



October Convertible Financing FAQ

Key Takeaways

- Bitfarms chose to issue convertible notes because they allow the Company to access capital at lower costs than straight debt and with less dilution than straight equity. This will allow the Company to fund near-term growth initiatives without immediately issuing equity (which would typically be issued at a discount.)
- Convertible notes may help companies delay or avoid dilution of existing shareholders compared to issuing straight equity. The cash-settled capped calls Bitfarms purchased allow Bitfarms to offset economic dilution up until US\$11.88/share (125% premium to closing price on 10/16/25).
- Market demand for Bitfarms is strong. 100% of institutional investors that Management presented to throughout the marketing process participated in the deal.
- Why now? Bitfarms was able to take advantage of its recent share price increase to raise a significant amount of cash at favorable terms to fund the execution of its ongoing HPC/AI infrastructure growth plans.

What are convertible notes?

Convertible notes are debt instruments (generally with semi-annual interest payments) that holders can elect to convert into equity at predetermined prices at certain specified times or under certain specified conditions. Bitfarms' convertible notes are convertible into common shares, cash (based on the then-current value of the common shares underlying the convertible notes) or a combination of shares and cash, at Bitfarms' election.

What factors do companies typically consider when issuing convertible notes?

- Convertible notes are typically issued with lower interest rates, and with fewer restrictive covenants, than non-convertible debt.
 - Bitfarms' convertible notes will pay an annual interest rate of 1.375%, payable semi-annually in arrears on January 15 and July 15 of each year, beginning on July 15, 2026.

- While equity is generally issued at a discount to current market prices, convertible notes are convertible into equity at a premium to the share price at the time the convertible notes were sold (subject to certain anti-dilution adjustments and adjustments for specified corporate events).
 - The initial conversion price of Bitfarms' convertible notes is approximately US\$6.86 per share, which is approximately 30% above the closing price of the shares on Nasdaq on the pricing date of the convertible notes offering.
- As compared to equity issuances, convertible notes may help companies delay or avoid dilution of existing shareholders. Some convertible notes may never be converted, in which case they will be repaid at par at maturity (if not previously redeemed or repurchased), and some may be converted shortly before maturity.
 - Bitfarms' convertible notes will mature on January 15, 2031, unless earlier converted, repurchased or redeemed.
 - After October 15, 2030, holders may convert their Bitfarms convertible notes at their option without any other condition needing to be satisfied.
 - Bitfarms may also redeem the convertible notes prior to maturity in certain circumstances.
 - Bitfarms also purchased capped calls, which are generally expected to reduce the potential economic dilution (subject to a cap) of the convertible notes, as described in more detail below.

Who are the typical investors in convertible notes?

Convertible Notes are typically purchased by both fundamental, long-only investors and by investors employing a convertible arbitrage strategy, which strategy they would typically implement by short-selling the equity underlying the convertible notes (or entering into equivalent synthetic short positions) and dynamically adjusting their short positions while continuing to hold the convertible notes. This arbitrage activity could decrease (or reduce the size of any increase in) the market price of the equity underlying convertible notes, but including some investors who may use this arbitrage strategy in the offering often allows issuers to achieve better pricing on the convertible notes.

How many investors were brought in?

100% of institutional investors that Bitfarms met with during marketing submitted orders. Bitfarms believes its unique portfolio of high-quality energy assets, HPC/AI infrastructure

growth plans, and company strategy were well understood and resonated with these investors, and contributed to the substantial demand for the convertible notes.

Why was the convertible notes offering upsized?

The initial launch size US\$300 million (plus a potential US\$60 million shoe) was ultimately upsized to US\$500 million (plus a potential US\$88 million shoe) due to the significant demand Bitfarms received. Bitfarms was able to raise more money at better terms than originally expected and opted to opportunistically upsize the offering in order to provide the company with greater financial firepower and flexibility to execute on its ongoing HPC/AI infrastructure growth plans and strategy.

What will the funds be used for?

The net proceeds from the transaction will be used for general corporate purposes. Allocating the funds to general corporate purposes gives the company's leadership broad discretion to execute on its ongoing HPC/AI infrastructure growth plans and strategy, which may include allocating funds across its Panther Creek, Washington, Sharon, and Quebec operations, and gives the company the financial flexibility to be strategically nimble and allocate funds as the company thinks is best and as conditions change across customer demand and other operational factors.

What are capped calls and why would a convertible note issuer purchase them in connection with a convertible note offering?

A capped call is a privately-negotiated derivative that can be purchased from financial institutions by an issuer of convertible notes, and which is intended to reduce potential dilution upon any conversion of such issuer's convertible notes and/or offset any cash payments such issuer is required to make in excess of the principal amount of converted notes, as the case may be, with such reduction and/or offset subject to a cap.

Bitfarms purchased cash-settled capped calls with a strike price of approximately US\$6.86 (which initially corresponds to the initial conversion price of the convertible notes) and a cap price of US\$11.88 per share (reflecting a 125% premium to the closing share price on Nasdaq on the pricing date of the convertible notes offering). These capped calls will cover, subject to anti-dilution adjustments substantially similar to those applicable to Bitfarms' convertible notes, the number of common shares initially underlying the convertible notes.

The capped calls purchased by Bitfarms are expected generally to reduce the potential economic dilution upon any conversion of the convertible notes and/or offset any cash payments Bitfarms may be required to make in excess of the principal amount of converted convertible notes, as the case may be, in the event that the market price of Bitfarms' common shares, as measured under the terms of the capped calls, is greater than the strike price of the capped calls. If, however, the market price of Bitfarms' common shares, as measured under the terms of the capped calls, exceeds the cap price of the capped calls, there would nevertheless be dilution and/or there would not be an offset of such potential cash payments, in each case, to the extent that such market price exceeds the cap price of the capped calls.

Why do this raise now?

Bitfarms was able to take advantage of its recent share price increase to raise a significant amount of cash at favorable terms to fund the execution of its ongoing HPC/AI infrastructure growth plans and strategy.