and general corporate purposes. The Company does not intend to make significant further capital investments in mining in the near future as it emphasizes its HPC data center development. Described below are the actual use of proceeds from the commencement of the 2024 ATM Program through September 30, 2025:

(U.S. \$ in thousands except where indicated)

<b>Categories</b>	<b>Use of proceeds from March 11, 2024 to September 30, 2025</b>
Miner fleet upgrade	222,261
Paso Pe (Paraguay) expansion <sup>1</sup>	27,506
Baie-Comeau (Canada) expansion	9,200
Yguazu (Paraguay) expansion <sup>2</sup>	31,506
Stronghold (United States) expansion	38,043
Used proceeds	328,516
Commissions to sales agents and other transaction costs	10,672
Total proceeds raised	339,188
Maximum proceeds available	375,000
Remaining proceeds available	35,812

<sup>1</sup> Cash flows include the discontinued operations in Rio Cuarto, Argentina and in Paraguay. On May 12, 2025, the Company's energy provider GMSA, halted the supply of electricity to the Company's Rio Cuarto Bitcoin data center with energized capacity of 58 MW. On August 11, 2025, three months after being informed that electricity supply was being halted and with no path forward to resume operations in the future, the decision was made to shut down the plant, which was abandoned by September 30, 2025. Additionally, as of September 30, 2025, the Paso Pe facility met the criteria to be classified as held for sale, and all operations in Paraguay were designated as discontinued operations as the Company makes a strategic shift towards HPC/AI infrastructure in North America. Refer to Section 8 - *Financial performance (Discontinued operations)* and Section 18 - *Risk Factors (The Company's operations in Rio Cuarto have been suspended due to a halt in its supply of electrical power on May 12, 2025)* of this MD&A.

<sup>2</sup> During the first quarter of 2025, the Company finalized the sale of its Yguazu mining site in Paraguay.

**11. LIQUIDITY AND CAPITAL RESOURCES (Continued)****A. Cash Flows<sup>1</sup> (Continued)*****Cash Flows from Financing Activities (Continued)****Private Placements****YTD Q3 2025 v. YTD Q3 2024***

During YTD Q3 2025, 1,000,000 warrants and 111,111 broker warrants related to the 2023 private placement were exercised resulting in the issuance of 1,111,111 common shares for proceeds of approximately \$1.3 million. In addition, 111,111 broker warrants were exercised on a cashless basis in exchange for 65,672 common shares. During YTD Q3 2024, 5,000,000 warrants and 111,111 broker warrants related to the 2023 private placement were exercised, resulting in the issuance of 5,111,111 common shares for proceeds of approximately \$6.0 million.

**B. Capital Resources**

Bitfarms' capital management objective is to provide financial resources that will enable the Company to maximize the return to its shareholders while optimizing its cost of capital and ensuring the Company has sufficient liquidity to fund its operating and growth activities. In order to achieve this objective, the Company monitors its capital structure and makes adjustments as required in light of the Company's funding requirements, changes in economic conditions, the cost of providing and the availability of financing, and the risks to which the Company is exposed. The Company's financing strategy is to maintain a flexible capital structure that optimizes the cost of capital at an acceptable level of risk, to preserve its ability to meet financial obligations as they come due, and to ensure the Company has sufficient financial resources to fund its organic and acquisitive growth.

Based on the current capital budget and Bitcoin prices, the Company currently anticipates that additional financing will be required to fund its 2025 and 2026 expansion plans and to complete construction of additional HPC data centers, if the Company elects to do so. In order to achieve its business objectives, the Company may sell or borrow against the Bitcoin that are held in treasury as of the date hereof as well as Bitcoin received from its ongoing operations, which may or may not be possible on commercially attractive terms. Bitfarms intends to continue to manage its capital structure by striving to reduce operating expenses and unnecessary capital spending, disposing of inefficient or underutilized assets, obtaining short-term and long-term debt financing and issuing equity.

In October 2025, the Company drew an additional \$50.0 million from the Macquarie credit facility and completed an offering of \$588.0 million aggregate principal amount of convertible senior notes which included an option by the initial purchasers to purchase \$88.0 million aggregate amount of convertible senior notes. Net proceeds were approximately \$500.0 million after transaction fees and approximately \$68.0 million was used to fund a 125% capped call transaction. Refer to Note 24 to the Financial Statements for more details.

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<sup>1</sup> Cash flows include the discontinued operations in Rio Cuarto, Argentina and in Paraguay. On May 12, 2025, the Company's energy provider GMSA, halted the supply of electricity to the Company's Rio Cuarto Bitcoin data center with energized capacity of 58 MW. On August 11, 2025, three months after being informed that electricity supply was being halted and with no path forward to resume operations in the future, the decision was made to shut down the plant, which was abandoned by September 30, 2025. Additionally, as of September 30, 2025, the Paso Pe facility met the criteria to be classified as held for sale, and all operations in Paraguay were designated as discontinued operations as the Company makes a strategic shift towards HPC/AI infrastructure in North America. Refer to Section 8 - *Financial performance (Discontinued operations)* and Section 18 - *Risk Factors (The Company's operations in Rio Cuarto have been suspended due to a halt in its supply of electrical power on May 12, 2025)* of this MD&A.

**11. LIQUIDITY AND CAPITAL RESOURCES (Continued)**

**B. Capital Resources (Continued)**

In November 2025, the Company entered into a purchase commitment of \$128.7 million, payable over the next 12 months, for the development and expansion of HPC data center projects with a large publicly traded American multinational provider of critical infrastructure and services for data centers. Under the terms of the agreement, the provider will deliver a range of services that include engineering, project management assistance, procurement and manufacturing, site management support and factory acceptance testing, all contributing, in addition to other expenses, to the construction of a fully integrated 18 MW hybrid-built data center in Washington State, United States.

*Digital Asset Management Program*

In early January 2021, the Company implemented a digital asset management program under which it holds Bitcoin for its intrinsic value and as a source of liquidity. The Company has internal controls over the management of its digital assets which it evaluates and, as appropriate, enhances on a quarterly basis. On August 1, 2022, Management received approval from the Board to sell daily production, in addition to any sale of up to 1,000 Bitcoin from treasury, should market conditions and the Company’s projected financing requirements justify such sales in Management’s discretion.

Presented below are the total Bitcoin sold and proceeds in YTD Q3 2025, which was used to fund operations and expansion plans:

(U.S. \$ in thousands except where indicated)	<b>Three months ended September 30, 2025</b>	<b>Three months ended June 30, 2025</b>	<b>Three months ended March 31, 2025</b>
Quantity of Bitcoin sold	185	1,052	428
Total proceeds	21,561	100,471	37,263

The sale of Bitcoin as described above, while the Company continued to earn Bitcoin, resulted in total holdings of 1,658 Bitcoin as of September 30, 2025, of which 157 Bitcoin are restricted and relate to the deposits for Miners with the option to redeem the restricted Bitcoin, valued at approximately \$189.2 million based on a Bitcoin price of approximately \$114,100, as of September 30, 2025.

**11. LIQUIDITY AND CAPITAL RESOURCES (Continued)****B. Capital Resources (Continued)***Custody of digital assets*

The Company's Bitcoin received from the Mining pool operators for its computational power used for hashing calculations is delivered to multi-signature wallets that the Company controls or directs to external third-party custodians. On a regular basis, the Company transfers Bitcoin from its multi-signature wallets to external third-party custodians, Coinbase Custody Trust Company, LLC ("Coinbase Custody"), a subsidiary of Coinbase Global, Inc. ("Coinbase") and Anchorage Digital Bank National Association ("Anchorage Digital"). Coinbase Custody provides custody and related services for clients' digital assets as a fiduciary pursuant to the New York State Department of Financial Services under Section 100 of the New York Banking Law. Anchorage Digital is the only federally chartered crypto bank in the U.S., serves as a custodian for digital assets, and is licensed and regulated by the Office of the Comptroller of the Currency. Currently, Coinbase Custody and Anchorage Digital provide only custodial services to the Company and do not use a sub-custodian. Coinbase Custody and Anchorage Digital are not related parties to the Company.

The Company has internal controls in place to evaluate its custodians on a quarterly basis. If the Company was to face challenges with one of its custodians, the Company could transfer digital assets between custodians and has its own multi-signature wallets as a contingency plan that would have a minimal impact on the Company's operations.

As of November 12, 2025, the Company has 1,827 Bitcoin, valued at \$186.4 million on its balance sheet, based on a price of \$102,000 per Bitcoin. As of November 12, 2025, 1,745 Bitcoin or 96% of the Company's Bitcoin are held in custody with Coinbase Custody and Anchorage Digital with the remaining 82 Bitcoin or 4% held by third parties and classified as restricted digital assets in the statement of financial position.

Coinbase Custody maintains an insurance policy of \$100.0 million for its cold storage and Anchorage Digital maintains an insurance policy of \$100.0 million for its cold and hot storage; however, the Company cannot ensure that the full limits of those policies would be available to the Company or, if available, would be sufficient to make the Company whole for any Bitcoin that are lost or stolen. The Company is unaware of: (i) any security breaches involving Coinbase Custody or Anchorage Digital which have resulted in the Company's crypto assets being lost or stolen, or (ii) anything with regards to Coinbase Custody's or Anchorage Digital's operations that would adversely affect the Company's ability to obtain an unqualified audit opinion on its audited financial statements. The Company's crypto assets held in custody with Coinbase or Anchorage Digital may not be recoverable in the event of bankruptcy by Coinbase, Anchorage Digital or their affiliates. In Coinbase's quarterly report, on Form 10-Q, filed with the U.S. Securities Exchange Commission on October 30, 2025, Coinbase disclosed that, in the event of a bankruptcy, custodially held crypto assets could be considered to be the property of the bankruptcy estate and that the crypto assets held in custody could be subject to bankruptcy proceedings with Coinbase Custody's customers being treated as general unsecured creditors. Further, regardless of efforts made by the Company to securely store and safeguard assets, there can be no assurance that the Company's cryptocurrency assets will not be defalcated through hacking or other forms of theft.

**11. LIQUIDITY AND CAPITAL RESOURCES (Continued)****B. Capital Resources (Continued)***Bitcoin One program for digital assets management*

In February 2025, the Board approved the launch of the Bitcoin One initiative as the successor to the Company's retired hedging program and Synthetic HODL program for digital assets management, which was deployed in February 2025. Bitcoin One was a quantitative investment multi-strategy program that employs leverage to accelerate Bitcoin accumulation. The Board authorized the risk management committee to deploy up to (i) 100% of the Company's Bitcoin in treasury, plus (ii) three months of expected forward production calculated on a rolling basis, plus (iii) \$10.0 million under Bitcoin One to be actively managed and participate in volatility-targeting strategies.

Bitcoin One focused on active Bitcoin treasury management through discretionary and rules-based trading algorithms and an active managed volatility targeting program that trades crypto volatility as an asset class and harvests the risk premium that arises from that volatility.

The Company created a "Synthetic Bitcoin" by utilizing long call options on Bitcoin and a funding mechanism. The call option may generate exponentially higher returns than Bitcoin as price increases. However, in the event of a decrease in the price of Bitcoin, such call options may lose a significant amount or the entirety of their value. There can be no guarantee that the price of Bitcoin increases or otherwise remains at price such that the call options maintain or increase in value. The funding mechanism provided the means to pay for the premium of the call option, typically involved selling insurance to market participants such as hedgers and/or extracted a risk premium from structural features in Bitcoin volatility.

Using Synthetic Bitcoin alongside conventional HODL allowed the Company to be more adaptive and aggressive towards Bitcoin. The Synthetic Bitcoin used call options that may outperform Bitcoin and may optimize capital efficiency through call option funding mechanisms. The performance and innovation of Synthetic Bitcoins alongside the Company's conventional treasury positioned the Company for an aggressive play on Bitcoin and enables its investors to benefit from a truly unique Bitcoin treasury strategy.

As a result of the strategic review of the Bitcoin One program initiated on August 1, 2025, the Company closed all remaining positions under the Bitcoin One program during Q3 2025 and implemented a new program, Bitcoin 2.1. Bitcoin 2.1 is a multi-strategy program that primarily sells both short and long dated out of the money calls on the Bitcoin in treasury and future Bitcoin production in order to offset Bitcoin production costs and potentially achieve higher revenues per Bitcoin sold. Bitcoin 2.1 is designed as a low-cost and low-risk funding mechanism for energy infrastructure investments and has no objective around Bitcoin accumulation. The integration of Bitcoin 2.1 outcomes may or may not reduce the Company's total cash cost per Bitcoin, supporting ongoing efforts to optimize costs. The Board authorized the risk management committee to deploy up to (i) 100% of the Company's Bitcoin in treasury, plus (ii) three months of expected forward production calculated on a rolling basis, plus (iii) \$10.0 million under Bitcoin 2.1 to be actively managed and participate in volatility-targeting strategies.

During the three and nine months ended September 30, 2025, the Company incurred a net gain of \$13.3 million and \$13.8 million, respectively, which consisted of unrealized losses on open positions of \$0.5 million and \$0.2 million, respectively, and realized gains on closed positions of \$13.8 million and \$14.0 million, respectively.

During the three and nine months ended September 30, 2025, total cash cost per Bitcoin would be reduced to \$53,300 and \$66,900, respectively, after considering the realized and unrealized gain on Bitcoin option contracts.

**BITFARMS LTD.****Management's Discussion & Analysis**

(In U.S. dollars, except where otherwise indicated)

**11. LIQUIDITY AND CAPITAL RESOURCES** (Continued)**C. Contractual obligations**

The following are the contractual maturities of financial liabilities and gross lease liabilities (non-financial liabilities) with estimated future interest payments, as applicable, as of September 30, 2025:

(U.S. \$ in thousands)	2025	2026	2027	2028	2029 +	Total
Accounts payable and accrued expenses	36,267	—	—	—	—	36,267
Long-term debt	1,273	4,679	56,757	489	3,300	66,498
Operating and finance lease liabilities	998	4,473	4,389	3,926	15,807	29,593
	<b>38,538</b>	<b>9,152</b>	<b>61,146</b>	<b>4,415</b>	<b>19,107</b>	<b>132,358</b>

**D. Lawsuits**

The following table summarizes the Company's resolved legal cases from Stronghold which have accrued balances as of September 30, 2025:

(U.S. \$ in thousands)		As of September 30, 2025	As of December 31, 2024
FERC Matters	i.	1,065	—
Stronghold Shareholder Securities Lawsuit	ii.	1,825	—
<b>Total settlement accruals</b>		<b>2,890</b>	<b>—</b>
Current portion		(1,635)	—
Effect of discounting		(67)	—
<b>Non-current portion</b>		<b>1,188</b>	<b>—</b>

**11. LIQUIDITY AND CAPITAL RESOURCES** (Continued)**D. Lawsuits** (Continued)

The undiscounted legal settlement accruals amounted to \$2.9 million as of September 30, 2025. The current portion and the non-current portion were recognized in accounts payable and accrued liabilities and in other non-current liabilities, respectively, in the condensed consolidated balance sheets of the Financial Statements (December 31, 2024: nil).

*i. Federal Energy Regulatory Commission ("FERC") Matters*

On November 19, 2021, Scrubgrass received a notice of breach from PJM Interconnection, LLC alleging that Scrubgrass breached Interconnection Service Agreement – No. 1795 (the "ISA") by failing to provide advance notice to PJM Interconnection, LLC and Mid-Atlantic Interstate Transmission, LLC pursuant to ISA, Appendix 2, section 3, of modifications made to the Scrubgrass Plant. On May 11, 2022, the Division of Investigations of the FERC Office of Enforcement ("OE") informed the Company that the OE was conducting a non-public preliminary investigation concerning Scrubgrass' compliance with various aspects of the PJM tariff. On January 30, 2025, the Federal Energy Regulatory Commission (the "Commission") approved a Stipulation and Settlement Agreement between the OE and Scrubgrass (the "Settlement Agreement"). Pursuant to the Settlement Agreement, Scrubgrass agreed to: (a) disgorge to PJM \$0.7 million in capacity revenues received during the relevant period; (b) pay a civil penalty of \$0.7 million, for a total of \$1.4 million to the United States Treasury; and (c) provide compliance training to relevant personnel and compliance monitoring reports. Scrubgrass is to pay the settlement amount over a period of three years. In the first year, Scrubgrass is to pay a lump sum of \$0.4 million, which Scrubgrass paid in February of 2025. In the second and third years, Scrubgrass shall make 8 payments of \$0.1 million on a calendar quarter basis. For a period of five years following the effective date of the Settlement Agreement, Scrubgrass is to provide annual compliance training focused primarily on the applicable tariff and related rules, regulations, and requirements applicable to operating generators, to all personnel whose job responsibilities relate to the generators' participation in Commission jurisdictional markets. As of September 30, 2025, the settlement accrual was \$1.1 million and represents the 8 installment payments.

*ii. Shareholder Securities Lawsuit*

On April 14, 2022, Stronghold, and certain of its former directors, officers and underwriters were named in a putative class action complaint filed in the United States District Court for the Southern District of New York (Winter v. Stronghold Digital Mining, Case No. 1:22-cv-3088). On October 18, 2022, the plaintiffs filed an amended complaint, alleging that the Company made misleading statements and/or failed to disclose material facts in violation of Section 11 of the Securities Act, 15 U.S.C. §77k and Section 15 of the Securities Act of 1933, as amended (the "Securities Act"), about the Company's business, operations, and prospects in the Company's registration statement on Form S-1 related to its initial public offering, and when subsequent disclosures were made regarding these operational issues when the Company announced its fourth quarter and full year 2021 financial results, the Company's stock price fell, causing significant losses and damages.

On December 16, 2024, the District Court issued an Order granting Preliminary Approval of the Class Action Settlement, Approving Form and Manner of Notice, and Setting Date for Hearing on Final Approval of Settlement. The Company agreed to pay \$4.8 million in cash and 25 Bitcoin. On January 15, 2025, \$2.5 million was covered by the Company's insurance providers and Stronghold paid the remaining \$2.3 million into escrow. One Bitcoin will be paid monthly for two years. The cash value of each Bitcoin is expected to be calculated monthly according to a price set by the Nasdaq Bitcoin reference price index. As of September 30, 2025, the settlement accrual was \$1.8 million and represents the value of the remaining 16 Bitcoin to be paid.

**11. LIQUIDITY AND CAPITAL RESOURCES (Continued)**

**D. Lawsuits (Continued)**

*iii. Class Action Lawsuit*

On May 9, 2025, and as amended on October 21, 2025, a purported shareholder filed a putative class action complaint in the United States District Court for the Eastern District of New York, in a case now titled In re: Bitfarms Securities Litigation, case no 1:25-cv-02630. Co-Lead Plaintiffs Zhao Jun, Gong Lanfang, Michael Pearl, Kazim Khan, and Michael Lawarre sued Bitfarms Ltd., Benjamin Gagnon, Jeffrey Lucas and Geoffrey Morphy alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5, promulgated thereunder. The lawsuit alleges that the Company, its current CEO, its former CFO and its former CEO made materially false and/or misleading statements regarding the Company’s business, operations and internal controls over financial reporting. The Plaintiff seeks class certification, unspecified damages plus interest and attorney and expert witness fees and other costs on behalf of a purported class consisting of all persons and entities (subject to specified exceptions) that purchased or otherwise acquired Company common stock from March 21, 2023 and December 9, 2024. The lawsuit was filed by Pomerantz Law Firm. The Company cannot predict the duration or outcome of this lawsuit at this time. As a result, the Company is unable to estimate the reasonably possible loss or range of reasonably possible loss arising from this lawsuit and no provision was recognized as of September 30, 2025. The Company intends to vigorously defend itself in this matter.

**E. Commitments**

The Company is committed to purchase the following property, plant and equipment as of September 30, 2025:

(U.S. \$ in thousands except where indicated)	Note	2025	2026
Land	i.	5,348	—
HPC data center projects		1,289	—
HPC data center projects in Sharon, Pennsylvania, United States		—	14,775
		<b>6,637</b>	<b>14,775</b>

*i. Agreements to purchase land*

In August 2025, the Company entered into agreements to purchase 3 acres of land in Washington State, United States and 181 acres of land in Pennsylvania, United States for \$1.9 million and \$3.5 million, respectively.

*ii. Subsequent to September 30, 2025*

In November 2025, the Company entered into a purchase commitment of \$128.7 million, payable over the next 12 months, for the development and expansion of HPC data center projects with a large publicly traded American multinational provider of critical infrastructure and services for data centers. Under the terms of the agreement, the provider will deliver a range of services that include engineering, project management assistance, procurement and manufacturing, site management support and factory acceptance testing, all contributing, in addition to other expenses, to the construction of a fully integrated 18 MW hybrid-built data center in Washington State, United States.

**11. LIQUIDITY AND CAPITAL RESOURCES** (Continued)**F. Contingent Liability**

As the Company continues to periodically import products into the United States, it is subject to review by the CBP regarding the classification and origin of such imports. Refer to Note 16 for more details regarding the Company's Miners imported in 2021. There were no Miners imported into the United States in 2022 or 2023; and for 2024 and 2025, the Company has not received any assessment or communication of a potential assessment.

Furthermore, the Company took several steps to ensure compliance with CBP rules and regulations by sourcing non-Chinese origin equipment including, but not limited to, the specifications of which non-Chinese production facilities could be supplied under our purchase agreements with Bitmain Development PTE. Ltd., in person factory inspections by the Company's employees to verify production, and the collection of various importation documents that confer non-Chinese origin. While the Company has addressed certain concerns related to previous importations, additional assessments may be made by the CBP in connection with other importations.

The Company imported 9,399 and 34,179 Miners in the United States during 2024 and 2025, respectively, and had delivered asset values of \$25.8 million and \$130.7 million, respectively. Importation tariffs from China were 22.4% in 2024 and fluctuated between 22.4% and 150.5% in 2025. Any assessments made on previous importations by the CBP could also include penalties and interest.

At this time, while the Company believes it has taken the appropriate steps to reduce the risk of potential exposure, the Company is unable to predict the outcome of any future assessments or to reasonably estimate the amount, if any, that may be payable in connection with these matters. The facts surrounding each importation may vary and the Company reserves the right and may challenge any assessments.

**12. FINANCIAL POSITION****A. Working Capital**

(U.S. \$ in thousands except where indicated)	As of September 30, 2025	As of December 31, 2024	\$ Change	% Change
Total Current Assets	374,418	213,735	160,683	75%
Total Current Liabilities	87,812	28,155	59,657	212%
<b>Working Capital</b>	<b>286,606</b>	<b>185,580</b>	<b>101,026</b>	<b>54%</b>

The Company continues to place importance on maintaining sufficient liquidity to fund its HPC/AI development activities. The Company also anticipates requiring additional funds to complete its 2025 and 2026 growth plans discussed in Section 7 - *HPC Data Center and Bitcoin Mining Expansion Projects* of this MD&A. As of September 30, 2025, Bitfarms had working capital of \$286.6 million, compared to \$185.6 million as of December 31, 2024.

The increase in working capital was mostly due to:

- A \$69.1 million increase in digital assets resulting from the increase in the Bitcoin price during YTD Q3 2025 and by the Company's balance increasing by 373 Bitcoin;
- A \$27.4 million increase in cash as explained by the cash flows. Refer to Section 11A - *Liquidity and Capital Resources - Cash flows* of this MD&A;

**12. FINANCIAL POSITION (Continued)**

**A. Working Capital (Continued)**

- A \$55.3 million increase in assets held for sale mainly due to i) the timing of the Miners swap order signed in July 2025, as not all Miners designated for return had been returned to the supplier and not all Miners received and intended for sale had been sold by period end during YTD Q3 2025, and ii) the reclassification of the assets of the Paso Pe facility as held for sale for \$35.9 million;
- A \$5.8 million increase in inventories mainly attributable to (i) the acquisition of Stronghold as explained in Note 3 to the Financial Statements, (ii) the acquisition of mining repairs equipment and (iii) the accelerated purchase of inventories to buildup stock in anticipation of United States tariffs; and
- A \$9.4 million increase in RECs and WTCs derived from Stronghold’s refuse operations.

The increase was partially offset by:

- A \$42.6 million increase in accounts payable and accrued expenses mainly due to i) \$23.5 million attributable to the acquisition of Stronghold as explained in Note 3 to the Financial Statements, ii) the accrued liability of \$9.2 million related to custom duties as explained in Note 13 to the Financial Statements, and iii) \$9.1 million in liabilities related to assets held for sale in connection with the Miners swap order signed in July 2025, for which the Company received all of the Miners from the supplier but had not yet completed the return of all Miners that it had previously agreed to return.
- A \$15.3 million increase in redemption obligations, which represented the remaining Bitcoin Redemption Options for which Miners have been shipped, reflecting the Company’s obligation to either redeem the Bitcoin Pledged for cash or use the Bitcoin Pledged for the purchase of the Miners. No redemption obligations were recorded as of December 31, 2024, as the Miners ordered, for which a deposit payment in Bitcoin was made, had not yet been shipped; and
- A \$8.4 million decrease in short-term prepaid deposits mainly related to the usage up to May 2025 of the prepayment of electricity to its energy supplier in Argentina during FY 2024, and the subsequent write down of the remaining portion of the prepayment.

**B. Property, plant and equipment**

The net book value of PPE by country is as follows:

(U.S. \$ in thousands except where indicated)	As of September 30, 2025	As of December 31, 2024	\$ Change	% Change
<b>North America</b>				
Canada	76,341	117,026	(40,685)	(35)%
United States	283,271	63,146	220,125	349%
	<b>359,612</b>	180,172	179,440	100%
<b>South America</b>				
Paraguay	—	—	—	100%
Argentina	13	57,083	(57,070)	(100)%
	<b>13</b>	57,083	(57,070)	(100)%
	<b>359,625</b>	237,255	122,370	52%

**12. FINANCIAL POSITION (Continued)****B. Property, plant and equipment (Continued)**

As of September 30, 2025, Bitfarms had PPE of \$359.6 million, compared to \$237.3 million as of December 31, 2024. The increase of \$122.4 million, or 52%, was primarily due to:

- The \$220.1 million increase in United States PPE mainly due to the \$152.3 million increase from the acquisition of Stronghold as explained in Note 3 to the Financial Statements as well as ongoing expansion investments in the United States. Refer to section 7b - *Expansion Projects (United States Expansion)*.

The increase was partially offset by:

- The \$57.1 million decrease in Argentina PPE due to impairment, the reclassification to assets held for sale and the activities being discontinued in the second quarter of 2025; and
- The \$40.7 million decrease in Canada PPE mainly due to regular depreciation, which exceeded Miners fleet upgrade.

**13. FINANCIAL INSTRUMENTS**

The Company discloses information on the classification and fair value of its financial instruments, as well as on the nature and extent of risks arising from financial instruments, and related risk management in Note 16 to the Financial Statements and Note 23 to the 2024 Annual Financial Statements. Risks are related to foreign currency, credit, counterparty, liquidity, and concentration.

**14. RELATED PARTY TRANSACTIONS**

The Company discloses information on its related party transactions, as defined in *ASC Topic 850, Related Party Disclosures*, in Note 24 to the 2024 Annual Financial Statements.

**15. INTERNAL CONTROLS OVER FINANCIAL REPORTING****A. Disclosure Controls and Procedures**

Management, under the supervision of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company, has designed or caused to be designed under their supervision disclosure controls and procedures ("DC&P") to provide reasonable assurance that:

i) material information relating to the Company is made known to them by others, particularly during the period in which the annual filings are being prepared; and

ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

**15. INTERNAL CONTROLS OVER FINANCIAL REPORTING** (Continued)**B. Management's quarterly report on internal control over financial reporting**

Management, under the supervision of the CEO and CFO, is also responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR"). Management, under the supervision of the CEO and CFO, has designed ICFR, or caused them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP.

***Identified material weakness***

A material weakness is a deficiency, or a combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In 2023, Management identified that the warrants issued in 2021 should have been classified as a financial liability under the Company's former reporting framework (International Financial Reporting Standards) and accounted for at fair value through profit and loss, and not as equity instruments. The restatement to correct the classification and subsequent accounting for those warrants impacted the consolidated financial statements of the Company for the year ended December 31, 2022, which was reflected in the comparative period for the consolidated financial statements of the Company for the year ended December 31, 2023 filed on December 9, 2024.

In the fourth quarter of 2024, Management also identified a material error in the statements of cash flows, resulting in a reclassification of sales of digital assets from cash flows from operations to cash flows from investing activities. These errors, which impacted the consolidated financial statements for the year ended December 31, 2023 and 2022, were corrected with the filing of Amendment No. 1 to the Annual Report on Form 40-F for fiscal year ended December 31, 2023.

Management concluded that the control over accounting for complex transactions did not operate effectively in these instances, which constitutes a material weakness in ICFR as of December 31, 2024. Management concluded that the Company's ICFR as of December 31, 2024 was not effective because of the material weakness.

***Remediation plan***

Remediation efforts to date comprise expanding the finance team to include more Chartered Professional Accountants and Certified Public Accountants (CPAs) with technical expertise and experience in evaluating more complex transactions, involving the Company's legal counsel on evaluating complex agreements involving financial instruments and engaging third-party consultants to assist with assessing the accounting for complex transactions and review of financial statements. Management's efforts to hire more CPAs and involving the Company's legal counsel and third-party consultants to assist with complex transactions were in place at the end of 2024, and its remediation plan is expected to be completed after review and testing of controls during 2025.

If these remedial measures are insufficient to address the material weakness described above, or are not implemented timely, or additional deficiencies arise in the future, material misstatements in our interim or annual financial statements may occur in the future and could have the effects described in *Risk Factors* of the Company's MD&A for the year ended December 31, 2024, dated March 26, 2025.

**15. INTERNAL CONTROLS OVER FINANCIAL REPORTING** (Continued)**B. Management's quarterly report on internal control over financial reporting** (Continued)**Remediation plan** (Continued)

The Company believes that the design implementation of the revised control is complete, the validation and testing of the operating effectiveness of the internal control over a sustained period of financial reporting cycles will be required before it is considered remediated.

**C. Changes in internal control over financial reporting**

There have been no changes in the Company's ICFR that have materially affected, or are reasonably likely to materially affect, the Company's ICFR during the period beginning on July 1, 2025 and ended September 30, 2025.

**D. Limitation of DC&P and ICFR**

All control systems contain inherent limitations, regardless of how well they are designed. As a result, Management acknowledges that its internal control over financial reporting will not prevent or detect all misstatements due to error or fraud. In addition, Management's evaluation of controls can provide only reasonable, not absolute, assurance that all control issues that may result in material misstatements, if any, have been detected.

In March 2025, the Company acquired Stronghold in the Stronghold Transaction. The Company is currently in the process of evaluating and integrating Stronghold's controls over financial reporting, which may result in changes or additions to the Company's internal control over financial reporting. Under guidelines established by the SEC and in accordance with National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, companies are permitted to exclude acquisitions from their assessment of internal control over financial reporting during the first year of an acquisition while integrating the acquired company. In the Company's assessment of the scope of disclosure controls and procedures and internal control over financial reporting, the Company has excluded the controls, policies and procedures of Stronghold from the assessment of internal control over financial reporting as of September 30, 2025. The Company will continue to evaluate the effectiveness of internal controls over financial reporting as the Company completes the integration of Stronghold.

From March 15, 2025 (the first day following the acquisition) to September 30, 2025, Stronghold generated revenue of \$57.0 million and net income of \$12.4 million. As of September 30, 2025, Stronghold's current assets and current liabilities represented approximately 12.4% and 18.4% of the Company's consolidated current assets and current liabilities, respectively.

**16. SHARE CAPITAL**

As of November 12, 2025, the Company has 597,923,486 common shares outstanding, 12,695,854 vested and 4,396,863 unvested stock options, 19,238,241 warrants outstanding, 4,710,394 restricted stock units and 4,349,985 performance stock units. There are no preferred shares or any other classes of shares outstanding.

**17. REGULATORY COMPLIANCE**

The Company has engaged legal counsel in each jurisdiction in which it maintains operations to monitor changes to the laws and regulations of such jurisdiction and to advise how it can maintain compliance with such laws and regulations. Legal counsel reports directly to the CEO. The following is a discussion of regulatory compliance considerations specific to each such jurisdiction:

**Canada**

The Company operates a total of eight data centers with an aggregate energized power capacity of 170 MW located in the Province of Quebec, Canada. Refer to Section 7 - *Expansion Projects - D. Canada Expansion* of this MD&A.

There are no material restrictions in Quebec or Canada on the business of operating a data center or conducting the business of the Company as described herein, and as of November 12, 2025, the Company has not received any material notices or statements from regulatory authorities in Quebec or Canada that would negatively impact its current operations in Quebec or Canada. The Company is not relying on any registrations, exemptions, or "no action" letters to conduct its business in Quebec or Canada.

**United States**

The Company operates four data centers with an aggregate energized power capacity of 171 MW located in the State of Washington and in Pennsylvania, United States. Energy for two of the four data centers is derived from the Company's power facilities and/or the grid. Refer to Section 7 - *Expansion Projects (B. United States Expansion)* of this MD&A.

There are no material restrictions in the State of Washington and in Pennsylvania on the business of operating a data center or conducting the business of the Company as described herein, and as of November 12, 2025, the Company has not received any material notices or statements from regulatory authorities in the State of Washington or in Pennsylvania that would negatively impact its operations in these jurisdictions. The Company is not relying on any registrations, exemptions, or "no action" letters to conduct its business in Washington and Pennsylvania.

**Paraguay**

The Company operates one data center with an energized power capacity of 70 MW located in the city of Villarrica, Paraguay. Refer to Section 7 - *HPC Data Center and Bitcoin Mining Expansion Projects - C. Paraguay Expansion* of this MD&A. As of September 30, 2025, the Paso Pe operations met the criteria to be classified as held for sale, and all operations in Paraguay were classified as discontinued operations.

There are no material restrictions in Paraguay on the business of operating a data center or conducting the business of the Company as described herein and, as of November 12, 2025, the Company has not received any material notices or statements from regulatory authorities in Paraguay that would negatively impact its operations in Paraguay. The Company is not relying on any registrations, exemptions, or "no action" letters to conduct its business in Paraguay.

**17. REGULATORY COMPLIANCE (Continued)****Argentina**

On April 30, 2025, the Company was informed that GMSA, a subsidiary of Grupo Albanesi, appointed local and international financial advisors to conduct a process with their creditors regarding the restructuring of all its financial debt. As a result, the Company's operations in Rio Cuarto have been suspended due to a halt in the Rio Cuarto operations' supply of electrical power since May 12, 2025.

The Company abandoned its 58 MW data center by September 30, 2025.

There are no material restrictions in Argentina on the business of operating a server farm or conducting the business of the Company as described herein and, as of November 12, 2025, the Company has not received any material notices or statements from regulatory authorities in Argentina that would negatively impact its operations in Argentina. The Company is not relying on any registrations, exemptions, or "no action" letters to conduct its business in Argentina.

**18. RISK FACTORS**

The Company is subject to a number of risks and uncertainties and is affected by several factors that could have a material adverse effect on the Company's business, financial condition, operating results, and/or future prospects. These risks should be considered when evaluating an investment in the Company and may, among other things, cause a decline in the price of the Corporation's shares.

The risks and uncertainties that Management considers as the most material to the Company's business are described in the section entitled *Risk Factors* of the Company's MD&A for the year ended December 31, 2024, dated March 26, 2025 and Section 18 - *Risk Factor* in the 2024 AIF. These risks and uncertainties have not materially changed during the nine months ended September 30, 2025, other than the risks as described below, and are hereby incorporated by reference.

**The Company is currently subject to securities class action litigation and may be subject to similar or other litigation in the future, which may divert management's attention.**

On May 9, 2025, a purported shareholder filed a putative class action complaint in the United States District Court for the Eastern District of New York, in a case titled *Olympio v. Bitfarms Ltd., Benjamin Gagnon, Jeffrey Lucas, and Geoff Morphy*, case no 1:25-cv-02630, alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5, promulgated thereunder. The lawsuit alleges that the Company, its current Chief Executive Officer, its Chief Financial Officer and its former Chief Executive Officer made materially false and/or misleading statements regarding the Company's business, operations and internal controls over financial reporting (refer to Section 11D - Capital Resources (Lawsuits)). The Company cannot predict the duration or outcome of this lawsuit at this time. As a result, the Company is unable to estimate the reasonably possible loss arising from this lawsuit. The Company intends to vigorously defend itself in this matter.

**18. RISK FACTORS (Continued)**

**The Company is currently subject to securities class action litigation and may be subject to similar or other litigation in the future, which may divert management's attention.** (Continued)

There may be additional suits or proceedings brought against the Company in the future. Monitoring and defending against legal actions, whether or not meritorious, consumes time and resources from the Company's Management and detracts from the Company's ability to fully focus its internal resources on its business activities. The durations of legal actions cannot be predicted, and they are subject to several factors outside of the Company's control. In addition, the Company may incur substantial legal fees and other costs in connection with litigation and there can be no guarantee that the Company achieves a successful outcome in any legal actions in which it is involved, in whole or in part. The Company has not at this time established any reserves for any potential liability relating to these lawsuits. It is possible that the Company could, in the future, incur judgment or enter into settlement of claims for monetary damages. A decision adverse to the Company's interests in this lawsuit (or any future lawsuits, whether related or not) could result in the payment of substantial damages and could have a material adverse effect on the Company's business, results of operations and financial condition. In addition, the uncertainty of the currently pending lawsuit could lead to volatility in the price of the Company's common shares.

**The Company's operations in Rio Cuarto were suspended due to a halt in its supply of electrical power on May 12, 2025.**

The Company's data center in Rio Cuarto receives electricity pursuant to a power contract with Generacion Mediterranea S.A ("GMSA"), a subsidiary of Grupo Albanesi. Grupo Albanesi is a private corporate group organized pursuant to the laws of Argentina, focused on the energy market. Grupo Albanesi provides natural gas and electrical energy to its clients from its multiple data centers.

On April 30, 2025, the Company was notified that GMSA appointed local and international financial advisors to conduct a process with their creditors regarding the restructuring of all its financial debt but that the supply of electricity from GMSA would continue uninterrupted. On May 12, 2025, the Company was notified by GMSA that it would be halting the supply of electricity to the Company's Rio Cuarto facility until further notice. As of August 12, 2025, GMSA was still negotiating with its commercial suppliers and the Company did not have visibility of the timing for when normal supply of electricity would resume, whether normal supply would resume at all, or the additional terms and/or fees that the Company would be subject to in the event supply resume. The Company evaluated options and decided to discontinue operations at Rio Cuarto. As a result the Company's operational Hashrate and the free cashflow its mining operations generate has decreased accordingly.

**18. RISK FACTORS (Continued)****Community opposition to the operation of the Company's data centers could result in risks to the Company's operations and its financial condition and results of operations.**

The Company's Mining operations involve the use of a large number of high-powered Miners and cooling systems that generate significant noise and use a significant amount of electricity. In the future, the Company's HPC/AI infrastructure-focused data centers may also generate significant noise and will likely also use a significant amount of electricity. This noise and electricity use can pose several risks to the Company's business now or in the future, including community complaints, permitting opposition, reputational damage, litigation risk, regulatory risk, operational constraints, increased costs and opposition to expansion. These risks could lead to fines or penalties imposed by local governments, requirements to implement costly noise mitigation measures or restrictions on the use of electricity, restrictions on the Company's operating hours, reduction of scale of the Company's operations, stricter noise controls regulations on the Company's operations, potential shutdown of data centers that cannot meet local noise regulations or face extensive community opposition due to the data centers' use of electricity, damages resulting from lawsuits and difficulty obtaining necessary permits and approvals for expanding existing data centers or establishing new site operations. While the Company strives to be a good corporate citizen and mitigate noise impacts and any alleged impacts of electricity usage where possible, the inherently noisy and energy-intensive nature of large-scale cryptocurrency Mining operations and HPC/AI infrastructure-focused data centers presents ongoing risks to the Company's business that may negatively affect its financial condition and results of operations.

**19. SIGNIFICANT ACCOUNTING POLICIES AND NEW ACCOUNTING POLICIES**

The Company's significant accounting policies and new accounting policies are summarized in Note 2 to the 2025 Annual Financial Statements and Note 2 to the Financial Statements.

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**20. CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This MD&A contains forward-looking statements about the Company's objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects, opportunities and legal and regulatory matters. Specific forward-looking statements in this MD&A include, but are not limited to, statements with respect to the Company's anticipated future results, events and plans, strategic initiatives, future liquidity, and planned capital investments. Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may", "maintain", "achieve", "grow", "should" and similar expressions, as they relate to the Company and its Management.

Forward-looking statements reflect the Company's current estimates, beliefs and assumptions, which are based on management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate under the circumstances. The Company's expectation of operating and financial performance is based on certain assumptions including assumptions about operational growth, anticipated cost savings, operating efficiencies, anticipated benefits from strategic initiatives, future liquidity, and planned capital investments. The Company's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. The Company can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

Numerous risks and uncertainties could cause the Company's actual results to differ materially from those expressed, implied or projected in the forward-looking statements. Such risks and uncertainties include:

- the complexity of the shift in the Company's business model from Bitcoin Miner to HPC/AI data center infrastructure company, including the shift from predictable mining rewards to variable enterprise contract structures;
- large-scale data center projects face risks from permitting delays, zoning oppositions, supply chain disruptions, weather events, and contractor performance issues that could significantly impact project timelines and budgets;
- the capital expenditures required for the Company's shift in business model and its planned construction/expansion, and the ability to raise the necessary funds for the same;
- the construction and permitting requirements for the Company's shift in business model;
- the potential for local community opposition to large-scale data centers, their use of electricity, water and noise output, which could negatively impact permitting and zoning approvals;
- local utility companies or regulators could block or delay projects due to concerns about grid stability and capacity, particularly given the high power demands of AI infrastructure
- the rapid evolution of AI models could render current infrastructure configurations suboptimal or obsolete;
- customer concentration risk - dependence on fewer, larger enterprise customers compared to distributed mining pool relationships;
- service level agreements with future customers will likely have stricter uptime and performance requirements compared to mining operations;
- electrical grid capacity limitations, transmission line upgrades, and utility interconnection delays that could postpone or prevent data center operations;
- limited availability of specialized contractors experienced in high-density data center construction, particularly for advanced cooling and power systems required for AI workloads;
- future Bitcoin Halving event;

**20. CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS (Continued)**

- insolvency, bankruptcy, or cessation of operations of the Mining Pool operator;
- reliance on a foreign Mining Pool operator;
- counterparty risk;
- emerging markets operating risks;
- reliance on manufacturing in foreign countries and the importation of equipment to the jurisdictions in which the Company operates;
- dependency on continued growth in blockchain and cryptocurrency usage;
- the availability of financing opportunities and risks associated with economic conditions, including Bitcoin price, Bitcoin Network Difficulty and share price fluctuations;
- the ability to attract and retain customers for the Company's hosting business;
- global financial conditions;
- employee retention and growth;
- cybersecurity threats and hacking;
- limited operating history and limited history of de-centralized financial system;
- limited experience of Company's management in HPC/AI Infrastructure;
- risk related to technological obsolescence and difficulty in obtaining hardware;
- economic dependence on regulated terms of service and electricity rates;
- risks related to the suspension of operations at the Rio Cuarto Site and the abandonment of the Rio Cuarto Site;
- costs and demands upon management and accounting and finance resources as a result of complying with the laws and regulations affecting public companies;
- expense and impact of restatement of the Company's historical financial statements;
- lack of comprehensive accounting guidance for cryptocurrencies under U.S. GAAP;
- internal control material weakness;
- increases in commodity prices or reductions in the availability of such commodities could adversely impact the Company's results of operations;
- permits and licenses;
- server or internet failures;
- tax consequences;
- increase in import tariffs and duties and/or adverse findings by CBP related thereto;
- environmental regulations and liability;
- adoption of environmental, social, and governance practices and the impacts of climate change;
- erroneous transactions and human error;
- data center developments;
- non-availability of insurance;
- competition;
- hazards associated with high-voltage electricity transmission and industrial operations;
- corruption, political and regulatory risk;
- potential being classified as a passive foreign investment company;
- lawsuits and other legal proceedings and challenges;
- conflict of interests with directors and management;
- risks relating to unsolicited take-over bids;
- risks related to community-based opposition to the Company's operations;
- risks related to the success and profitability of the Company's carbon capture program and related environmental tax credits;
- the risk that revenues, profits and margins of the Company may not remain consistent with historical levels, thereby impacting its ability to make purchases under the Company's share buyback program;

**20. CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS (Continued)**

- risk related to the NCIB;
- risks associated with the suspension of the Company's operations at its Rio Cuarto site; or
- the inherent risks, costs and uncertainties associated with integrating the business successfully and risks of not achieving all or any of the anticipated benefits and synergies of the Stronghold Transaction, or the risk that the anticipated benefits and synergies of the Stronghold Transaction may not be fully realized or take longer to realize than expected.

The above is not an exhaustive list of the factors that may affect the Company's forward-looking statements. For a more comprehensive discussion of factors that could affect the Company, refer to the risk factors discussed above. Other risks and uncertainties not presently known to the Company or that the Company presently believes are not material could also cause actual results or events to differ materially from those expressed, implied or projected in its forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect the Company's expectations only as of November 12, 2025. Except as required by law, the Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

**21. CAUTIONARY NOTE REGARDING NON-GAAP AND OTHER FINANCIAL MEASURES AND RATIOS**

This MD&A makes reference to certain measures that are not recognized under U.S. GAAP and do not have a standardized meaning prescribed by U.S. GAAP. They are therefore unlikely to be comparable to similar measures presented by other companies. The Company uses non-GAAP and other financial measures and ratios including "EBITDA," "EBITDA margin," "Adjusted EBITDA," "Adjusted EBITDA margin," "Gross Mining profit," "Gross Mining margin," "Gross margin," "Operating margin," "Direct Cost," "Direct Cost per Bitcoin," "Total Cash Cost" and "Total Cash Cost per Bitcoin" as additional information to complement U.S. GAAP measures by providing further understanding of the Company's results of operations from Management's perspective. Refer to Section 10 - *Non-GAAP and Other Financial Measures and Ratios* of the MD&A for more details.

These measures are provided as additional information to complement U.S. GAAP 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 U.S. GAAP. Reconciliations from U.S. GAAP measures to non-GAAP measures are included throughout this MD&A.

**22. ADDITIONAL INFORMATION**

Additional information and other publicly filed documents relating to the Company are available through the internet on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on EDGAR at [www.sec.gov/edgar](http://www.sec.gov/edgar).

## 23. GLOSSARY OF TERMS

Terms	Definition
<b>Artificial Intelligence (AI)</b>	A branch of technology enabling computers and machines to replicate human-like abilities, including learning, understanding, problem-solving, decision-making, creativity, and autonomous action.
<b>ASIC</b>	ASIC stands for Application Specific Integrated Circuit and refers primarily to specific computer devices designed to solve the SHA-256 algorithm.
<b>Bitcoin</b>	Bitcoin is a decentralized digital currency that is not controlled by any centralized authority (e.g., a government, financial institution or regulatory organization) that can be sent from user to user on the Bitcoin network without the need for intermediaries to clear transactions. Transactions are verified through the process of Mining and recorded in a public ledger known as the Blockchain. BTC is created when the Bitcoin network issues Block Rewards through the Mining process.
<b>Bitcoin One</b>	Bitcoin One is a quantitative investment multi-strategy program that employs a disciplined approach to accelerate Bitcoin accumulation through diversification, strategic leverage, and market timing.
<b>Bitcoin 2.1</b>	Bitcoin 2.1 is a multi-strategy program that primarily sells both short and long dated out of the money calls on the Bitcoin in treasury and future Bitcoin production in order to offset Bitcoin production costs and potentially achieve higher revenues per Bitcoin sold.
<b>Block Reward</b>	A Bitcoin Block Reward refers to the new Bitcoin that are awarded by the Blockchain network to eligible cryptocurrency Miners for each block they successfully mine. The current block reward is 3.125 Bitcoin per block.
<b>Blockchain</b>	A Blockchain is a cloud-based public ledger that exists on computers that participate on the network globally. The Blockchain grows as new sets of data, or 'blocks', are added to it through Mining. Each block contains a timestamp and a link to the previous block, such that the series of blocks form a continuous chain. Given that each block has a separate hash and each hash requires information from the previous block, altering information an established block would require recalculating all the hashes on the Blockchain which would require an enormous and impracticable amount of computing power. As a result, once a block is added to the Blockchain it is very difficult to edit and impossible to delete.
<b>Exahash (EH/s)</b>	One quintillion (1,000,000,000,000,000,000) hashes or one million Terahash per second.
<b>Gigawatt (GW)</b>	A gigawatt is 1,000 megawatts of electricity and, in the industry of cryptocurrency Mining, can be a reference to the number of gigawatts of electricity per hour that is available for use.
<b>Hash</b>	A hash is a function that converts or maps an input of letters and numbers into an encrypted output of a fixed length, which outputs are often referred to as hashes. A hash is created using an algorithm. The algorithm used in the validation of Bitcoin transactions is the SHA-256 algorithm.
<b>Hashrate</b>	Hashrate refers to the number of hash operations performed per second and is a measure of computing power in Mining cryptocurrency.
<b>Hashrate Under Management</b>	Hashrate from the Miners the Company owns and from Miners hosted and managed by the Company.

## 23. GLOSSARY OF TERMS (Continued)

Terms	Definition
<b>High Performance Computing (HPC)</b>	Advanced computing capability that allows for rapid data processing and complex calculations at exceptionally high speeds, essential for handling large datasets and complex computational tasks.
<b>Hosting</b>	A service in which a company provides infrastructure, power, and cooling solutions to house and operate cryptocurrency mining equipment owned by clients.
<b>Megawatt (MW)</b>	A megawatt is 1,000 kilowatts of electricity and, in the industry of cryptocurrency Mining, is typically a reference to the number of megawatts of electricity per hour that is available for use.
<b>Miners</b>	ASICs used by the Company and third parties to perform Mining.
<b>Mining</b>	Mining refers to the process of using specialized computer hardware, and in the case of the Company, ASICs, to perform mathematical calculations to confirm transactions and increase security for the Bitcoin Blockchain. As a reward for their services, Bitcoin Miners collect transaction fees for the transactions they confirm, along with newly created BTC as Block Rewards.
<b>Mining Pool</b>	A Mining Pool is a group of cryptocurrency Miners who pool their computational resources, or Hashrate, in order to increase the probability of finding a block on the Bitcoin Blockchain. Mining Pools administer regular payouts to mitigate the risk of Miners operating for a prolonged period of time without finding a block.
<b>Network Difficulty</b>	Network Difficulty is a unitless measure of how difficult it is to find a hash below a given target. The Bitcoin network protocol automatically adjusts Network Difficulty by changing the target every 2,016 blocks hashed based on the time it took for the total computing power used in Bitcoin Mining to solve the previous 2,016 blocks such that the average time to solve each block is ten minutes.
<b>Network Hashrate</b>	Network Hashrate refers to the total global hashrate (and related computing power) used in Mining for a given cryptocurrency.
<b>Owner's Representative</b>	A professional who acts on behalf of the project owner to manage and oversee a construction project from start to finish, ensuring it meets the owner's goals, budget, and quality standards.
<b>Petahash (PH/s)</b>	One quadrillion (1,000,000,000,000,000) hashes or one thousand Terahash per second.
<b>SHA-256</b>	SHA stands for Secure Hash Algorithm. The SHA-256 algorithm was designed by the US National Security Agency and is the cryptographic hash function used within the Bitcoin network to validate transactions on the Bitcoin Blockchain.
<b>Synthetic HODL</b>	Synthetic HODL is the Company's use of financial instruments to generate Bitcoin exposure with inherent risk management, capital efficiency and leverage characteristics. The initiative was succeeded by the Bitcoin One program.
<b>Terahash (TH/s)</b>	One trillion (1,000,000,000,000) hashes or one Terahash per second.