

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 001-40370

**Bitfarms Ltd.**

(Exact name of registrant as specified in its charter)

**Ontario**

(State or other jurisdiction of  
incorporation or organization)

**110 Yonge Street, Suite 1601  
Toronto, Ontario, Canada M5C 1T4**

**N/A**

(I.R.S. Employer  
Identification No.)

**120 Broadway, Suite 1075  
New York, New York, 10004**

(Address of Principal Executive Offices)

**(929) 264-5151**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>Common Shares</b>	<b>BITF</b>	<b>Nasdaq Stock Market LLC</b>

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act): Yes  No

**The aggregate market value of the registrant's Common Shares held by non-affiliates, based on the closing price of the Common Shares as reported by the Nasdaq Stock Market LLC ("Nasdaq") on June 30, 2025, the end of the registrant's most recently completed second fiscal quarter, was \$ 406,181,039.**

**The registrant had 602,851,137 Common Shares issued and outstanding as of March 27, 2026.**

**DOCUMENTS INCORPORATED BY REFERENCE**

Not Applicable.

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## INTRODUCTORY 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 annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K 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 (the “Board”) 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”). To effect the U.S. Redomiciliation, each outstanding common share of Bitfarms (a “Common Share”) will be exchanged for one share of common stock of Keel Infrastructure (“Keel Common Stock”), pursuant to the Arrangement. Following completion of the U.S. Redomiciliation, Bitfarms will become an indirect wholly owned subsidiary of Keel Infrastructure, which together with Bitfarms and its other subsidiaries will carry on the business currently conducted by Bitfarms and its subsidiaries.

The Arrangement was approved by Bitfarms’ shareholders at a special meeting held on March 20, 2026. The Ontario Superior Court of Justice (Commercial List) issued its final order approving the Arrangement on March 24, 2026.

Upon completion of the U.S. Redomiciliation, Keel Common Stock is expected to trade on the Nasdaq Stock Market (the “Nasdaq”) and the Toronto Stock Exchange (the “TSX”) under the ticker symbol “KEEL”, subject to receipt of all necessary approvals of the Nasdaq and the TSX.

All approvals having been obtained, the U.S. Redomiciliation is expected to be completed on or about April 1, 2026.

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## FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2025

## TABLE OF CONTENTS

	<b>Page</b>
<b><u>PART I.</u></b>	<b>1</b>
Item 1. <a href="#">Business.</a>	1
Item 1A. <a href="#">Risk Factors.</a>	9
Item 1B. <a href="#">Unresolved Staff Comments.</a>	43
Item 1C. <a href="#">Cybersecurity.</a>	43
Item 2. <a href="#">Properties.</a>	45
Item 3. <a href="#">Legal Proceedings.</a>	45
Item 4. <a href="#">Mine Safety Disclosures.</a>	45
<b><u>PART II.</u></b>	<b>46</b>
Item 5. <a href="#">Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.</a>	46
Item 6. <a href="#">[Reserved]</a>	48
Item 7. <a href="#">Management’s Discussion and Analysis of Financial Condition and Results of Operations</a>	49
Item 7A. <a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	81
Item 8. <a href="#">Financial Statements and Supplementary Data</a>	F-1
Item 9. <a href="#">Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.</a>	82
Item 9A. <a href="#">Controls and Procedures</a>	82
Item 9B. <a href="#">Other Information.</a>	83
Item 9C. <a href="#">Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.</a>	83
<b><u>PART III.</u></b>	<b>84</b>
Item 10. <a href="#">Directors, Executive Officers and Corporate Governance.</a>	84
Item 11. <a href="#">Executive Compensation.</a>	89
Item 12. <a href="#">Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.</a>	111
Item 13. <a href="#">Certain Relationships and Related Transactions, and Director Independence.</a>	113
Item 14. <a href="#">Principal Accountant Fees and Services.</a>	113
Item 15. <a href="#">Exhibits, Financial Statement Schedules.</a>	114
Item 16. <a href="#">Form 10-K Summary.</a>	115

## GLOSSARY OF COMMONLY USED TERMS

The following are abbreviations and definitions of certain terms used in this Annual Report on Form 10-K, some of which are commonly used in the data center, digital infrastructure, and Bitcoin Mining industries:

AEC	Alternative energy credit. A tradable certificate representing one megawatt-hour of electricity generated from a qualifying alternative energy source under the AEPS Act.
AEPS Act	The Pennsylvania Alternative Energy Portfolio Standards Act, which establishes requirements for the generation of electricity from alternative energy sources in Pennsylvania.
AI	Artificial intelligence. Computational methods, including machine learning and deep learning, that require large-scale data processing and high-performance computing infrastructure to train and deploy models capable of performing tasks that typically require human intelligence.
ASC	Accounting Standards Codification.
ASIC	Application-specific integrated circuit. A specialized microchip designed to perform a specific function, such as Bitcoin Mining.
ASU	Accounting Standards Update.
Behind-the-meter	Power generation that is located at or near the point of consumption, on the customer's side of the electric meter, and that can supply electricity directly to collocated load without transmission through the broader electric grid.
BTC or Bitcoin	A decentralized digital currency that operates on a peer-to-peer network using blockchain technology, without the need for a central authority or intermediary.
Bitcoin Block Rewards	Subsidies paid in Bitcoin that are programmed into the Bitcoin software and awarded to a miner, or a group of miners, for providing a valid solution to the cryptographic problem required to publish a new block of transactions on the Bitcoin blockchain.
Bitcoin Halving	Has the meaning given to it under "Risks Related to Bitcoin."
Capex	Capital expenditures. Funds used by the Company to acquire, upgrade, develop, or construct physical assets, including HPC data center infrastructure, power generation facilities, land, and Mining Equipment.
Colocation or colo	A data center model in which an operator provides building infrastructure, power, cooling, and physical security, and tenants install, own, and operate their own computing equipment within the facility.
Company	Has the meaning give to it under "General Matters."
Convertible Notes	The Company's 1.375% Convertible Senior Notes due January 15, 2031, issued in October 2025 in an aggregate principal amount of \$588 million.
CPI	Consumer Price Index.

Critical IT load or IT load	The electrical power consumed by computing, storage, and networking equipment within a HPC data center, excluding power consumed by cooling systems, lighting, and other facility infrastructure.
Current Energized Capacity	Gross power capacity provided by utilities and currently being used at our U.S. Sites and Quebec Sites.
EH/s	Exahashes per second. A unit of measurement equal to one quintillion (10 <sup>18</sup> ) hashes per second, used to measure the computational power (hashrate) applied to Bitcoin Mining.
Energized capacity	The amount of electrical capacity, measured in megawatts, that is currently connected to and capable of drawing power from a utility grid or on-site generation source.
ESA	Electric service agreement. A contract between a utility and a customer that establishes the terms under which the utility will deliver electricity to the customer, including contracted capacity, delivery timeline, and pricing.
FASB	Financial Accounting Standards Board.
FERC	Federal Energy Regulatory Commission.
FPPS	Full pay per share. A Bitcoin Mining Pool payout method under which miners receive a fixed payment for each valid share of work submitted, regardless of whether the pool successfully mines a block.
Free cooling	A cooling method for HPC data centers that uses ambient outside air or other natural environmental conditions to dissipate heat, reducing or eliminating the need for mechanical refrigeration.
Go to market	The phase of the Company's development process in which a project that has reached or is approaching construction readiness is marketed to prospective tenants for lease execution.
GPU	Graphics processing unit. A specialized electronic processor originally designed for rendering graphics, now widely used to accelerate AI training, AI inference, and other HPC workloads due to its ability to perform parallel computations efficiently.
Gross capacity or gross power capacity	The total electrical power capacity provided to a site for all purposes, not limited to critical IT load.
GW	Gigawatt. One billion watts of electrical power.
Halving	The process designed to control the overall supply and reduce the risk of inflation in Bitcoin's proof-of-work consensus algorithm.
Hashrate	The total computational power being used to mine and process transactions on a proof-of-work blockchain network, such as Bitcoin. Measured in hashes per second.
HPC	High-performance computing. Computing workloads that require substantially greater processing power, power density, and cooling capacity than traditional enterprise or cloud computing workloads, including AI training and inference workloads.
HPC data centers	Data centers which host customer-provided compute equipment, including GPUs; distinct from HPC Infrastructure, which is used to describe the growth area covering development, ownership, and operations of such data centers.
HPC Infrastructure	The Company's primary growth area, encompassing the development, ownership, and operation of data centers designed to support HPC environments. This term is used solely to refer to the Company's growth area.

HPC workloads	Compute-intensive applications and processes that require high levels of processing performance, power density, and advanced cooling capabilities, including AI training and inference workloads.
Hydro-Québec	The public utility responsible for the generation, transmission, and distribution of electricity in the Province of Québec, Canada.
Hyperscaler	A large-scale cloud computing and HPC data center operator that deploys and operates computing infrastructure at significant scale to serve global demand for cloud, AI, and enterprise services.
Identified Additional Gross Data Center Capacity	Gross power capacity that has not been contracted under an electric supply agreement but is currently being evaluated at the U.S. Sites and Quebec Sites. This includes capacity that is currently under utility load studies as well as potential on-site, behind-the-meter natural gas power generation at Scrubgrass.
Infrastructure Assets	The Company's sites and related assets, including land, power capacity, power purchase or supply arrangements, grid interconnections, and associated infrastructure, excluding Bitcoin Mining Equipment.
IFRS Accounting Standards	International Financial Reporting Standards as issued by the International Accounting Standards Board.
Interconnection	The physical and contractual arrangement by which a facility is connected to the electric grid, enabling the import and/or export of electricity. Obtaining grid interconnection typically requires utility approval, engineering studies, and infrastructure upgrades, and can involve multi-year lead times in supply-constrained markets.
IRS	The Internal Revenue Service of the United States of America.
IT	Information technology. The use of computers, software, networks, and related systems to store, process, transmit, and manage data.
Keel or Keel Infrastructure or Keel Infrastructure Corp.	Keel Infrastructure Corp., the newly formed public company incorporated in the State of Delaware which will be the parent company of Bitfarms Ltd. following completion of the U.S. Redomiciliation, expected on or about April 1, 2026.
kW	Kilowatt. One thousand watts of electrical power.
kWh	Kilowatt-hour. A unit of energy equal to one kW of power sustained for one hour.
Load study	A utility-conducted engineering assessment to evaluate the feasibility and cost of delivering a specified amount of electrical power to a site, including any required grid upgrades or infrastructure improvements.
Miners or Mining Equipment	ASIC-based computing devices purpose-built to perform the cryptographic calculations required to validate transactions and add new blocks on a proof-of-work blockchain network, such as Bitcoin.
Macquarie Credit Facility or Credit Facility	The \$300.0 million credit facility that the Company entered into with Macquarie Equipment Capital, Inc. in April 2025.
Mining	The process of using specialized computing equipment to validate transactions and add new blocks to a proof-of-work blockchain, such as the Bitcoin network. Participants that successfully add a block are rewarded with newly issued cryptocurrency and transaction fees.
Mining Pool	A group of miners that combine their computational resources over a network to increase the probability of successfully validating transactions and adding new blocks to a proof-of-work blockchain. Rewards earned are distributed among participants based on their contributed computational power.

Moses Lake	The Company's HPC data center development site located in Moses Lake, Washington, U.S. Moses Lake is currently being used for Bitcoin Mining operations.
MW	Megawatt. One million watts of electrical power.
MWh	Megawatt-hour. A unit of energy equal to one MW of power sustained for one hour.
N, N+1 and N+2	Redundancy configurations used in data center design. "N" refers to the minimum infrastructure capacity (including power, cooling, or network capacity) required to support the facility's full IT load. "N+1" indicates one additional redundant unit beyond the minimum, and "N+2" indicates two additional redundant units, providing progressively higher levels of fault tolerance.
Neocloud	An emerging category of cloud and compute service providers that focus on delivering GPU-based infrastructure for AI training and inference workloads, as distinguished from traditional hyperscale cloud service providers.
Network Difficulty	Network difficulty is a measure of how difficult it is to solve a block on the Bitcoin blockchain. Network difficulty is adjusted every 2,016 blocks, or approximately every two weeks, so that the average time between each block is approximately ten minutes. A high difficulty means that it will take more computing power to solve a block and earn a new bitcoin reward, which, in turn, makes the Bitcoin network more secure.
NVIDIA GB300	A GPU developed by NVIDIA Corporation for AI and HPC workloads, part of the Blackwell architecture product family. Moses Lake is designed to support configurations aligned with the NVIDIA GB300 NVL72 reference architecture.
NVIDIA Vera Rubin	A next-generation GPU platform developed by NVIDIA Corporation, anticipated to succeed the Blackwell architecture. The Company is designing a significant portion of its development portfolio to support GPU platforms of this class.
NVL72	A reference architecture developed by NVIDIA Corporation that specifies the configuration of 72 GPUs and associated networking and cooling infrastructure within a single rack-scale system.
Panther Creek	The Company's HPC data center development site located in Nesquehoning, Pennsylvania, U.S. Panther Creek also contains a waste-to-energy facility and is currently being used for Bitcoin Mining operations.
PJM or PJM Interconnection	PJM Interconnection, L.L.C., a regional transmission organization that coordinates the movement of wholesale electricity across all or parts of 13 states and the District of Columbia. PJM operates the largest wholesale electricity market in the world.
PPL	PPL Electric Utilities Corporation, a regulated electric utility operating in eastern Pennsylvania that provides electric service to the Company's Panther Creek site.
PUE	Power usage effectiveness. A metric used to measure the energy efficiency of a data center, calculated as total facility energy consumption divided by IT equipment energy consumption. A PUE of 1.0 indicates that all energy consumed by the facility is used by IT equipment.
PURPA	Public Utilities Regulatory Policies Act of 1978. A U.S. federal law that, among other things, established a regulatory framework for qualifying facilities that generate electric energy using renewable resources or cogeneration.
QF or qualifying facility	A power generation facility that meets certain ownership, operating, and efficiency criteria established by FERC under PURPA, and that is entitled to certain regulatory benefits, including the right to sell electricity at avoided-cost rates.
Québec Sites	The Company's facilities located in the following cities: Farnham, Saint-Hyacinthe, Cowansville, Baie-Comeau, Magog, Bunker, Sherbrooke Leger, Sherbrooke, and Garlock in the province of Québec, Canada. All of the Québec Sites are currently being used for Bitcoin Mining operations.
Scrubgrass	The Company's HPC data center development site located in Kennerdell, Pennsylvania, U.S. Scrubgrass also contains a waste-to-energy facility and is currently being used for Bitcoin Mining operations.
SEC	The U.S. Securities and Exchange Commission.
Secured contracted capacity	Electrical capacity for which the Company has executed a binding agreement, such as an ESA, with a utility or power provider, but which has not yet been energized or delivered.
Secured Gross Data Center Capacity	The total amount of gross power capacity that is subject to electric supply agreements with utilities, including both power capacity currently available on site and power capacity that utilities have agreed to deliver at a future date.
Secured Growth Capacity	Gross power capacity that is not currently available on site but for which the Company has executed an electric supply agreement with a utility, whereby the utility agrees to provide that power capacity at a specified future date.
Sharon	The Company's HPC data center development site located in Sharon, Pennsylvania, U.S. Sharon is currently being used for Bitcoin Mining operations.
Stronghold	Stronghold Digital Mining, Inc.
Stronghold Acquisition	The Company's acquisition of Stronghold on March 14, 2025.
Substation	An electrical facility that transforms voltage from high to low, or the reverse, to facilitate the transmission and distribution of electricity between the grid and end users.
Turnkey	A contractual arrangement under which a third-party contractor is responsible for the complete design, procurement, and construction of a facility, delivering it to the owner in a condition ready for operation.
U.S. GAAP	Accounting principles generally accepted in the United States of America.
U.S. Sites	Collectively, Panther Creek, Scrubgrass, Sharon, and Moses Lake.
Waste-to-energy	A method of power generation that uses waste materials, such as coal refuse, as fuel to generate electricity, thus simultaneously remediating environmental damage associated with the waste material.

## GENERAL MATTERS

In this Annual Report on Form 10-K for the year ended December 31, 2025 (referred to herein as this “Annual Report”) “we”, “us”, “our”, “Bitfarms” and the “Company” refer to Bitfarms Ltd. and its consolidated subsidiaries, unless the context requires otherwise. Following the completion of the U.S. Redomiciliation such references shall be to Keel Infrastructure Corp. and its consolidated subsidiaries (including Bitfarms Ltd.), unless the context requires otherwise.

Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

Bitfarms and the associated Bitfarms logo are registered trademarks of Bitfarms Ltd. or its subsidiaries. All other trademarks and brand names used herein are the property of their respective owners.

Unless we indicate otherwise: (i) all dollar amounts are expressed in U.S. dollars; and (ii) all references to “US\$” or “\$” are to U.S. dollars and all references to “C\$” are to Canadian dollars.

Note that use of the word “including” in this Annual Report means “including, without limitation.”

Unless we indicate otherwise, all information in this Annual Report is stated as of March 27, 2026.

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains statements that are forward-looking and as such are not historical facts. These statements constitute projections, forecasts and forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the U.S. Securities Act of 1933 (as amended, the “Securities Act”), Section 21E of the U.S. Securities Exchange Act of 1934 (as amended, the “Exchange Act”) and forward-looking information within the meaning of applicable Canadian securities legislation (collectively, “forward-looking statements”). Such forward-looking statements include, but are not limited to, statements under “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” regarding our financial position, business strategy and the plans and objectives of management for future operations, statements about our objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects, opportunities, statements about the U.S. Redomiciliation and legal and regulatory matters.

These forward-looking statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe”, “future”, “continue” or similar expressions or the negatives thereof.

By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements and such forward-looking statements included in this Annual Report should not be unduly relied upon. These statements speak only as of the date of this Annual Report.

The forward-looking statements in this document are based on what we currently believe are reasonable assumptions, including the material assumptions set out under “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations”, such documents are available under our SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca) or in the United States through EDGAR at the website of the SEC at [www.sec.gov](http://www.sec.gov).

Inherent in forward-looking statements are risks, uncertainties and other factors beyond our ability to predict or control.

Factors that may cause actual results to differ materially from current expectations may include, but are not limited to, risks and uncertainties that are discussed in greater detail in Part I, Item 1A “Risk Factors” and Part II, Item 7A “Quantitative and Qualitative Disclosures About Market Risk” of this Annual Report on Form 10-K.

Although we believe that the plans, intentions, expectations, assumptions and strategies reflected in our forward-looking statements are reasonable, these statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control. If one or more of these risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from those implied or projected by the forward-looking statements. In addition, we operate in a highly competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Annual Report on Form 10-K. No forward-looking statement is a guarantee of future results. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements. You should read this Annual Report on Form 10-K and the documents that we reference in this Form 10-K completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements.

The forward-looking statements in this Annual Report on Form 10-K represent our views as of the date of this Form 10-K. We anticipate that subsequent events and developments may cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. Therefore, these forward-looking statements do not represent our views as of any date other than the date of this Annual Report on Form 10-K.

## **SUMMARY OF RISK FACTORS**

Below is a summary of the principal factors that make an investment in our securities speculative or risky. This summary does not address all of the risks we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below and should be carefully considered, together with other information included in this Annual Report on Form 10-K.

### **Risks Related to Our Business and Operations**

- our limited operating history and history of operating losses, which make it difficult to evaluate our business and prospects;
- our evolving business model and strategy, including our strategic transformation from Bitcoin Mining to HPC Infrastructure, which may not be successful;
- our dependence on reliable and economical sources of power, including regulated electricity rates in Québec, Pennsylvania, and Washington;
- our reliance on a limited number of third-party suppliers and manufacturers, including those in foreign jurisdictions, exposing us to supply chain disruptions, trade restrictions, and tariff risks;
- delays, cost overruns, and other risks associated with the continued development of our existing and planned facilities;
- intense competition from other Bitcoin Mining companies and established HPC data center operators, some of which may have greater resources and experience;
- the potential inadequacy of our insurance coverage to protect against all losses;

### **Risks Related to HPC Infrastructure**

- our increased focus on developing HPC and AI data centers may not become profitable and may divert resources from our Bitcoin Mining operations;
- the capital-intensive nature of constructing HPC data centers and our potential inability to secure financing for such efforts;

- significant competition for suitable data center sites and regulatory constraints that could adversely impact our development pipeline;
- our dependence on significant customers for our HPC data centers, and the risk of customer default or failure to make timely payments;
- the rapidly evolving regulatory landscape surrounding HPC, AI, and Bitcoin Mining, which may negatively impact our expansion efforts;

#### **Risks Related to Bitcoin and Digital Assets**

- the high volatility of Bitcoin prices, which has significantly affected and will continue to affect the profitability of our operations;
- periodic Bitcoin halving events that reduce Mining rewards and could render our Mining operations unprofitable;
- increases in cryptocurrency Network Difficulty and global computing power that could reduce our Mining revenues;
- our reliance on a single third-party Mining Pool operator, subjecting us to concentration risk;
- fraud or failure of Bitcoin exchanges, custodians, and other trading venues that could adversely impact Bitcoin prices and our business;

#### **Risks Related to Regulation, Tax, and Compliance**

- our requirement to obtain and comply with numerous government permits and approvals across multiple jurisdictions;
- extensive environmental, energy, and climate-related regulation that could result in significant additional costs or liabilities;
- political uncertainty in the U.S. and internationally, including potential regulatory and policy changes affecting the cryptocurrency and data center industries;
- cybersecurity threats and hacking attacks that could compromise our systems and data;
- the potential classification of Bitfarms as a passive foreign investment company, which could result in adverse tax consequences for U.S. holders;

#### **Risks Related to Our Capital Needs, Corporate Structure, and Securities**

- the need for additional capital in the future, with no assurance that financing will be available on acceptable terms;
- risks that our hedging activities may not be effective and could result in significant losses;
- counterparty risk with respect to the capped call transactions entered into in connection with the Convertible Notes;
- potential dilution to shareholders from future issuances of capital stock, conversion of Convertible Notes, or exercise of options and warrants;
- risks related to the U.S. Redomiciliation, including the possibility that anticipated benefits may not be realized;
- the market price of our common shares has fluctuated significantly and may continue to do so; and
- our current intention not to pay cash dividends on our common shares.

## PART I.

### Item 1. Business.

#### 1. Company Overview

Bitfarms is a North American digital and energy infrastructure company that develops, owns, and plans to operate data centers and energy infrastructure for HPC and AI workloads. We currently maintain our legacy North American Bitcoin Mining operations to help fund our operations and development efforts.

Bitfarms was founded in 2017 and is publicly traded on the Nasdaq and TSX under the ticker symbol “BITF”. On or about April 1, 2026, we expect to complete our U.S. Redomiciliation, pursuant to which shareholders of Bitfarms will exchange their shares for shares of common stock of Keel Infrastructure Corp. (“Keel Common Stock”), a newly formed public company incorporated in the State of Delaware. The Keel Common Stock is expected to begin trading on Nasdaq and the TSX under the ticker “KEEL” two business days following completion of the U.S. Redomiciliation, subject to fulfilling all of the listing requirements of Nasdaq and the TSX, respectively.

Our mission is to deliver the infrastructure and energy required to support HPC and AI workloads. We have a portfolio of assets (our “Infrastructure Assets”) that include owned and operated power generation facilities with collocated Bitcoin Mining data centers, established grid interconnections within the wholesale electricity market administered by PJM Interconnection in Pennsylvania, and 100% renewable hydroelectric capacity in Canada and Washington state. Our Infrastructure Assets represent a 2.2 GW power capacity pipeline, comprising 648 MW of secured capacity and 1,513 MW of planned capacity in development, located across our U.S. Sites and our Québec Sites. Currently, our Infrastructure Assets are deployed to support our Bitcoin Mining activities. We are developing our Infrastructure Assets to support HPC data center operations and expect to continue such development in the coming years.

#### 2. Lines of Business and Business Model

Our primary growth area is HPC Infrastructure. We expect to operate our Bitcoin Mining assets to the extent they remain profitable and until they are decommissioned to facilitate HPC data center construction.

**HPC Infrastructure** is our primary growth area. We are developing data centers designed to support HPC and AI workloads, with the intention of leasing capacity to hyperscalers, cloud service providers, AI companies, and enterprises under long-term contracts. We expect these contracts to deliver higher cash flows per megawatt and greater revenue predictability than Bitcoin Mining. As of December 31, 2025, this line of business had not yet generated revenue. We anticipate initial data center revenue generation to begin in 2027. See “Risk Factors—Risks Related to HPC Infrastructure Operations.”

**Bitcoin Mining** is our legacy business line, managed for cash generation during the redeployment of our Infrastructure Assets from Mining to HPC data center operations. Currently our Infrastructure Assets are deployed to operate ASIC miners, contributing hashrate to Mining Pools under Full Pay Per Share (“FPPS”) arrangements, with fees paid daily in Bitcoin. During the fiscal year ended December 31, 2025, one Mining Pool operator accounted for 88% of our total revenue. As of December 31, 2025, we operated 113,649 ASIC miners with total hashrate of 14.8 EH/s. We do not plan to invest incremental capital in expanding hashrate and expect Bitcoin Mining to wind down progressively as HPC data center construction begins across our Infrastructure Assets. As of March 27, 2026, Bitcoin Mining is continuing at all of our sites. Our Bitcoin Mining business line also includes revenue, expenses, and capital expenditures associated with the operation of our power generation facilities in Pennsylvania.

### 3. Market Opportunity and Competitive Advantages

#### Market Opportunity

Growing enterprise and retail demand for HPC and AI workloads is driving unprecedented buildout of next-generation data centers, with McKinsey estimating that AI data centers may require approximately \$5.2 trillion in global capital expenditures by 2030. McKinsey further estimates that AI data center power demand globally may exceed 150 GW by 2030, up from approximately 44 GW today. We believe that this growth exceeds what existing grid infrastructure and generation capacity can readily support. HPC and AI workloads require power densities and cooling architectures that most existing facilities cannot accommodate, while grid interconnection bottlenecks constrain new supply. We believe this imbalance may persist for the foreseeable future and disproportionately benefits developers that already control permitted, interconnected, energized power in high-demand markets.

In the context of this market imbalance, we recognized in 2024 that our Infrastructure Assets may constitute the scarce inputs the HPC data center market values most: interconnected, scalable power in established data center regions with robust fiber connectivity. In early 2025, we engaged Appleby Strategy Group (“ASG”) and World Wide Technology (“WWT”) to evaluate the suitability of our Infrastructure Assets for HPC data center development. ASG and WWT identified attractive characteristics across our U.S. Sites and most of our Québec Sites and indicated that these sites were well suited for HPC data center operations. These findings, combined with our core competencies, informed our view that our highest-value path forward was to reallocate our Infrastructure Assets from Bitcoin Mining to HPC data centers.

We believe that this is an effective reallocation of our Infrastructure Assets, anchored by an opportunity to shift from a commodity-exposed, cyclical revenue stream to a business that we expect to be underpinned by multi-year lease agreements with higher revenue per unit of power, improved revenue visibility, and stronger risk-adjusted returns compared to Bitcoin Mining. During 2025, we executed on the decision to strategically pivot through a series of acquisitions, capital raises, development commitments, and divestitures that are expected to reposition the Company as a 100% North American digital and energy infrastructure company.

#### Competitive Advantages

We believe our platform possesses five structural advantages that differentiate us in the HPC data center market.

**Scarce, High-Value Power Positions.** We believe the quality and location of power interconnections varies materially across the HPC data center market. Grid-connected, permitted, energized capacity in established data center regions represents a key constraint on the development of new HPC and AI supply. Three of our four U.S. Sites are in PJM, one of the largest wholesale electricity markets in the world, with secured interconnections. PJM’s 2025 Regional Transmission Expansion Plan indicates that the incremental transmission enhancements required to serve new power demand for data centers could take more than five years to develop. Moses Lake sits within a major Pacific Northwest data center cluster with low-cost hydroelectric power and constrained new supply, as evidenced by the Grant County Public Utility District imposing load-growth limits on data center customers. Our Québec Sites have a combined 170 MW of capacity from a predominantly renewable electricity supply, largely generated from hydroelectric sources, and offer a differentiated platform within 90 minutes of Montréal. Across these markets, we hold our Infrastructure Assets – grid interconnections, contracted power expansion, owned Behind-the-meter generation, and approximately 1,000 acres of owned land – entitlements that we believe new entrants would need years to assemble. In addition, all of our sites are located in cooler climates that support extended free-cooling periods, which we expect will yield competitive annual average power usage effectiveness (“PUE”) relative to facilities in warmer regions.

**Proven Infrastructure Development Capability.** Over nearly a decade of building one of North America’s largest Bitcoin Mining platforms, we assembled energized capacity, generation assets, grid interconnections, utility relationships, and land positions across multiple jurisdictions. The skills underlying that track record – site development, permitting, electrical infrastructure buildout, utility negotiations, and large-scale load management – translate directly to those needed for the development of HPC data centers.

**Operational Expertise in Power and Energy Management.** We own and operate power generation facilities in Pennsylvania, which provide behind-the-meter power generation for collocated load and supply local grid systems. We also manage complex, flexible electrical loads across multiple regulatory environments, including participating in PJM’s full suite of dispatchable programs and complying with Hydro-Québec industrial tariffs. This institutional knowledge of energy procurement, grid interaction, and real-time load management is central to operating HPC data centers reliably and cost-effectively.

**Organizational Agility.** With approximately 274 employees, we can move quickly on acquisitions, pivot development plans, and allocate capital across concurrent projects. In 2024 and 2025, we executed a full portfolio rebalancing – acquisitions, divestitures, capital raises, development commitments, and the planned U.S. Redomiciliation – in approximately 18 months. Additionally, since mid-2025, we have hired senior executives across a range of functions needed for HPC data center development, including construction, power, operations, and permitting.

**Financial Capacity.** As of March 30, 2026, we have approximately \$520 million in liquidity, comprising cash and Bitcoin. We believe that this is sufficient to fund our operations, including development of HPC data centers through permitting and leasing at our Washington, Sharon, and Panther Creek sites without additional external financing, providing execution certainty across multiple concurrent projects.

## 4. Our Strategy

### Target Power Assets in Supply-Constrained Geographies

Our strategy begins with power. We acquire or control energy-advantaged land positions with grid interconnections, contracted capacity, or on-site generation in power-constrained markets. We are currently focused on three regions:

(1) PJM in Pennsylvania, U.S., where interconnection congestion and data center demand growth create significant barriers to entry for new developers;

(2) the Pacific Northwest, U.S., where low-cost hydroelectric power, cool climate, and proximity to major technology companies support efficient HPC operations; and

(3) Québec, Canada, where predominantly renewable power and proximity to Montréal, a hub for AI research, offer a differentiated platform for customers with sustainability mandates.

### Focus on Infrastructure Development

We are an infrastructure developer, not a cloud or compute service provider. We are growing in two ways: (1) converting existing Infrastructure Assets from Bitcoin Mining to HPC data centers and (2) acquiring additional energy-advantaged positions where existing grid infrastructure can compress HPC data center development timelines relative to greenfield alternatives. By focusing on infrastructure development and ownership, we avoid competing in commoditized compute markets and instead concentrate capital on the advantages of our Infrastructure Assets that are hardest to replicate.

### De-Risk Before Leasing

We intend to secure power and obtain a reasonably firm estimate for the timing of permit approvals before engaging in commercial discussions with potential tenants. By entering such commercial discussions regarding lease negotiations with reduced development risk, shorter time to revenue, and higher actionability, we believe these factors, combined with our positioning in supply-constrained markets, are expected to enhance our ability to negotiate favorable rates and terms under multi-year agreements with creditworthy counterparties. As of the date of this Annual Report, we have not yet entered into any HPC data center lease agreements.

### Design for the Next Hardware Cycle

We are designing substantially all of our HPC data centers to support NVIDIA’s next-generation Vera Rubin GPUs. Vera Rubin is anticipated to deliver much higher energy density than NVIDIA’s current-generation Blackwell architecture, and we believe Blackwell-designed facilities may not be fully compatible with Vera Rubin’s power and cooling requirements. By proactively designing ahead of the anticipated hardware cycle, we aim to position ourselves to capture lease demand in 2027 for Vera Rubin-ready capacity. Moses Lake is designed for NVIDIA GB300 GPUs. There can be no assurance that Vera Rubin will ship on the anticipated timeline, that our design assumptions will prove accurate, or that expected demand will materialize. See “Risk Factors—Risks Related to HPC Infrastructure Operations— The Company’s increased focus on developing data centers for HPC and AI workloads may not become profitable in the future and may result in adverse consequences to the Company’s business, results of operations and financial condition.”

Our March 2025 acquisition of Stronghold illustrates our power-first approach and our strategy of acquiring energy-advantaged positions. The acquisition was opportunistic – Stronghold was capital-constrained and did not have the means to grow its business. At the time of the acquisition, Stronghold had 142 MW of import capacity, 165 MW of power generation capacity, and results from a preliminary load study suggesting that Stronghold could import an additional 250 MW, at some point in the future, at Panther Creek. Since this time, we have significantly derisked the Stronghold assets, expanded their potential power capacity, and begun developing both the Panther Creek and Scrubgrass sites for HPC data centers.

After announcing the acquisition, we worked closely with Stronghold and PPL and received a project feasibility report from PPL increasing the incremental power availability at Panther Creek from 250 MW to 350 MW. Following the acquisition, we executed an ESA with PPL, resulting in 350 MW of contracted power capacity. Additionally, we executed an agreement to purchase approximately 200 acres next to Panther Creek to support HPC data center operations, and we have commenced development, including permitting and fiber connectivity.

At Scrubgrass, we have submitted load studies to import up to 750 MW of additional power, and we have worked with a natural gas transporter to evaluate the potential to deliver gas to the site in order to supply Behind-the-meter gas-fired generation. The natural gas supplier has indicated that they could provide enough natural gas to support over 550 MW of power generation.

As a result of this acquisition and subsequent development efforts, we have added two sites that each have high potential to be large-scale HPC data center campuses.

## 5. Strategic Transformation

### Rebalancing the Portfolio Toward North American HPC Data Center Development

During 2025 and early 2026, we executed a series of transactions and initiatives that repositioned the Company as a North American digital and energy infrastructure company:

- *Stronghold Acquisition:* Added two established sites in Pennsylvania with potential for large-scale HPC data centers.
- *Exit of Latin American operations:* Discontinued all operations in Argentina and agreed to divest, all operations in Argentina and Paraguay for up to \$108 million of expected proceeds, and we expect that these divestitures and wind-downs will reduce our go-forward capital commitments by \$22 million.
- *Moses Lake commitment:* Committed \$129 million for critical equipment and building materials through a turnkey agreement with Vertiv Group (“Vertiv”) at Moses Lake, our first HPC data center development project.
- *Panther Creek expansion:* Secured 350 MW of contracted firm power capacity and assembled nearly 320 acres of contiguous land.
- *Capital formation:* Issued \$588 million of 1.375% Convertible Senior Notes due January 15, 2031 (the “Convertible Notes”) to fund the transition of our Infrastructure Assets to HPC data centers (see “Business—Financing Strategy” for additional information).

In concert with the U.S. Redomiciliation and rebrand to Keel Infrastructure, these actions support the Company’s pivot from Bitcoin Mining to developing, owning and operating HPC data centers.

## Building the Capabilities to Execute

HPC data centers demand higher standards of redundancy, advanced cooling and power-quality management, fiber connectivity, and customer uptime commitments than Bitcoin Mining facilities. The penalties for poor execution are correspondingly greater. We are building these capabilities along two dimensions:

**Recruiting specialized expertise.** We have hired professionals with direct expertise in HPC data center development, design, construction management, and operations. Our recent hires bring substantial industry experience, with an average of more than 20 years in digital and energy infrastructure and extensive backgrounds in complex construction and HPC data center development. In parallel, in 2025, we appointed Jonathan Mir, with over 25 years of strategic finance and capital markets experience focused on energy infrastructure, as CFO.

**Partnering with industry-leading firms.** We have engaged first-tier companies, including ASG, CBRE, Consertus, Corgan, Gensler, Langan, Syska Hennessy Group, Turner Construction Company, Vertiv, and WWT, to access deep, domain-specific expertise at each development stage, while retaining strategic control over site selection, power procurement, capital allocation, and customer relationships. We believe that this approach mitigates execution risk while we continue to build out permanent internal capabilities, and it positions us to internalize more of the development value chain over time as our team and experience base grows.

## 6. HPC Infrastructure Portfolio

### Portfolio Overview

Our 2.2 GW pipeline of power capacity, which is part of our portfolio of Infrastructure Assets, is concentrated in markets we believe rank among the highest-value HPC data center regions in North America. The following table summarizes the power capacity of our Infrastructure Assets as of March 27, 2026. We intend to allocate substantially all of this capacity to HPC data centers.

Site	State/Province	Current Energized Capacity (MW)	Secured Growth Capacity (MW)	Subtotal: Secured Gross Data Center Capacity (MW)	Identified Additional Gross Data Center Capacity (MW)	Total Pipeline (MW)
<b>United States</b>						
Panther Creek	Pennsylvania	60*	350	350	150	500
Sharon	Pennsylvania	30	80	110	–	110
Moses Lake	Washington	18	–	18	–	18
Scrubgrass	Pennsylvania	63*	–	–	1,363	1,363
<b>U.S. Total</b>		<b>171</b>	<b>430</b>	<b>478</b>	<b>1,513</b>	<b>1,991</b>
<b>Canada</b>						
Sherbrooke	Québec	96	–	96	–	96
Baie-Comeau	Québec	22	–	22	–	22
Other sites <sup>1</sup>	Québec	52	–	52	–	52
<b>Canada Total</b>		<b>170</b>	<b>–</b>	<b>170</b>	<b>–</b>	<b>170</b>
<b>Total</b>		<b>341</b>	<b>430</b>	<b>648</b>	<b>1,513</b>	<b>2,161</b>

\* This capacity is not under an ESA; therefore, amounts are excluded from Secured Gross Data Center Capacity.

<sup>1</sup> Includes Cowansville, Saint-Hyacinthe, Magog, and Farnham data centers.

Note: Excludes operations in Argentina and Paraguay that have been discontinued or that we have agreed to divest.

- 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.
- Excluding operations in Paso Pe, Paraguay, which met the criteria to be classified as held for sale as we make a strategic shift towards HPC/AI Infrastructure in North America. We have agreed to sell these assets pursuant to a definitive share purchase agreement entered into on January 2, 2026. The transaction is expected to close in the second quarter of 2026.

## Key Development Sites

### *Panther Creek*

Located in eastern Pennsylvania and currently being used for Bitcoin Mining, Panther Creek is our largest near-term development site. We hold 350 MW of contracted firm power under an ESA with PPL (50 MW expected by end of 2026, 300 MW by end of 2027), with additional load studies in process. We plan to provide updates on these load studies over the coming months. We have assembled nearly 320 acres of contiguous land at the site, received zoning board approval for our special exemption zoning request, and submitted our land development plan for approval.

### *Sharon*

Located in western Pennsylvania and currently being used for Bitcoin Mining, Sharon is a development site with 30 MW currently energized and 80 MW under an ESA, with a related substation expansion under construction. We expect to have total energized utility capacity of 110 MW by the first half of 2027.

### *Moses Lake*

Located in Washington within a major Pacific Northwest data center cluster where power availability is acutely constrained, Moses Lake is our first HPC data center development project. We have committed \$129 million for critical equipment and building materials through a turnkey agreement with Vertiv. Moses Lake will be a purpose-built AI compute facility designed in accordance with the NVIDIA GB300 NVL72 reference architecture.

### *Scrubgrass*

Located in western Pennsylvania and currently being used for Bitcoin Mining, Scrubgrass has the potential to be our largest site. We have submitted load studies totaling 750 MW and initiated pre-engineering studies with a natural gas transporter to assess the feasibility of delivering natural gas to supply an on-site, Behind-the-meter power generation facility with capacity exceeding 550 MW.

### *Québec Sites*

Our Québec portfolio comprises eight sites powered predominantly by renewable hydroelectricity, a meaningful differentiator for customers with sustainability requirements. The sites are currently being used for Bitcoin Mining. Feasibility assessments have confirmed suitability for HPC data center development. Most sites are within 90 minutes of Montréal, presenting a potential regional campus model linked via low-latency fiber. We are advancing development readiness through engineering, fiber, and go-to-market workstreams with specialized partners.

## Development Process

Each project in our pipeline progresses through four stages:

**Land acquisition and power procurement.** We secure capacity and power either through utility application and agreement or through acquisition of land with existing contracted power. Principal activities and related costs include permitting, zoning, studies and related activities.

**Development and permitting.** This phase includes the planning and design work needed to permit development and have power delivered to a site. We partner with the communities in which we operate to ensure that our projects are in line with local requirements. Principal costs include permitting, zoning, engineering studies, and procurement of long-lead-time items such as substations. The development and permitting phase concludes when the project reaches full readiness for construction, including all permits, approvals, grid interconnection, and ESAs. This is the first major de-risking milestone in the process of developing HPC data centers.

**Go to market and lease execution.** As projects approach construction readiness and are de-risked, we engage with potential tenants. A signed lease is generally required to enable project-level or parent-level debt financing at a cost lower than we would expect absent such a lease.

**Construction and commercial operations.** Once financing is secured, construction begins, and the site is ultimately commissioned and ready for customer service.

## 7. Financing Strategy

Our capital strategy is designed to fund HPC data center development through permitting, leasing, and construction while maintaining financial flexibility to operate across multiple concurrent sites. Our current financing framework includes two primary components, among other options:

**Project-level and/or parent-level debt financing.** The Macquarie Credit Facility provided up to \$300 million for HPC data center development at Panther Creek, secured by Panther Creek assets. We drew \$100 million in 2025 and subsequently repaid this amount in February 2026 to avoid negative carry and balance sheet complexity, given the amount of cash on our balance sheet to fund near-term development. As we lease sites, we expect to finance construction through project-level bank debt and/or project-level bonds.

**Equity-linked financing.** In October 2025, we issued \$588 million of Convertible Notes (approximately \$569 million of net proceeds), bearing interest at 1.375% per annum and maturing January 15, 2031, with a conversion price of approximately \$6.86 per share (30% premium to reference price). In connection with this issuance, we entered into capped call transactions, all with a cap price of \$11.88 per share. As we progress with HPC data center development, we may raise additional equity financing through convertible debt, public equity offerings, and/or sales of minority equity interests at the project level.

We expect to finance the construction phase of development of a site with a combination of the project- and/or parent-level debt and equity-linked sources described above.

## 8. Competition

Demand for HPC and AI workloads continues to outpace the supply of HPC data center capacity, particularly in power-constrained markets. HPC data centers require power densities and cooling architectures that most legacy facilities cannot accommodate, while grid interconnection bottlenecks and extended lead times for critical electrical equipment have further constrained new supply.

**In HPC Infrastructure,** we compete with established colocation and wholesale data center operators, independent developers, hyperscalers developing proprietary capacity, infrastructure-focused investment platforms, and former Bitcoin Mining companies repositioning their assets for HPC data center development. Competition is centered on securing grid-interconnected power, accessing land and permitting entitlements, procuring long-lead-time equipment, attracting engineering talent, and establishing relationships with creditworthy customers.

**In Bitcoin Mining,** we compete with publicly traded and private mining companies for block rewards on the Bitcoin network. We do not plan to invest incremental capital in expanding hashrate and expect Mining to wind down progressively as HPC data center operations commence across our Infrastructure Assets.

## 9. Team and Capabilities

As of March 27, 2026, we had 274 employees across Canada and the United States. None of our employees are represented by a labor union, and we have never experienced a work stoppage.

We have built a team that includes both senior professionals in power infrastructure and digital infrastructure, an important combination as HPC data center development requires deep expertise in both domains. Our in-house capabilities span power procurement, utility negotiations, grid management, wholesale energy markets, data center construction oversight, project finance, and capital markets execution. We maintain offices in New York City (New York, U.S.), Toronto (Ontario, Canada), Brossard (Québec, Canada) and Pittsburgh (Pennsylvania, U.S.). We established our New York City office in 2025 as part of our U.S. Redomiciliation plan, and this office will be our principal executive office upon the completion of our U.S. Redomiciliation.

As described herein, we have complemented our internal team with a network of industry-leading development partners selected for domain-specific HPC data center expertise. There is a high level of competition for talent across both digital infrastructure and energy engineering, and we invest continuously in attracting and retaining professionals with the cross-disciplinary skills our strategy demands.

## **10. Power Generation Operations**

Through Scrubgrass and Panther Creek, we own and operate two waste-to-energy facilities that are designated as qualifying facilities (“QFs”) under the provisions of PURPA and FERC’s implementing regulations under PURPA. Each of Scrubgrass and Panther Creek sells electricity into the PJM electricity markets, and their primary fuel source is coal refuse, which is provided by various third parties. These facilities generate electricity while also consuming and remediating coal refuse, which is considered an environmental liability. As QFs, these facilities are recognized under the applicable regulatory framework as eligible resources alongside other qualifying renewable and alternative energy facilities, including hydroelectric generation. Scrubgrass and Panther Creek earn Tier II AECs and waste coal tax credits for their use of coal refuse as their primary fuel source. In addition, Scrubgrass and Panther Creek may use power generated by their QFs to self supply electricity to data centers indirectly owned by the Company and collocated at each site.

## **11. Regulation, Intellectual Property, and the Environment**

### **Regulatory Landscape**

Our business is subject to extensive U.S. and Canadian federal, state, provincial and local laws. Compliance with, or changes to, the requirements under these legal and regulatory regimes may cause us to incur significant additional costs or adversely impact our ability to compete on favorable terms with competitors. Failure to comply with such requirements could result in the shutdown of a non-complying facility, the imposition of liens, fines, and/or civil or criminal liability and/or costly litigation before the agencies and/or in state or federal court. We operate in a complex and rapidly evolving regulatory environment and we are subject to a wide range of laws and regulations enacted by federal, state, provincial, and local governments, governmental agencies, and regulatory authorities, including the SEC, the Commodity Futures Trading Commission (“CFTC”), the Federal Trade Commission, and the Financial Crimes Enforcement Network of the U.S. Department of the Treasury (“FinCEN”), as well as similar entities in Canada and other countries. Other regulatory bodies, governmental or semi-governmental, have shown an increased interest in companies operating energy-intensive technologies, Bitcoin Mining and use cases related to HPC and AI computing. For example, the energy consumption and environmental impact of data center operations (whether used for Bitcoin Mining or HPC and AI) have received heightened regulatory scrutiny, and future regulations may emphasize energy efficiency, sustainability, and grid reliability in a manner that is different than current conditions.

As we expand into the development and ownership of HPC data centers, our facilities may become subject to an increasing number of laws, ordinances, and regulations. Regulators and policymakers are increasingly focused on the governance, ethical use, and potential misuse of HPC and AI systems and advanced computing technologies, as well as cybersecurity, data protection, export controls, and compliance obligations applicable to data center and HPC Infrastructure. Furthermore, Bitcoin and other digital assets are subject to anti-fraud regulations under federal and state commodity and/or securities laws, and digital asset derivative instruments are regulated by the CFTC and SEC. Certain jurisdictions have developed, or are developing, regulatory requirements specifically for digital assets and companies that transact in them. Regulatory frameworks applicable to AI and large-scale computing infrastructure are similarly developing and may vary significantly across jurisdictions. Regulations may substantially change in the future, and it is presently not possible to know how regulations will apply to our business, or when they will be effective.

### **Intellectual Property**

We utilize specialized hardware and software in our operations, including certain open-source technologies for which we adhere to applicable license terms. We rely on trade secrets, trademarks, and copyright protections, and license intellectual property from third parties. We have one non-provisional patent application under review by the U.S. Patent and Trademark Office and may pursue additional protections in the future.

## Environmental Matters

Our Pennsylvania energy facilities are subject to federal and state environmental laws governing air emissions, water usage, and waste management, and are required to maintain permits administered by the Pennsylvania Department of Environmental Protection. Our operations in Canada operate on approximately 100% renewable hydroelectric energy provided by Hydro-Québec. Our energy mix in 2025 was approximately 65% renewable, 20% waste-to-energy alternative energy, 10% PJM-import, and 5% natural gas. We continue to monitor the evolving regulatory landscape regarding data center resource consumption, grid reliability, and environmental impact. We believe we are in material compliance with applicable environmental requirements, and our environmental compliance costs have not historically been material to our consolidated results.

## Insurance

Where practical, we maintain insurance against risks associated with our operations in amounts we believe to be reasonable. Our insurance coverage contains customary exclusions and limitations, and there is no assurance that such insurance will continue to be available, will be available on acceptable terms, or will be adequate to cover all potential losses. Any uninsured or underinsured loss could have a material adverse effect on our business, financial condition, or results of operations.

## 12. Additional Information

Additional information about us is available on our website at [www.bitfarms.com](http://www.bitfarms.com), on the EDGAR website maintained by the SEC at [www.sec.gov](http://www.sec.gov), and the SEDAR+ website maintained by the Canadian Securities Administrators at [www.sedarplus.ca](http://www.sedarplus.ca). The information on our website is not incorporated by reference in this Annual Report on Form 10-K.

As of the date of filing, we are a “foreign private issuer” as defined in Rule 3b-4 under the Exchange Act. Although not required to do so, we have chosen to file annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K with the SEC. We will make available free of charge, through our website, annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

On or about April 1, 2026, we expect to complete our previously announced U.S. Redomiciliation. After the U.S. Redomiciliation, our website will be [www.keelinfra.com](http://www.keelinfra.com). Keel Infrastructure Corp. is incorporated in Delaware and will be a U.S. domestic issuer.

*The estimated costs, timelines, and milestones described in this section are forward-looking statements and are subject to change based on numerous factors, including the cost and availability of equipment and materials, supply chain conditions, currency exchange rates, the availability of electricity at competitive rates, regulatory developments, the ability to secure customer contracts on acceptable terms, the availability of financing, and geopolitical events. See “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements and Risk Factors Summary.”*

### Item 1.A. Risk Factors.

*An investment in our securities involves a high degree of risk. You should consider carefully all of the risks described below, together with the other information contained in this Annual Report, including our financial statements and related notes, before making a decision to invest in our securities. If any of the following events occur, our business, financial condition and operating results may be materially adversely affected. In that event, the trading price of our securities could decline, and you could lose all or part of your investment. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business, financial condition and operating results.*

## Risks Related to our Business

### *Our limited operating history makes it difficult to evaluate our business and prospects and increases the risk of your investment.*

We have a limited operating history upon which to base an evaluation of our business, prospects, and an investment in our Common Shares. We are subject to many risks common to venture enterprises, including under-capitalization, potential cash shortages and limitations with respect to personnel, financial and other resources. Although we have achieved profitable quarters in the past, to date, we have not maintained consistent profitability from period to period, and no assurances can be made that we will achieve consistent profitability in the near future, if ever. For the year ended December 31, 2025, we had a loss from continuing operations of \$208.5 million. There is no assurance that we will be successful in achieving a return on shareholders' investment or meeting other metrics of success, which is still dependent on Bitcoin prices and, in the future, the acquisition of customers for the Company's HPC data centers, among other factors.

### *Failure of critical systems related to our offerings and infrastructure could have a material adverse effect on our business, financial condition, and results of operations.*

Failure of critical systems related to our offerings and/or infrastructure could have a material adverse effect on our business, financial condition, and results of operations. The critical systems related to our offerings and infrastructure are subject to failure. Failure of any of our critical systems, including a breakdown in critical plant, equipment or services, routers, switches or other equipment, power supplies, or network connectivity, whether or not within our control, could result in service interruptions to us or our customers and/or damage to equipment, which could significantly disrupt the normal business operations of our customers, harm our reputation, and reduce our revenue. The destruction or severe impairment of any of the facilities operated by us could result in significant downtime. Our ability to attract and retain customers depends on our ability to provide a reliable service, so even minor interruptions in service could harm our reputation and negatively impact our business, financial condition, and results of operations.

Our infrastructure and offerings are subject to temporary or permanent interruption by factors that include but are not limited to:

- power loss or plant downtimes;
- equipment failure;
- human error and accidents;
- theft, sabotage, and vandalism;
- failure by us or our suppliers to provide adequate service or maintain equipment;
- network connectivity downtime and fiber cuts;
- service interruptions resulting from server relocation;
- security breaches of infrastructure;
- improper or inadequate building maintenance;
- physical, electronic, and cybersecurity breaches;
- animal incursions;
- fire, earthquake, hurricane, tornado, flood, and other natural disasters;
- pandemics;
- extreme temperatures;
- water damage;
- public health emergencies; and
- terrorism.

The occurrence of any of these events may have a material adverse effect on our business, financial condition, and results of operations. Moreover, service interruptions and equipment failures may expose us to potential legal liability. As the services provided by us may be critical to our customers' business operations, any disruption in services could result in lost profit or other indirect or consequential damages to our customers. Although customer contracts may contain provisions limiting our liability, there can be no assurance that a court would enforce any contractual limitations on our liability in the event that one of our customers brings a lawsuit against us as the result of a service interruption that they ascribe to us, or that a loss up to a contractually limited amount would still be a material loss to the Company. The outcome of any such lawsuit would depend on the specific facts of the case and any legal and policy considerations that we may not be able to mitigate. In such cases, we may be liable for substantial damage awards, which could have a material adverse effect on our business, financial condition, and results of operations.

***We have an evolving business model and strategy.***

We expect our business model to continue to evolve. As digital assets become more widely available and the number of applications of HPC and AI continues to expand and deepen across industries, we expect that our services and products will need to evolve in order to stay current with our industry. Our growth strategy includes exploring the expansion and diversification of our revenue sources into new markets. Pursuant to that strategy, we are currently conducting a strategic transformation which will reallocate our Infrastructure Assets into HPC Infrastructure, including the development of data centers which will be used for HPC and AI workloads. We believe the potential for HPC data centers complements our current business model with expected stable, long-term and high margin revenue. We also believe that using our existing Infrastructure Assets to develop HPC data centers provides more consistent dollar-based revenue and substantially less risk than our traditional Bitcoin Mining customers or our Bitcoin self-Mining operations. However, the success of our HPC data center services may not develop as anticipated, and may be affected by factors such as the reliability and timing of power supply, supply chain disruption (including local labor availability), the implementation of new tariffs and more restrictive trade regulations and changes in in-house specialized expertise to manage the business. A failure to successfully implement our HPC Infrastructure strategy may adversely affect our business, prospects, or operations.

Our executive management team has limited or no experience in the digital infrastructure space, and we have expanded our team to include additional professionals, including external consultants, with such experience, but there is no guarantee that such efforts will be successful. Accordingly, we cannot offer any assurance that these or any other modifications to our business model and strategy will be successful or will not result in harm to our business. Such modifications may increase the complexity of our business and place significant strain on our management, personnel, operations, systems, technical performance, financial resources and internal financial control and reporting functions. In connection with our strategic transformation, we have exited or are in the process of exiting certain operations, including the abandonment of our operations in Argentina following a halt in the supply of electricity and the classification of our Paraguay operations as held for sale. These divestitures and wind-downs may result in impairment charges, residual liabilities, or losses that could adversely affect our financial condition and results of operations.

Moreover, we may not be able to manage growth effectively, which could damage our reputation, limit our future growth and adversely affect our operating results. Further, we cannot provide any assurance that we will successfully identify emerging trends and growth opportunities within the HPC market or other markets we may seek to expand into, and we may lose out on such opportunities. Any of the foregoing could have a material adverse effect on our business, prospects, results of operations and financial condition. We may not be able to effectively manage our growth and expansion, which could damage our reputation, limit our future growth, and adversely affect our operating results.

We have experienced, and may continue to experience, rapid growth in the scope of our operations. This growth has resulted in increased responsibilities for our existing personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage our current operations and any future growth effectively, we will need to continue to implement and improve our operational, internal controls, financial, and management information systems, as well as hire, manage and retain our employees and maintain our corporate culture including technical and operational service standards. There can be no assurance that we will be able to manage such growth effectively or that our management, personnel or systems will be adequate to support our operations.

***The Company's expansion into HPC Infrastructure may divert resources from the Company's Bitcoin Mining operations, limit the Company's power capacity for Mining, and introduce operational complexity.***

Our focus on developing and offering HPC data centers may disrupt our Bitcoin Mining business, divert our resources, and require significant management attention that would otherwise be available for overseeing and developing our existing Bitcoin Mining operations business.

While we intend to continue our Bitcoin Mining operations, the allocation of resources to support HPC data center development may reduce the capital, personnel, infrastructure and power capacity available for our Mining business. In particular, diverting future power capacity to HPC and AI workloads may limit our ability to deploy that power for Mining, which is a highly competitive and capital-intensive industry. As a result, we may be unable to expand our deployed hash rate (EH/s) at the pace of our competitors, potentially diminishing our market share and profitability. Managing multiple distinct lines of business may increase operational complexity and place additional demands on our management, technical, and support teams, which could negatively affect our overall performance, strategic execution and profitability.

## Risks Related to our Operations

*Our operations are dependent on maintaining reliable and economical sources of power, and changes in regulated terms of service and electricity rates could have a material adverse effect on our business.*

Our operations are dependent on our ability to maintain reliable and economical sources of power. We conduct Mining operations and intend to develop HPC data centers in the Province of Québec and the United States (Washington and Pennsylvania). Our current and future operations and the sustainability of hydroelectricity and natural gas at economical prices poses certain risks. These risks as well as the supply of electrical power, electricity rates, terms of service and regulatory regimes are summarized as follows:

Currently, we source our energy from Hydro-Québec; Hydro-Sherbrooke; Hydro-Magog; the city of Baie-Comeau; Grant PUD; and PJM Interconnection Merchant Market. We also generate our own energy through our two refuse power plants in Pennsylvania, United States. Regulated power suppliers may be subject to public policy initiatives and economic development programs which may or may not support the Bitcoin Mining or HPC and AI industries. There can be no assurance that electricity will continue to be provided in the future or not curtailed to accommodate other users, or otherwise made available on terms which are economic for our current and future operations, anticipated growth, and sustainability. Any suspension or cessation of power supply, failure of electrical networks, or changes in cost structure which are not economic, in the jurisdictions where we utilize power for our operations, could result in a material adverse effect on us.

### *Québec*

Our operations are dependent on our ability to maintain reliable and economical sources of power. Until the adoption of Bill-2, on February 15, 2023, the Province of Québec mandated electrical service providers to supply their customers under the obligation to serve power delivery regime; however, Bill-2 amended the Act respecting the Régie de l'Énergie du Québec (the "Régie") by giving the Government of Québec the power to determine by regulation the cases in which Hydro-Québec, or any other electrical service provider, may be exempt from their obligation to provide electricity to industrial clients in the Province of Québec.

The price of electricity supplied directly by Hydro-Québec is set by the Régie, a provincial administrative tribunal. Hydro-Québec supplies power to certain of our facilities, and to the Municipal Electrical Networks for the Magog, Baie-Comeau and Sherbrooke facilities. The rates imposed on Hydro-Québec by the Régie are subject to change. Although power is supplied to us by Municipal Networks, the rates in those contracts are adjusted in response to tariff changes imposed by the Régie. Modifications to the rates are set pursuant to the Act respecting the Régie based on the costs of service. There is no assurance that future electricity rates will remain stable or economical.

Historically, electricity supplied by Hydro-Québec and the Municipal Electrical Networks could be set at preferential rates in an effort to encourage investment and development in particular regions. Hydro-Québec and Municipal Electrical Networks were able to offer a discretionary preferential rate to certain customers, such rate being lower than the rate set by the Régie, notwithstanding that Hydro-Québec and the Municipal Electric Networks may suffer a financial loss on the supply of electricity to those customers. Currently, the Cowansville Facility is subject to a preferential rate of 5% on its first 5 MW of power; and the Farnham Facility is subject to a preferential rate of 20% on its first 10 MW of power. In September 2023, the Régie approved a request from Hydro-Québec to remove the option to accept new request for preferential rates submitted by industrial clients. Hydro-Québec confirmed that it will honor its contractual obligations, but no new request will be accepted. When a preferential rate will no longer be available to us, our operations and profitability may experience a material adverse effect. In addition, although power is supplied by the Municipal Networks to us under the power contracts, the rates in those contracts are adjusted in response to tariff changes imposed by the Régie.

Recently, the regulatory environment in Québec has become significantly more hostile to the cryptocurrency Mining industry. On February 18, 2026, the Government of Québec published Decree 88-2026, instructing the Régie to treat cryptocurrency Mining as having lower strategic and economic value than traditional data centers, and directing that the applicable tariff ("Tarif CB") be increased to match the current punitive tariff rate. The following day, Hydro-Québec filed a request to modify the Tarif CB, proposing drastic price increases, including a 166% to 193% increase in the power demand charge and up to a 199% increase in energy consumption rates.

On March 17, 2026, we, along with another industry participant, filed a petition for judicial review in the Superior Court of Québec seeking to nullify Decree 88-2026. We assert that the decree is ultra vires, improperly interferes with the Régie’s exclusive jurisdiction over rate-setting, and relies on illegal ulterior motives intended to drive the cryptocurrency Mining industry out of the province. We are vigorously contesting this decree; however, if we are unsuccessful and the proposed tariff increases are implemented, cryptocurrency Mining operations in Québec will become economically unviable, which would have a material adverse effect on our business, financial condition, and results of operations.

#### *Washington State*

On November 9, 2021, we completed the acquisition of a Bitcoin Mining facility in Washington state. The facility is powered by the Grant County Power Utility District (“Grant PUD”). Grant PUD was established in 1938 and is a public utility district that owns and operates hydro-electric plants capable of generating more than 2,000 MW of electricity. Grant PUD establishes rate schedules for different categories of customers at the discretion of its publicly elected Board of Commissioners. We operate our Bitcoin Mining activities in several different buildings with their own power meters not exceeding 5 MW each; thus, for the year 2022, we were classified in Schedule 7. The applicable rates for Schedule 7 are a demand charge of \$4.96 per KW of billing demand plus a variable component of 2.100¢ per kWh for the first 50,000 kWh of consumption and 1.857¢ per additional kWh of consumption. Historically, rates for Schedule 7 have increased by an annual average of 1.27% per year. Effective February 1, 2023, Grant PUD’s commissioners authorized the addition of cryptocurrency Mining into the Evolving Industry Rate Schedule 17 (“Schedule 17”). The applicable rates for Schedule 17 are a demand charge of \$28.18 per kW plus a variable component of \$0.389 per kWh of consumption. Grant PUD may adjust the rate pricing with approval from its Board of Commissioners. An increase in the rates applicable to our electricity consumption in our operations in Washington state may adversely impact our profitability.

On November 19, 2025, Grant PUD proposed annual rate increases between 7.8% and 12.0% over each of the next 10 years for Schedule 17. On January 27, 2026, Grant PUD commissioners unanimously approved a 10.6% rate increase for Schedule 17 as part of the 2026 rate package. This increase will take effect on April 1, 2026.

#### *Pennsylvania*

In June 2024, we executed a lease agreement for a site located in Sharon, Pennsylvania, United States (“Sharon Lease Agreement”), and develop up to 110 MW of power capacity. In August 2024, we finalized the definitive lease agreement and assumed control of the property. With this transaction, we acquired a potential 110 MW of electricity capacity, with the transaction providing we with an immediate capacity increase of 12 MW of electricity. In January 2025, we energized 12 MW at the Sharon Bitcoin data center. In May 2025, we energized an incremental 18 MW expansion project, bringing the total energized capacity to 30 MW. The remaining 80 MW is slated to come online by the end of 2026, when the installation of electrical infrastructure is expected to be completed. In November 2025, we purchased the Sharon facility from the landlord.

In May 2025, we were registered for PJM’s Peak Saver and Synchronized Reserves Dispatchable Programs. In August 2025 we initiated our customer base load baseline qualification run, and in November we successfully passed PJM’s baseline requirements for registration in the Price Response (Economic Demand Response) Dispatchable Program and is currently participating in this program with PJM through its Curtailment Service Provider (“CSP”). Participation in these programs enables both demand response and energy arbitrage strategies that we have been developing since January 2025 which, including hedging strategies designed to manage price volatility risk and enable tailored arbitrage strategies through PJM’s programs 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 our flexible HPC data center strategy currently under development in PJM.

PJM is the largest U.S. regional transmission organization (“RTO”) overseeing the electricity grid and wholesale markets across 13 states and D.C. Its market dynamics are characterized by tightening capacity, rising capacity prices, and growing exposure to both policy and interconnection risks that can materially affect power price outcomes over the next decade. PJM is comprised of three separate but related markets: the energy market (day-ahead and real-time), the capacity market (under the Reliability Pricing Model, or RPM), and ancillary service markets. In the energy market, pricing is competitive but has been increasing in the last 12-24 months, largely due to fuel cost increases, transmission congestion, and tighter reserve margins, with locational marginal prices (LMPs) increasingly being shaped by congestion and transmission constraints. These constraints, when binding, can create pricing spikes that are managed through either hedging or cost avoidance load shedding to maintain margins. In the capacity market, recent RPM auctions have been settling at approximately an order or magnitude higher than they have been historically, putting upward pressure on all-in power pricing as capacity charges become a larger portion of the overall power bill. Given where recent auctions have settled and a persistently thin RTO-wide reserve margin, it is unlikely that capacity pricing will normalize over the near- to medium-term. From a regulatory perspective, the rapid growth in data center interconnection requests and planned data center load growth throughout much of PJM has led to several proposed changes that could affect us, including jurisdictional disputes between FERC, state governments, and local utilities, and several utility-specific data center tariff proposals. Although none of these regulatory changes has yet come into effect in their proposed form and are not believed to pose material risk to us, we monitor them closely for any potential negative impact.

***Increases in commodity prices or reductions in the availability of commodities we use in our operations could increase our operating costs and reduce our profitability.***

We use and intend to continue using certain commodities in our current and future Bitcoin Mining and HPC Infrastructure operations, including hydro-electricity. Unexpected, sudden or prolonged price increases in those commodities, whether as a result of geopolitical events, natural disasters or otherwise, have caused and, in the future, may cause a reduction in our profits where beneficial fixed-priced contracts do not exist or unfavorable fixed-price contracts cannot be modified. There also may be curtailment in electricity or natural gas supply. In particular, the recent U.S. military operations in Iran and the Iranian response and the Russia-Ukraine conflict have had an inflationary effect on the cost of natural gas, the duration and future magnitude of which are difficult to predict given the fluidity of the military conflict, the novelty of sanctions against Russia and the possibility of yet harsher sanctions as well as other related developments. The realization or continuation of any of the foregoing risks with respect to commodity prices could increase our operating costs, reduce our profitability and, depending upon the duration and extent of the impact, have a material adverse effect on our financial condition.

***Our operations are subject to hazards associated with power generation, high-voltage electricity transmission, and industrial operations that could result in significant personal injury, property damage, and liability.***

Our operations are subject to typical hazards associated with power generation, high-voltage electricity transmission and the supply of utilities to our Miners and data centers at an industrial scale. In particular, power generation involves hazardous activities, including acquiring, transporting and unloading fuel and operating large pieces of equipment. In addition to natural risks such as earthquakes, floods, lightning, hurricanes and wind, other human-made hazards, such as nuclear accidents, dam failure, gas or other explosions, mine area collapses, fire, structural collapse, machinery failure and other dangerous incidents are inherent risks in our operations. These and other hazards can cause significant personal injury or loss of life, severe damage to and destruction of property, plant, equipment, and transmission lines, contamination of, or damage to, the environment and suspension of operations.

Further, our employees and contractors work in, and the general public may be exposed to, potentially dangerous environments at or near certain of our operations. As a result, employees, contractors, and the general public are at risk for serious injury, including loss of life.

The occurrence of any one of these events may result in us being named as a defendant in lawsuits asserting claims for substantial damages, including for environmental cleanup costs, personal injury and property damage and fines and/or penalties. We maintain an amount of insurance protection that we considers adequate, but we cannot provide any assurance that our insurance will be sufficient or effective under all circumstances and against all hazards or liabilities to which we may be subject and, even if we do have insurance coverage for a particular circumstance, we may be subject to a large deductible and maximum cap. A successful claim for which we are not fully insured could hurt our financial results and materially harm our financial condition. Further, due to rising insurance costs and changes in the insurance markets, we cannot provide any assurance that our insurance coverage will continue to be available at all or at rates or on terms similar to those presently available. Any losses not covered by insurance could have a material adverse effect on our financial condition, results of operations or cash flows.

***Our reliance on a limited number of third-party suppliers exposes us to supply chain disruptions that could adversely affect our operations.***

We enter into contracts with a limited number of third-party suppliers in connection with our Mining operations and our transition to HPC Infrastructure. If any of those suppliers is unable to or otherwise does not fulfill, or does not fulfill in a timely manner, its obligations to us for any reason (including, but not limited to, bankruptcy, computer or other technological interruptions or failures, personnel loss, negative regulatory actions, or acts of God) or engages in fraud or other misconduct during the course of such relationship, we may need to seek alternative third-party suppliers, or discontinue using certain software or hardware or otherwise alter our operations and may encounter delays. In addition, we may in the future be held directly or indirectly responsible, or be otherwise subject to liability, for actions or omissions of third parties undertaken in connection with our arrangements with such third parties. Any such responsibility or liability in the future may have a material adverse effect on our business, financial condition and results of operations.

***Our reliance on third-party manufacturers in foreign jurisdictions and the importation of equipment exposes us to trade, tariff, and geopolitical risks that could adversely affect our business.***

We rely on third-party manufacturers in foreign jurisdictions for our Miners and for equipment and materials used in our HPC data center operations, including GPUs, generators, steel and copper. As a result, our business is subject to risks associated with doing business in such foreign jurisdictions, including, but not limited to: trade protection measures such as the imposition of or increase in tariffs, import and export licensing and control requirements; potentially negative consequences from changes in tax laws (both foreign and domestic); difficulties associated with transacting business with parties in a foreign jurisdiction, including increased costs and uncertainties associated with enforcing contractual obligations; and unexpected or unfavorable changes in other regulations and applicable regulatory requirements.

The U.S. has previously enacted and has proposed to enact new tariffs (or increases of existing tariffs) on certain items imported from other countries. Following their enactment, the tariffs sparked an international trade war in which other countries enacted tariffs on imports of U.S. goods. Subsequently, the U.S. and various countries subject to those tariffs have engaged in trade negotiations and, in some instances, agreed to suspend or terminate certain tariffs. It is uncertain whether treaties or other trade policies like those will be enacted or modified by the U.S. or any other government or trade organization in the future. In addition, we may be subject to retroactive customs duty determinations or reclassifications with respect to previously imported equipment, which could result in material unexpected costs. Future changes to trade or investment policies, treaties and tariffs, fluctuations in exchange rates, or the perception that these changes could occur may adversely affect third-party manufacturers on which we rely, as well as the future of our relationships with those third-party manufacturers, which could have an adverse impact on our business, financial condition and results of operations. In addition, actions by foreign markets to implement further trade policy changes, including limiting foreign investment or trade, increasing regulatory scrutiny or taking other actions that apply to the jurisdictions in which we operate or in which third parties with which we do business operate, could negatively impact our business, financial condition and results of operations.

***Technological obsolescence and difficulty in obtaining hardware could require substantial capital investments and adversely affect our competitive position.***

To remain competitive, we will continue to monitor the state of available technology and invest in hardware and equipment required for maintaining and, as applicable, enhancing our operations. This is true for both Bitcoin Mining and HPC data center operations. We have in the past replaced, and, in the future, may be required to replace, obsolete hardware and software, which required, and, in the future, may require, substantial capital investments by us. There can be no assurance that hardware will be readily available, whether at a price that is commercially acceptable to us or at all, when the need is identified. Moreover, there can be no assurance that new and unforeseeable technology, either hardware-based or software-based, will not disrupt the industries in which we operate.

***The continued development of our existing and planned facilities is subject to risks that may cause delays or increased costs and could adversely affect our operations.***

The continued development of existing and planned facilities, such as the conversion of Moses Lake and our other sites into HPC data centers, is subject to risks that may cause such development plans to be delayed or otherwise adversely affected, including factors beyond our control such as delays in the delivery or installation of equipment by suppliers, difficulties in integrating new equipment into existing infrastructure, shortages in materials or labor, defects in design or construction, diversion of management resources, insufficient funding, or other resource constraints. Actual costs for development may also exceed our planned budget. Delays, cost overruns, changes in market circumstances and other factors may result in different outcomes than those intended. If any development projects are delayed or more expensive than contemplated, our operations may be adversely impacted, and we may not realize, or may be delayed in realizing, the benefits of such projects.

***Community opposition to the operation of our data centers could result in risks to our operations and our financial condition and results of operations.***

Our Mining operations and planned HPC data centers involve the use of a large number of high-powered Miners and computers (as applicable) as well as support systems that generate noise and can use significant amounts of electricity and water. This noise and resource use can pose several risks to our business including community complaints, 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 our operating hours, reduction of scale of our operations, stricter noise controls regulations on our 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 we strive to be a good corporate citizen and mitigate noise impacts and any alleged impacts of electricity and water usage where possible, the inherently noisy and energy-intensive nature of large-scale Bitcoin Mining operations and HPC data centers presents ongoing risks to our business that may negatively affect our financial condition and results of operations.

***Our insurance coverage may be inadequate to cover all potential losses, which could adversely affect our financial condition and results of operations.***

Where considered practical to do so, we intend to maintain insurance against risks in the operation of our business and in amounts that we believe to be reasonable. Such insurance, however, contains, and may in the future contain, exclusions and limitations on coverage. There can be no assurance that such insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any resulting liability. The novelty of the Bitcoin industry has impaired and may continue to impair our ability to acquire adequate insurance coverage for risks associated with our operations. The occurrence of an event that is not covered, in full or in part, by insurance may cause us substantial economic damage. In some cases, such as with respect to environmental risks, coverage is not available or considered by management to be too expensive relative to the perceived risk.

It is expected there would be limited legal recourse in the event of a loss of Bitcoin. Our Bitcoin, which is held in custody by Coinbase Custody and Anchorage Digital, is not fully insured. Although Coinbase Custody maintains an insurance policy of \$320 million for its cold storage and Anchorage Digital maintains an insurance policy of \$50 million for its cold and hot storage, the full limits of those policies may not be available to us or, if available, sufficient to make us whole for any Bitcoin that are lost or stolen from its account. Therefore, a loss may be suffered with respect to our Bitcoin that is not covered by insurance and for which no person is liable for damages. Further, we do not hold our Bitcoin with a banking institution or a member of the Federal Deposit Insurance Corporation ("FDIC") or the Securities Investor Protection Corporation ("SIPC") and, therefore, our Bitcoin is not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions.

Any losses incurred by us that are not adequately covered by insurance or for which insurance coverage is not available or has not been obtained could adversely impact us, including our financial condition and results of operations.

Our owned and leased properties, including our Infrastructure Assets and our Bitcoin Mining sites, are subject to a range of risks associated with their physical condition and ongoing operations. These risks include, but are not limited to: defects in construction or repair, structural or building damage, noncompliance with or liabilities under applicable environmental, health, or safety laws and regulations, and failure to meet building permit or zoning requirements. Our facilities may also be exposed to damage resulting from natural disasters and the effects of climate change, such as fire, earthquake, hurricane, tornado, flood, extreme temperatures, and other severe weather events, as well as risks arising from vandalism, theft, sabotage, animal incursions, and terrorism.

Additionally, we may face claims from employees, contractors, or third parties for injuries or damages sustained at our sites. While we maintain insurance coverage with leading providers and implement security measures and operational protocols consistent with industry standards for HPC and data center infrastructure, there can be no assurance that such insurance will be adequate to cover all potential losses or that coverage will continue to be available on commercially reasonable terms. Certain events, including catastrophic losses or damages not covered by insurance, could result in significant downtime, disruption of operations, or material adverse effects on our business, financial condition, and results of operations.

***We operate in intensely competitive industries, and increased competition could erode our market share and adversely impact our profitability.***

Our business is in intensely competitive industries, and we compete with other Bitcoin Mining companies in our legacy segment, as well as with established and emerging HPC data center operators in our primary growth segment, some of which have, or may in the future have, greater resources and experience. A fundamental property of Bitcoin Mining is that the computational complexity of the Mining algorithm increases over time. This factor, along with new industry entrants, price volatility and, with respect to Bitcoin, any future Bitcoin Halvings, may make certain cryptocurrencies relatively unprofitable to mine compared to others.

Despite our strategic planning and expected advantages over certain of our competitors, we may face unexpected competition in the form of new entrants in the marketplace. Such competition could erode our expected market share and could adversely impact our profitability. Increased competition in the Bitcoin Mining industry could result in increased network computing resources and consequently increased hash difficulty.

Additionally, we may compete with other companies in the power generation industry. New parties may offer wholesale electricity bundled with other products or at prices that are below our rates. Other companies with which we compete in power generation may have greater liquidity, greater access to credit and other financial resources, lower cost structures, more effective risk management policies and procedures, greater ability to incur losses or greater flexibility in the timing of their sale of generation capacity and ancillary services than we do. Competitors may also have better access to subsidies or other out-of-market payments that put us at a competitive disadvantage.

We also compete for access to energy-advantaged land positions, grid interconnections, engineering and operational talent, and customers seeking scalable, energy-efficient data center capacity for HPC and AI workloads.

Our competitors in the power generation industry may be able to respond more quickly to new laws or regulations or emerging technologies, or to devote greater resources to marketing of wholesale power than we can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Accordingly, it is possible that new competitors or alliances among current and new competitors may emerge and rapidly gain significant market share. There can be no assurance that we will be able to compete successfully against current and future competitors in the power generation industry, and any failure to do so would have a material adverse effect on our business, financial condition, results of operations and cash flow. Our inability to attract and retain key employees and qualified personnel could adversely affect our business, financial condition, and prospects.

***Loss of our key employees, or an inability to attract and retain such management and other personnel, could negatively affect our business.***

We depend on a number of key employees including, in particular, the members of our management, the departure, death, disability or other extended loss of services of any of whom, particularly with little or no notice, could cause delays on projects, frustrate our growth prospects and have an adverse impact on our industry relationships, project exploration and development programs, other aspects of our business and our financial condition, results of operations, cash flow and prospects. We have not historically purchased, and, in the future, do not expect to purchase, key person insurance on such individuals, which insurance would provide us with insurance proceeds in the event of their death.

The growth and development of our business also depends on our ability to attract and retain highly qualified management and personnel while maintaining our corporate culture and technical standards. We face competition for personnel from other employers. If we are unable to attract or retain qualified personnel as required, we may not be able to adequately manage and implement our business plan. There can be no assurance that we will be able to manage such growth effectively or that our Management, personnel or systems will be adequate to support our operations.

***We sell capacity, energy, and ancillary services to the wholesale power grid managed by PJM. Our business may be affected by state interference in the competitive wholesale marketplace.***

We sell capacity, energy, and ancillary services to the wholesale power grid managed by PJM. The competitive wholesale marketplace may be impacted by out-of-market subsidies provided by states or state entities, including bailouts of uneconomic electric power generating plants, imports of power from Canada, renewable mandates or subsidies, mandates to sell power below its cost of acquisition and associated costs, as well as out-of-market payments to new or existing generators. These out-of-market subsidies to existing or new generation undermine the competitive wholesale marketplace, which can lead to premature retirement of existing facilities, including those owned by us. If these measures continue, capacity and energy prices may be suppressed, and we may not be successful in our efforts to insulate the competitive market from this interference. Our wholesale power revenue may be materially impacted by rules or regulations that allow regulated utilities to participate in competitive wholesale markets or to own and operate rate-regulated facilities that provide capacity, energy and ancillary services that could be provided by competitive market participants.

#### **Risks Related to HPC Infrastructure Operations**

***The Company's increased focus on developing data centers for HPC and AI workloads may not become profitable in the future and may result in adverse consequences to the Company's business, results of operations and financial condition.***

We are subject to risks and uncertainties of starting a new business, including the risk that we may never further develop or complete development of our proposed HPC data center business. Although our construction and operations teams have prior experience in the HPC Infrastructure field and we believe focusing on developing data centers for HPC companies will be beneficial to our shareholders, the HPC data center business is rapidly evolving. We have limited experience in developing an HPC Infrastructure business and we have not previously constructed and operated an HPC data center, which may impact our efforts and our ability to accurately assess our prospects; thus, there is no guarantee that we will successfully implement our development plans or that this business will become profitable in the future.

Furthermore, we may experience difficulties with infrastructure development or modification, engineering, or design, which could result in excessive capital expenditures and significant delays. For example, we are designing our HPC data centers to support NVIDIA's next-generation Vera Rubin GPUs. Vera Rubin GPUs require specifically designed facilities with certain power and cooling requirements. However, Vera Rubin GPUs have not yet been shipped to purchasers, and there can be no assurance that the design of our facilities will support the efficient operation of Vera Rubin GPUs to the extent anticipated by us, or at all. Our efforts to construct and operate HPC data centers may prove more expensive than we currently anticipate and may not result in increased revenue or profitability in the short term or at all.

The likelihood of our success must be considered in light of the expenses, difficulties, complications, problems and delays frequently encountered in connection with the expansion of a business and operating a business in an industry that is novel, competitive and rapidly evolving.

There can be no assurance that we will ever operate HPC data centers profitably and it may be possible that a continued focus on operating Bitcoin Mining data centers would have been more profitable.

***Our business expansion into HPC Infrastructure may be capital intensive and could affect our liquidity, results of operations and financial condition.***

Our expansion into HPC Infrastructure is expected to increase capital intensity and shift the timing of cash inflows relative to capital outlays. Developing and constructing data center campuses requires substantial up-front capital expenditures for land, substations, interconnection and specialized cooling systems, which may temporarily reduce liquidity.

This business expansion introduces uncertainties that could impact our liquidity and capital resources. Increased capital expenditure requirements for new HPC data centers may accelerate cash deployment and increase short-term liquidity needs. The timing of cash inflows may shift, as hosting and leasing revenues generally materialize after construction completion and customer onboarding, resulting in a lag between capital investment and revenue realization. Although our Bitcoin-backed liquidity and treasury activities provide flexibility, we may need to seek additional financing, through debt, equity, or infrastructure-oriented funding, to meet project-scale capital demands or to preserve Bitcoin holdings during periods of market volatility.

***Constructing HPC data centers requires significantly higher capital expenditures compared to Bitcoin Mining facilities, and we may be unable to secure capital or financing for our construction efforts to develop HPC data centers.***

Constructing HPC data centers requires significant capital expenditures, in particular when compared to capital expenditures for Bitcoin Mining facilities. If we are not able to secure capital or financing to fund our construction efforts with respect to HPC data centers, the completion of such projects may be delayed and our ability to collect any potential rental revenue or to otherwise monetize such facilities may be compromised, which could have an adverse effect on our expansion strategy and our ability to generate significant or any revenue from an HPC data center business.

***Significant competition for suitable data center sites and regulatory constraints could adversely impact our development pipeline, expansion strategy, and results of operations.***

There is significant competition for suitable data center sites, particularly in supply-constrained geographies with access to reliable, low-cost power and robust fiber connectivity. Our ability to leverage our portfolio of secured and contracted sites may be impacted by factors outside our control, including regulatory or permitting delays, community opposition, or changes in local land use or environmental regulations. Securing agreements for power interconnection, and obtaining the necessary permits, approvals, and licenses to construct and operate data centers, may be delayed, denied, or become cost prohibitive due to regulatory processes or evolving policy priorities.

Governmental actions, including the introduction of new regulations or restrictions on HPC data centers, or digital asset Mining operations, may reduce the availability of electricity, increase its cost, or otherwise adversely affect our business and development pipeline. In addition, development and construction delays, cost overruns, changes in market dynamics, environmental or community constraints, and the inability to continue securing suitable data center locations may adversely impact our operations, expansion strategy, financial condition, and results of operations.

***We depend on significant customers for our HPC data centers.***

Many factors, including global economic conditions, may cause our HPC data center customers to experience a downturn in their businesses or otherwise experience a lack of liquidity, which may weaken their financial condition and impact our estimates as to the probability of collectability of payments, and ultimately result in their failure to make timely rental and other payments or their default under their agreements with us. Further, the development of new technologies, the adoption of new industry standards or other factors could render our HPC data center customers' current products and services obsolete or unmarketable and contribute to a downturn in their businesses, thereby increasing the likelihood that they default under their leases, become insolvent or file for bankruptcy. If a customer defaults or fails to make timely rent or other payments, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment, which could adversely affect our financial condition and results of operations.

If a customer becomes a debtor in a case under the U.S. Bankruptcy Code, we cannot evict the customer solely because of the bankruptcy. In addition, the bankruptcy court might authorize the customer to reject and terminate its contracts with us. Our claim against the customer for unpaid, future rent and other payments would be subject to a statutory cap that might be substantially less than the remaining amounts actually owed under their agreements with us. In either case, our claim for unpaid rent and other amounts would likely not be paid in full. Our revenue could be materially adversely affected if a significant customer were to become bankrupt or insolvent, suffer a downturn in its businesses, fail to renew its contract or renew on terms less favorable to us than its current terms.

***Our contracts with HPC data center customers could subject us to significant liability.***

In the ordinary course of business, we aim to continuously enter into agreements with customers pursuant to which we provide data center space, power, environmental controls, physical security and connectivity products to our HPC data center customers. These contracts typically contain indemnification and liability provisions, in addition to service level commitments, which could potentially impose a significant cost on us in the event of losses arising out of certain breaches of such agreements, services to be provided by us or our subcontractors or from third-party claims. HPC data center customers increasingly are looking to pass through their regulatory obligations and other liabilities to their outsourced data center providers and we may not be able to limit our liability or damages in an event of loss suffered by such customers whether as a result of our breach of an agreement or otherwise. If such an event of loss occurred, we could be liable for material monetary damages and could incur significant legal fees in defending against such an action, which could adversely affect our financial condition and results of operations. We may also develop space specifically for HPC data center customers pursuant to agreements signed prior to beginning or early in the development process. In those cases, if we fail to meet our development obligations under those agreements, these customers may be able to terminate their agreements and we would be required to find a new customer for this space. In addition, in certain circumstances we may lease HPC data center facilities prior to their completion. If we fail to complete the facilities in a timely manner, the customer may be entitled to terminate its agreement, seek damages or penalties against us or pursue other remedies and we may be required to find a new customer for the space. If we are not able to complete an HPC data center in a timely manner, if development costs are higher than we currently estimate, our financial condition, results of operations and cash flow could be materially adversely affected.

Additionally, a customer's decision to lease space and power in our HPC data center typically involves a significant commitment of resources and due diligence on the part of our customers regarding the adequacy of our facilities. As a result, we may expend significant time and resources in pursuing a particular transaction that may not result in revenue. Economic conditions, including market downturns and the implementation of new tariffs and more restrictive trade regulations may impact customers' ability to plan future business activities, which could cause customers to slow spending or delay decision-making. Our inability to adequately manage the risks associated with these developments may adversely affect our business, financial condition and results of operations.

***Certain of our agreements with HPC data center customers may include restrictions on providing HPC data center services to certain third parties, which could have a material adverse effect on us.***

Certain of our customer agreements may prohibit us from providing HPC data center services to certain third parties, including competitors of existing HPC data center customers. The existence of such restrictions could hinder our ability to enter into agreements with additional HPC data center customers, which could have a material adverse affect our business, financial condition and results of operations.

***The development and advancement in the efficiency of HPC and AI models presents risks and challenges that may adversely impact our business and operating results.***

The introduction of, and advancement in the efficiency of HPC and AI models could potentially adversely affect data center usage by significantly reducing the computational power needed to train HPC and AI models, potentially leading to less demand for high-power density, liquid-cooled data center infrastructure and colocation facilities. New advancements in HPC and AI models could also alter the way data centers are currently designed and utilized and may adversely affect our business and results of operations.

#### **Risks Related to Bitcoin**

***Periodic Bitcoin halving events reduce Mining rewards and could render our Mining operations unprofitable for sustained periods, which could have a material adverse effect on our business.***

The Bitcoin reward for solving a block is subject to periodic incremental halving. Halving is a process designed to control the overall supply and reduce the risk of inflation in Bitcoin using a proof of work consensus algorithm. At a predetermined block, the Mining reward is cut in half, hence the term “halving”. The Bitcoin blockchain has undergone halvings four times since its inception. Most recently, in April 2024, the Bitcoin Block Reward decreased from 6.25 to 3.125 Bitcoin per block, a Bitcoin Halving, and, consequently, the number of new Bitcoin issued to Miners as a subsidy decreased to approximately 450 per day, excluding transaction fees.

The April 24, 2024, Bitcoin Halving had a significant negative impact on our profitability for several months following the Bitcoin Halving. It took approximately six months for our revenue per teraHash to return to the level experienced prior to the recent Bitcoin Halving. Given that profitability is required for self-acting agents to perform Mining to continue to support the validation of transactions, the expected impact of the Bitcoin Halving is that market variables of Bitcoin price will adjust over time to ensure that Mining remains profitable. The period of market normalization after the next Bitcoin Halving to incentivize profitability levels is unknown.

A Bitcoin Halving is scheduled to occur once every 210,000 blocks, or roughly every four years, until the total amount of Bitcoin rewards issued reaches 21 million, which is expected to occur around the year 2140. Once 21 million Bitcoin are generated, the network will stop producing more. The next Bitcoin Halving is expected to occur in 2028, at which time Bitcoin Block Rewards will decrease from 3.125 Bitcoin per block to 1.5625 Bitcoin per block. While Bitcoin prices have had a history of price fluctuations around Bitcoin Halving events, there is no guarantee that the price change will be favorable or would compensate for the reduction in Mining reward and the corresponding decrease in the compensation we receive from the Mining Pool(s) in which we participate.

If Bitcoin price and difficulty do not maintain or continue their trend of adjusting to pre-Bitcoin Halving profitability levels over time, or the period of market normalization after the Bitcoin Halving to pre-Bitcoin Halving profitability levels is too long, there is a risk that a future Bitcoin Halving will render us unprofitable.

***Our reliance on a single third-party Mining Pool operator subjects us to concentration risk that could have a material adverse effect on our operations.***

We participate in a single Mining Pool, being the Foundry Pool. Consequently, our operations are substantially reliant on Foundry Pool and the terms of services and other terms and conditions that govern its relationship with Foundry Pool. Foundry Pool has the right to unilaterally modify the service agreement between it and us at any time without notice. This includes the right to modify the payout methodology or Mining Pool fees.

Pursuant to the terms and conditions of Foundry Pool, we have also agreed to release, indemnify and hold Foundry Pool harmless from any and all losses, damages, expenses, including reasonable attorneys' fees, rights, claims, actions of any kind and injury (including death) arising out of or relating to our participation in Foundry Pool. In the event of any such losses, damages, or expenses, we may experience an adverse impact on our business, results of operations and financial condition.

In the event that Foundry Pool (or any other Mining Pool in which we participate) ceases making payments to us for any reason, including bankruptcy, insolvency or cessation of its operations, or for no reason, or modifies its payout methodology or Mining Pool fees or any other terms in a manner that is unattractive or unacceptable to us, we would expect to immediately cease contributing our Hash power to such Mining Pool operator and either: (i) join a different Mining Pool operator (or our back-up Mining Pool); or (iii) commence Mining without a Mining Pool operator. In the event that we are unable to make such a switch of our operations in a timely manner and our Mining operations experience significant down time, we may experience an adverse impact on our business, results of operations and financial condition. As a control measure, on a monthly basis, we calculate the revenues we should earn based on our theoretical Hashrate and compare it to the payments we received from Foundry Pool. As of the date hereof, we have not identified any material discrepancies between our calculations and payments actually received from Foundry Pool. In the event that we identify a material difference, we may have to engage in litigation and/or cease our relationship with Foundry Pool, either of which may have a material adverse effect on us.

***Our third-party hosting agreements expose us to counter-party and operational risks that could have a material adverse effect on our business.***

We are currently party to, and may in the future, enter additional third-party hosting agreements. Under such agreements, the performance and physical security of our Miners are reliant on such hosting providers. Although hosting providers are contractually obligated to perform to industry standards, any failure on the part of a hosting provider will subject our operations to risks which may have a material adverse effect. Additionally, hosting providers may be subject to curtailment of power supplies or other restrictive regulation at the discretion of applicable regulators, which is beyond our control and that of the hosting provider.

***The limited history of the decentralized financial system and the susceptibility of cryptocurrency exchanges to fraud and failure could adversely affect our business and the value of our Bitcoin holdings.***

Compared to traditional and existing centralized financial systems, the Bitcoin financial system is relatively new and has a limited history. Online cryptocurrency exchanges and trades therein operate with comparatively little regulation and are particularly susceptible to platform failures and fraudulent activities, which may have an adverse effect on the underlying prices of cryptocurrencies. As a result, we may now or in the future have investments in certain cryptocurrency platforms that become insolvent. In fact, many of the largest online cryptocurrency exchanges have been compromised by hackers. Considering these and other factors, traditional banks and other banking institutions may limit or refuse the provision of banking services to businesses that supply cryptocurrencies as payment and may refuse to accept money derived from cryptocurrency-related businesses. This may make the establishment and management of bank accounts held by companies operating in the industry difficult or impossible. We have experienced and may in the future experience such banking challenges, which could have a material adverse effect on our business, prospects or operations and potentially the value of any Bitcoin we earn or otherwise acquire or hold for our own account.

***The Company's Bitcoin holdings could subject the Company to regulatory scrutiny and potential restrictions on future transactions.***

The characteristics of Bitcoin have been, and may in the future continue to be, exploited to facilitate illegal activity such as fraud, money laundering, tax evasion, and ransomware scams. Furthermore, the exchanges on which Bitcoin trades are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure than established, regulated exchanges for other assets. Such circumstances may result in a reduction in the price of Bitcoin and can adversely affect our business, financial condition, and results of operations.

Bitcoin and the exchanges on which Bitcoin trades are relatively new and, in most cases, largely unregulated. Certain characteristics, including the speed with which Bitcoin transactions can be conducted, the ability to conduct transactions without the involvement of regulated intermediaries, the ability to engage in transactions across multiple jurisdictions, the irreversible nature of certain Bitcoin transactions, and encryption technology that anonymizes these transactions make Bitcoin, and digital currencies generally, particularly susceptible to use in illegal activity such as fraud, money laundering, tax evasion, and ransomware scams. Furthermore, many Bitcoin exchanges do not typically provide the public with significant information regarding their ownership structure, management teams, corporate practices, or regulatory compliance. As a result, the marketplace may lose confidence in, or may experience problems relating to, Bitcoin exchanges, including prominent exchanges handling a significant portion of the volume of Bitcoin trading.

Regulators are increasingly focused on the use of digital assets in illicit activities, such as money laundering and sanctions violations. While we maintain policies and procedures reasonably designed to promote compliance with applicable anti-money laundering and sanctions laws and to acquire Bitcoin only from regulated entities, if we are found to have unknowingly transacted with bad actors that have used Bitcoin to launder money or persons subject to sanctions, we could face regulatory proceedings and may be prohibited or restricted from engaging in further transactions or dealings in Bitcoin. Furthermore, negative perception, a lack of stability in the broader Bitcoin markets, and the closure or temporary shutdown of Bitcoin exchanges due to fraud, business failure, hackers, malware, or government-mandated regulation may reduce confidence in Bitcoin and result in greater volatility in the prices of Bitcoin. A number of Bitcoin exchanges have been closed due to fraud, failure, or security breaches. In many of these instances, the customers of such Bitcoin exchanges were not compensated or made whole for the partial or complete losses of their account balances in such Bitcoin exchanges. To the extent investors view our Common Shares as linked to the value of our Bitcoin holdings, such a negative perception of Bitcoin exchanges could have a material adverse effect on the price of our Common Shares.

***If it may be illegal now, or in the future, to acquire, own, hold, sell, or use Bitcoin or other digital assets, participate in blockchains or utilize similar digital assets in one or more countries.***

Although currently digital assets generally are not regulated or are lightly regulated in most countries, countries such as China have taken harsh regulatory action to curb the use of digital assets and may continue to take regulatory action in the future that could severely restrict the right to acquire, own, hold, sell, or use these digital assets or to exchange them for fiat currency. For example, in 2021 China instituted a blanket ban on all digital asset Mining and transactions, including overseas digital asset exchange services taking place in China, effectively making all digital asset-related activities illegal in China. In certain nations, it is illegal to accept payment in Bitcoin or other digital assets for consumer transactions, and banking institutions are barred from accepting deposits of Bitcoin. Such restrictions may adversely affect us as the large-scale use of Bitcoin as a means of exchange is presently confined to certain regions globally. Such circumstances could have a material adverse effect on our business, financial condition, and results of operations and potentially the value of any Bitcoin we mine or otherwise acquire or hold for our own account, ultimately harming investors.

***If a malicious actor or botnet obtains control of a majority of the processing power active on any digital asset network, including the Bitcoin network, the blockchain may be manipulated in a manner that adversely affects an investment in the Company.***

If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains a majority of the processing power dedicated to Mining on any digital asset network, including the Bitcoin network, it may be able to alter the blockchain by constructing fraudulent blocks or preventing certain transactions from completing in a timely manner, or at all. In such alternate blocks, the malicious actor or botnet could control, exclude, or modify the ordering of transactions, though it could not generate new digital assets or transactions using such control. Using alternate blocks, the malicious actor could “double-spend” its own digital assets (i.e., spend the same digital assets in more than one transaction) and prevent the confirmation of other users’ transactions for so long as it maintains control. To the extent that such malicious actor or botnet did not yield its control of the processing power on the Bitcoin or other network, or the Bitcoin or other community did not reject the fraudulent blocks as malicious, reversing any changes made to the blockchain may not be possible.

Miners ceasing operations would reduce the collective processing power on the Bitcoin network, which would adversely affect the confirmation process for transactions (i.e., temporarily decreasing the speed at which blocks are added to the Bitcoin blockchain until the next scheduled adjustment in difficulty for block solutions). If a reduction in processing power occurs, the Bitcoin network may be more vulnerable to a malicious actor obtaining control in excess of 50% of the processing power on the Bitcoin network. Although there are no known reports of malicious activity or control of the Bitcoin blockchain achieved through controlling over 50% of the processing power on the network, it is believed that certain Mining Pools may have exceeded, and could exceed, the 50% threshold. The possible crossing of the 50% threshold indicates a greater risk in that a single Mining Pool could exert authority over the validation of Bitcoin transactions. To the extent that the Bitcoin or other digital asset ecosystems, including developers and administrators of Mining Pools, do not act to ensure greater decentralization of Bitcoin or other digital asset Mining processing power, the feasibility of a malicious actor obtaining control of the processing power on the Bitcoin or other network will increase, which may adversely impact our business, financial condition, and results of operations.

***Forks in the Bitcoin network may occur in the future, which may affect the value of Bitcoin held by the Company.***

Contributors can propose refinements or improvements to the Bitcoin network's source code that alter the protocols and software that govern the Bitcoin network and the properties of Bitcoin, including the irreversibility of transactions and limitations on the Mining of new Bitcoin. This is known as a "fork." In the event a developer or group of developers proposes modifications to the Bitcoin network that are not accepted by a majority of miners and users, but that are nonetheless accepted by a substantial plurality of miners and users, two or more competing and incompatible blockchain implementations could result running in parallel, yet lacking interchangeability and necessitating exchange-type transactions to convert currencies between the two forks. This is known as a "hard fork."

The value of Bitcoin after the creation of a fork is subject to many factors, including the value of the fork product, market reaction to the creation of the fork product, and the occurrence of additional forks in the future. It may be unclear following a fork which fork represents the original asset and which is the new asset. If we hold Bitcoin at the time of a hard fork into two digital assets, industry standards would dictate that we would be expected to hold an equivalent amount of the old and new assets following the fork. However, we may not be able, or it may not be practical, to secure or realize the economic benefit of the new asset for various reasons. For instance, we may determine that there is no safe or practical way to custody the new asset, that trying to do so may pose an unacceptable risk to our holdings in the old asset, or that the costs of taking possession and/or maintaining ownership of the new digital asset exceed the benefits of owning the new digital asset. Additionally, laws, regulation, or other factors may prevent us from benefiting from the new asset even if there is a safe and practical way to custody and secure the new asset. As such, we may not be able to realize the economic benefit of a fork, either immediately or ever, which could adversely affect the value of the Bitcoin we hold as well as our business, financial condition, and results of operations.

***Fraud or failure of Bitcoin exchanges, custodians, and other trading venues could adversely impact Bitcoin prices and our business, financial condition, and results of operations.***

Bitcoin market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues. As compared to traditional securities, derivatives and currency exchanges, cryptocurrency exchanges, custodians and other trading venues are relatively new and, in most cases, largely unregulated, which may make them more susceptible to fraud and failure. The fraud and failure of several cryptocurrency platforms and other actors in the industry, including recent and ongoing bankruptcies of several large cryptocurrency exchanges in the second half of 2022 and into early 2023 (namely, FTX Trading Ltd., Celsius Network LLC, BlockFi, Voyager Digital Ltd., Three Arrows Capital, and Genesis Global Holdco LLC), as well as additional market disruptions and bankruptcies in 2024 and 2025, have impacted and may continue to impact the broader cryptocurrency ecosystem, including Bitfarms. In response to these and other recent events, digital asset markets, including the market for Bitcoin specifically, have experienced extreme price volatility, reduced liquidity, and increased uncertainty. Several other entities in the digital asset industry have been, and may continue to be, negatively affected, further undermining confidence in digital asset markets and in Bitcoin. These events have also negatively impacted the liquidity of the digital asset markets and, in turn, the market price of shares of companies in the Bitcoin industry, including us, as certain entities affiliated with bankrupt or distressed cryptocurrency exchanges and trading venues have engaged in significant trading activity. If the liquidity of the digital asset markets continues to be negatively impacted by these or similar events, digital asset prices (including the price of Bitcoin) may continue to experience significant volatility and confidence in the digital asset markets may be further undermined. These and similar events are ongoing and may occur with respect to other participants in the digital asset ecosystem in the future, and it is not possible to predict at this time all of the risks that such events may pose to us, our service providers, the other third parties with which we do business, or the digital asset industry as a whole. Although we have no direct exposure to any of the above-mentioned cryptocurrency companies (other than BlockFi prior to our repayment of indebtedness under our equipment financing arrangement with BlockFi, as discussed in this Annual Report) nor any material assets that may not be recovered or may otherwise be lost or misappropriated due to the bankruptcies, the failure or insolvency of large exchanges may cause the price of Bitcoin to fall and decrease confidence in the larger ecosystem, which could adversely affect an investment in us. Such market volatility has had a material and adverse effect on our results of operations and financial condition, and we expect our results of operations to continue to be affected by the price of Bitcoin as the results of our operations are significantly tied to the price of Bitcoin.

These and similar events have had, and, in the future, may have, an adverse impact on the profitability of our Bitcoin Mining operations and our financial condition and results of operations.

To the extent that cryptocurrency exchanges or other trading venues are involved in fraud or experience security failures or other operational issues in the future, Bitcoin prices could be suddenly and adversely impacted. Furthermore, fraud or failure of the current and future custodians of our Bitcoin or exchanges can result in a direct loss of our Bitcoin and fiat currency assets, which loss may not be recoverable by us, whether under any insurance policies it has in place or otherwise.

***Increases in cryptocurrency Network Difficulty and global computing power could reduce our Mining revenues and adversely affect our results of operations and financial condition.***

Network Difficulty is a measure of how difficult it is to solve the cryptographic hash that is required to validate a block of transactions and earn a cryptocurrency reward from Mining. As Mining companies produce more hashrate and the Bitcoin network hashrate is increased, the Bitcoin Network Difficulty is adjusted upwards by requiring more hashrate to be deployed to solve a block. Thus, Mining companies are further incentivized to grow their hashrate to maintain or improve their chance of earning new Bitcoin rewards. In theory, these dual processes should continually replicate themselves until the supply of available Bitcoin is exhausted. In response, Mining companies have attempted to achieve greater hashrate by deploying increasingly sophisticated, powerful and expensive Miners in ever greater quantities. If the price of Bitcoin is not sufficiently high to allow us to fund our desired hashrate growth, including through new Miner acquisitions, and if we are otherwise unable to access additional capital to acquire Miners, our hashrate may stagnate and fall behind our competitors, potentially resulting in a decline in our revenues, which would have a material adverse effect on our results of operations and financial condition.

Additionally, the open-source structure of the Bitcoin network protocol means the developers to the protocol are typically not directly compensated for their contributions in maintaining and developing the protocol. Failure to properly monitor and upgrade the Bitcoin network protocol could damage the Bitcoin network and could have a material adverse effect on our business, financial position and results of operations, and could cause the market value of our Common Shares to decline.

***Bitcoin transactions are irreversible, and erroneous or compromised transfers could result in permanent losses that adversely affect our business.***

Bitcoin transactions are irreversible. Improper or compromised transfers are also generally irreversible and irrevocable. Such errors may be the result of computer or human error despite internal controls we have adopted to mitigate this risk. To the extent that we are unable to seek a corrective transaction with the third party or are incapable of identifying the third party that has received our Bitcoin through error or theft, we will be unable to revert or otherwise recover incorrectly transferred Bitcoin. We may also be unable to convert or recover Bitcoin transferred to uncontrolled accounts.

The use of Bitcoin to, among other things, buy and sell goods and services and complete other transactions is part of a new and rapidly evolving industry that employs digital assets based upon a computer generated mathematical and/or cryptographic protocol. The growth of this industry in general, and the use of Bitcoin in particular, is subject to a high degree of uncertainty, and the slowing or stopping of the development or acceptance of developing protocols may adversely affect our operations. The factors affecting the further development of the industry, include, but are not limited to:

- Continued worldwide growth in the adoption and use of Bitcoin;
- Governmental and quasi-governmental regulation of Bitcoin and its use, or restrictions on or regulation of access to and operation of the network or similar cryptocurrency systems;

- Changes in consumer demographics and public tastes and preferences;
- The maintenance and development of the open-source software protocol of the network;
- The availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies;
- General economic conditions and the regulatory environment relating to digital assets; and

Negative consumer sentiment and perception of Bitcoin specifically and cryptocurrencies generally.

#### **Risks Related to Intellectual Property, Information Technology, Data Security and Privacy**

*Cybersecurity threats and hacking attacks could compromise our systems and data, resulting in material adverse effects on our business, financial condition, and results of operations.*

Threats to network and data security are increasingly diverse and sophisticated, and security breaches, computer malware and computer hacking attacks have been an increasing concern and could be enhanced or facilitated by AI. Despite our efforts and processes in place to prevent them, our computer servers and systems may be vulnerable to cybersecurity risks, including denial-of-service attacks, physical or electronic break-ins, employee theft or misuse and similar disruptions from unauthorized tampering. As techniques used to breach security change frequently and are generally not recognized until launched against a target, we may not be able to promptly detect that a cyber breach has occurred, implement security measures in a timely manner or, when implemented, we may not be able to determine the extent to which these measures could be circumvented. Recent developments in the cyber threat landscape include the use of AI and machine learning, as well as an increased number of cyber extortion and ransomware attacks, with the potential for higher ransom demand amounts and increasing sophistication and variety of ransomware techniques and methodology.

Further, any adoption of AI by us or by third parties may pose new security challenges. A party who is able to compromise the security measures on our networks or the security of our infrastructure could misappropriate the proprietary or sensitive information of us or employees, or cause interruptions or malfunctions in our operations. Such a compromise could be particularly harmful to our brand and reputation. We also may be required to expend significant capital and resources to protect against such threats or to alleviate problems caused by cyber breaches in our physical or virtual security systems. Any breaches that may occur in the future could expose us to increased risk of lawsuits, regulatory penalties, loss of potential customers, damage relating to loss of proprietary information, harm to our reputation, and increases in security costs, which could have a material adverse effect on our business, financial condition, and results of operations. The cybersecurity regulatory landscape continues to evolve and compliance with the proposed reporting requirements could further complicate our ability to resolve cyber-attacks. Comprehensive cyber risk coverage may be limited in availability, and even when implemented, may not fully cover all potential losses associated with cyber incidents.

We will take measures to protect us and our Bitcoin from unauthorized access, damage or theft; however, it is possible that our security systems may not prevent improper access to, or damage or theft of, our Bitcoin holdings. A security breach could harm our reputation or result in the loss of some or all of our Bitcoin. A resulting perception that our measures do not adequately protect our Bitcoin holdings could result in a loss of current or potential shareholders, reducing demand for our Common Shares and causing our shares to decrease in value.

*Server or Internet failures could interrupt our operations and cause us significant economic harm.*

At any time, the servers, central processing units, GPUs, networking equipment, or other critical computing infrastructure utilized by us could experience a severe malfunction and/or collapse. Although we will work to reduce this risk by employing a team of experts with many years of experience in building and managing data centers as well as a hardware team that focuses, among other things, on Miner repair and the daily evaluation of the technical condition of the Bitcoin data centers and HPC data centers that we operate, including through software (developed by our management) that facilitates, among other things, control, management and reporting of malfunctions in real time or any server crashes or failures, even if quickly addressed, such malfunctions may interrupt our operations and cause us significant economic harm.

Our HPC data centers will rely on the continuous and reliable operation of high-density computing equipment, advanced cooling systems, and power distribution infrastructure. A failure of any of these systems could result in downtime that impairs our ability to meet the service level commitments in our future lease agreements with HPC data center tenants, which could give rise to financial penalties, service credits, early lease terminations, claims for damages, lost revenue, and reputational harm that could adversely affect our ability to attract and retain tenants. In addition, Internet disruptions or failures may adversely affect the Mining and use of cryptocurrencies, including Bitcoin, as well as our HPC data center operations. Generally, cryptocurrencies and our business of Mining Bitcoin are dependent upon the Internet. A significant disruption or failure of Internet connectivity, including of our backup Internet connection, could disrupt the network operations of Bitcoin until the disruption is resolved and have an adverse effect on the price of Bitcoin and our ability to mine Bitcoin. Our HPC data centers will likely require continuous, high-speed, and low-latency Internet and fiber connectivity to support the compute workloads of our tenants. We expect to depend on third-party fiber network providers to deliver this connectivity, and we may have limited control over the reliability, redundancy, or restoration timelines of such third-party networks. Any significant disruption or degradation of fiber connectivity or Internet service to our HPC data centers—whether caused by fiber cuts, equipment failures, cyberattacks, natural disasters, or other events—could impair our tenants’ operations and our ability to satisfy the uptime and performance commitments in our lease agreements. Such disruptions could result in service level penalties, lost revenue, tenant claims for damages, early lease terminations, and reputational damage, any of which could have a material adverse effect on our business, financial condition, and results of operations.

***Any potential use of emerging technologies like AI, machine learning and generative AI could lead to unintended consequences and result in reputational harm and litigation.***

We continue to evaluate emerging technologies like AI, machine learning and generative AI for incorporation into our business. State and federal regulations relating to these emerging technologies are quickly evolving, and should we adopt such technologies, we may require significant resources to maintain our business practices while seeking to comply with U.S. laws. Any failure to accurately identify and address our responsibilities and liabilities in this new environment could negatively affect any solutions we develop that incorporate such technologies and could subject us to reputational harm, regulatory action or litigation, any of which may harm our financial condition and operating results. These same risks apply to our use of third-party service providers who are implementing these tools into the products or services they provide to us.

***We are currently making considerable investments in our information technology systems and processes. Difficulties from or disruptions to these efforts may interrupt our normal operations and adversely affect our business and results of operations.***

We have been making considerable investments in our information technology systems and processes and expect such investment to continue for the foreseeable future in support of our Bitcoin Mining operations and our expansion into HPC hosting and colocation. These continuing investments and upgrades include the implementation of new tools and technologies to further streamline and automate processes, including with respect to procurement, and to support our compliance with evolving U.S. GAAP. These investments and upgrades and may take longer to complete and cost more than originally planned. As a result of our continued work on these projects, we may experience difficulties with our systems and business disruptions. Any such difficulties or disruptions may adversely affect our business and results of operations.

#### **Risks Related to our Corporate Structure and Organization**

***Our compliance and risk management methods might not be effective and may result in outcomes that could adversely affect our reputation, operating results, and financial condition.***

Our ability to comply with applicable complex and evolving laws, regulations, and rules is largely dependent on the maintenance of our compliance, audit, and reporting systems, as well as our ability to attract and retain qualified compliance and other risk management personnel. While we devote significant resources to develop policies and procedures to identify, monitor and manage our risks, we cannot assure you that our policies and procedures will always be effective against all types of risks, including unidentified or unanticipated risks, or that we will always be successful in monitoring or evaluating the risks to which we are or may be exposed in all market environments.

***We are exposed to fluctuations in currency exchange rates, which could negatively affect our financial condition and results of operations.***

We are exposed to fluctuations in currency exchange rates which could negatively affect our financial condition and results of operations. In particular, exchange rate fluctuations may affect the costs that we incur in our operations. Bitcoin are generally sold in U.S. dollars and a portion of our costs are incurred in Canadian dollars. The appreciation of non-U.S. dollar currencies against the U.S. dollar could increase the cost of Mining in U.S. dollar terms. Furthermore, we intend to operate HPC data centers in both the U.S. and Canada, and such operations will generate revenue in the currency of the data center location. In addition, we hold cash balances in both U.S. dollars and Canadian dollars, the values of which are impacted by fluctuations in currency exchange rates.

***Our business could be negatively impacted by unsolicited investor interest, takeover proposals, shareholder activism or proxy contests.***

We could be negatively impacted by unsolicited investor interest, takeover proposals, shareholder activism, or proxy contests. In the future, similar actions taken by third parties, including unsolicited takeover proposals, the initiation of proxy contests, and litigation by adverse parties, could disrupt our business, distract management from efforts to improve the business, cause us to incur substantial additional expenses, create perceived uncertainties as to our future direction, and result in significant fluctuations in the price of our Common Shares, all of which could harm our business and materially and adversely affect our results of operations.

In addition, anti-takeover provisions in our governing documents and under applicable law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management and directors, and depress the market price of our common stock. These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management, even if such changes may be considered beneficial by some stockholders.

Furthermore, we may become subject to shareholder litigation, class actions, or other legal proceedings in connection with such events, which may divert management's attention and resources from the operation of the business and result in substantial costs and damages.

***We have in the past identified and remediated material weaknesses in our internal control over financial reporting, and our failure to maintain effective internal controls could adversely affect our financial reporting and the price of our Common Shares.***

Under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings and Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), we are required to document and test our internal control procedures and prepare annual management assessments of the effectiveness of our internal control over financial reporting. Our assessments must include disclosure of identified material weaknesses in our internal control over financial reporting. The existence of one or more material weaknesses could affect the accuracy and timing of our financial reporting. Testing and maintaining internal control over financial reporting involves significant costs and could divert management's attention from other matters that are important to our business. Additionally, we may not be successful in remediating any deficiencies that may be identified.

Management identified a material weakness in the effectiveness of our internal controls over financial reporting for each of the years ended December 31, 2021, 2022, 2023, and 2024, which was remediated in 2025, related to controls over accounting for complex transactions. For more information, including a description of the remediation efforts that were required to address the identified material weakness, refer to Item 9A, "Controls and Procedures" section in this Annual Report. We cannot assure investors that the measures we have taken or, in the future, will take will in fact be sufficient to remediate the control deficiencies that led to the material weakness in our internal control over financial reporting or that such measures will prevent or avoid potential future material weaknesses, and our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, additional weaknesses in our internal control over financial reporting may be discovered in the future.

If we identify and are unable to remediate any future material weaknesses and otherwise implement and maintain effective internal control over financial reporting, there may be material misstatements in our consolidated financial statements, we may be unable to comply with our reporting obligations on a timely basis, or we may fail to prevent or detect fraud. In any such case, the price of the Common Shares could be negatively impacted, and we could be unable to raise additional capital on terms acceptable to management or at all. The lack of effective internal controls could thus materially adversely affect our financial condition and ability to implement our business plan.

Even if we were to conclude in the future that our internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with U.S. GAAP, because of its inherent limitations, internal control over financial reporting may not prevent or detect all instances of fraud or misstatements. Regardless of how well designed and operated a control system may be, it can only provide reasonable, not absolute, safeguards with respect to the reliability of financial reporting and financial statement preparation.

***Requirements associated with being a public company in the United States and Canada require significant company resources and management attention.***

As a public company, we are subject to certain reporting requirements of the Exchange Act, Canadian securities laws and other rules and regulations of the SEC, Nasdaq and the TSX. We are also subject to various other regulatory requirements, including the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Wall Street Reform and Consumer Protection Act. These rules require, among other things, the maintenance of effective disclosure and financial controls and procedures, internal control over financial reporting, changes in corporate governance practices, among many other complex rules that are often difficult to monitor and maintain compliance with. Our management and other personnel will need to devote a substantial amount of time to ensure compliance with all of these requirements and to keep pace with new regulations, otherwise we may fall out of compliance and risk becoming subject to fines, sanctions, litigation, being delisted and/or other regulatory action, among other potential problems. We have prepared our consolidated financial statements in accordance with U.S. GAAP, as opposed to IFRS Accounting Standards. Such conversion and modifications incurred additional one-time costs to present certain of our historic financial statements in accordance with U.S. GAAP retrospectively.

The expenses incurred by public companies generally for reporting and corporate governance purposes have been increasing. We have hired or intend to hire additional accounting, finance, compliance and other personnel or engage external consultants in connection with our efforts to comply with the requirements of being a public company. These requirements increase our legal and financial compliance costs and make some activities more time-consuming and costly. For example, we expect that the rules and regulations applicable to us as a public company may make it increasingly more difficult and more expensive for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. These laws and regulations could also make it increasingly more difficult for us to attract and retain qualified persons to serve on the Board and committees of the Board, or as executive officers.

These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

***We are 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 we, our current Chief Executive Officer, our former Chief Financial Officer and our former Chief Executive Officer made materially false and/or misleading statements regarding our business, operations and internal controls over financial reporting (refer to Item 3. "Legal Proceedings"). We cannot predict the duration or outcome of this lawsuit at this time. As a result, we are unable to estimate the reasonably possible loss arising from this lawsuit. We are vigorously defending ourselves in this matter. The claims in this lawsuit arise from circumstances related to the restatement described in previous filings, and any adverse outcome could compound the costs and other adverse effects of the Restatement on our business, financial condition and the price of our Common Shares.

There may be additional suits or proceedings brought against us in the future. Monitoring and defending against legal actions, whether or not meritorious, consumes time and resources from our management and detracts from our ability to fully focus our internal resources on our business activities. The duration of legal actions cannot be predicted, and they are subject to several factors outside of our control. In addition, we may incur substantial legal fees and other costs in connection with litigation and there can be no guarantee that we achieve a successful outcome in any legal actions in which it is involved, in whole or in part. We have not at this time established any reserves for any potential liability relating to these lawsuits. It is possible that we could, in the future, incur judgment or enter into settlement of claims for monetary damages. A decision adverse to our 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 our business, results of operations and financial condition. In addition, the uncertainty of the currently pending lawsuit could lead to volatility in the price of our Common Shares.

## Risks Related to the Company's Capital Needs and Capital Strategy

***We may require additional capital in the future, and there can be no assurance that financing will be available on acceptable terms, which could result in dilution to existing shareholders.***

As of December 31, 2025, we had cash of \$573.5 million, compared to \$59.5 million as of December 31, 2024. In November 2025, we received approximately \$568.9 million of net proceeds from the issuance of the Convertible Notes and the purchase of capped call transactions. We expect to continue to depend upon selling Bitcoin earned and in treasury and utilizing short-term debt, long-term debt and equity instruments to fund our ongoing expansion activities, operating expenses and debt service requirements. Further, we expect that we will need to raise additional capital in the future to fund development, more rapid expansion, respond to competitive pressures, acquire complementary businesses or technologies or take advantage of unanticipated opportunities, and we may seek to do so through public or private financing, strategic relationships or other arrangements. Our ability to secure any required financing will depend in part upon prevailing capital market conditions and business success. There can be no assurance that we will be successful in our efforts to secure any additional financing on terms satisfactory to Management or at all. Even if such funding is available, we cannot predict the size of future issues of Common Shares or securities convertible into Common Shares or the effect, if any, that future issues and sales of Common Shares will have on the price of our Common Shares.

If we raise additional capital through the issuance of equity securities, the percentage ownership of our existing shareholders may be reduced, and such existing shareholders may experience additional dilution in net book value per share. Any such newly-issued equity securities may also have rights, preferences or privileges senior to those of the holders of the Common Shares. If additional funds are raised through the incurrence of indebtedness, such indebtedness may involve restrictive covenants that impair our ability of to pursue our growth strategy and other aspects of our business plan, expose us to greater interest rate risk and volatility, require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital and capital expenditures, increase our vulnerability to general adverse economic and industry conditions, place us at a competitive disadvantage compared to our competitors that have less debt, limit our ability to borrow additional funds, and otherwise subject us to the risks discussed herein. In connection with any such future capital raising transaction, whether involving the issuance of equity securities or the incurrence of indebtedness, we may be required to accept terms that restrict our ability to raise additional capital for a period of time, which may limit or prevent us from raising capital at times when it would otherwise be opportunistic to do so.

If adequate funds are not available on acceptable terms or at all, we may be unable to develop or enhance our business, take advantage of future opportunities or respond to competitive pressures, any of which could have a material adverse effect on our business, financial condition and operating results.

***Our hedging activities may not be effective and could result in significant losses that adversely affect our results of operations and financial condition.***

We may actively engage in hedging practices with respect to our Bitcoin holdings to lessen the impact of Bitcoin volatility on our results of operations and financial condition and to optimize Bitcoin monetization. Such practices may include selling short- and long-dated call options on Bitcoin held in treasury and on anticipated future Bitcoin production. Although we undertake hedging activities with the objective of risk mitigation, there can be no certainty that such activities will be profitable, and these activities could result in significant losses. In particular, such option strategies may cap the upside potential of our Bitcoin holdings in a rising market, and realized or unrealized losses on derivative positions could have a material adverse effect on our results of operations.

In addition, hedging practices involve transactions with third parties. Any settlement delay or failure, security breach, incurred cost or loss of digital assets associated with the use of a counterparty could materially and adversely affect the execution of hedging strategies and result in significant losses. Although we maintain rigorous controls on the implementation and monitoring of hedging strategies, including our involvement with counterparties, there can be no assurance that such controls will be effective or timely or sufficient in operation to avoid or even reduce losses.

Such hedging transactions may also limit the opportunity for gain if the values of the portfolio investments should increase. Moreover, it may not be possible to hedge against a particular fluctuation that is so generally anticipated by the markets that a hedging transaction at an acceptable price is unavailable. In light of these and other factors, we may not be successful in mitigating our exposure to volatile economic conditions through any hedging transactions it undertakes.

***Adverse global financial conditions and market volatility could affect our ability to obtain financing and may result in declines in our asset values and Common Share price.***

Global financial conditions over the last few years have been characterized by volatility, which has contributed to the bankruptcy of several financial institutions in the United States or the rescue thereof by governmental authorities. The continuation of such adverse economic conditions and other related factors may affect our ability to obtain equity or debt financing in the future on terms favorable to us, or at all, and may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such levels of volatility and market turmoil continue, our financial condition may suffer and the price of our Common Shares may be adversely affected.

***Common Shares issuable upon conversion of the Convertible Notes may dilute the ownership interest of our shareholders or may adversely affect the market price of our Common Shares.***

The conversion of the Convertible Notes may dilute the ownership interests of our shareholders. Upon conversion of the Convertible Notes, we will generally have the right to elect to settle conversions by paying or delivering, as applicable, cash, Common Shares or a combination of cash and Common Shares. If we elect to settle our conversion obligation in Common Shares or a combination of cash and Common Shares, any sales in the public market of our Common Shares issuable upon such conversion could adversely affect prevailing market prices of our Common Shares. Also, the existence of the Convertible Notes may encourage short selling by market participants as a result of hedging or arbitrage trading activity that we expect certain investors in the Convertible Notes engage in, or anticipated conversion of the Convertible Notes into our Common Shares could depress the price of our Common Shares.

***The capped call transactions may affect the value of the Convertible Notes and the market price of our Common Shares.***

In connection with the issuance of the Convertible Notes, we entered into privately negotiated capped call transactions with certain financial institutions (collectively, the “option counterparties”). The capped call transactions are generally expected to reduce the potential economic dilution upon any conversion of the Convertible Notes or offset any cash payments we are required to make in excess of the principal amount of converted Convertible Notes, with such reduction or offset subject to a cap.

In connection with establishing their initial hedges of the capped call transactions, the option counterparties entered into various derivative transactions with respect to our Common Shares and/or purchased shares of our Common Shares concurrently with, or shortly after, the pricing of the Convertible Notes. They may modify their hedge positions by entering into or unwinding various derivatives with respect to our Common Shares and/or purchasing or selling shares of our Common Shares or other securities of ours in secondary market transactions prior to the maturity of the Convertible Notes, and they are likely to do so during any “observation period” related to a conversion of Convertible Notes or, to the extent we exercise the relevant election under the capped call transactions, following any repurchase or redemption of the Convertible Notes, as described in the Indenture, dated as of October 21, 2025, by and among us, Computershare Trust Company, N.A., as trustee and Computershare Trust Company of Canada, as Canadian co-trustee. This activity could also cause or avoid an increase or a decrease in the market price of our Common Shares or the Convertible Notes.

*We are subject to counterparty risk with respect to the capped call transactions.*

The option counterparties are financial institutions, and we will be subject to the risk that any or all of them might default under the capped call transactions. Our exposure to the credit risk of the option counterparties will not be secured by any collateral. Past global economic conditions have resulted in the actual or perceived failure or financial difficulties of many financial institutions and could adversely affect the option counterparties' performance under the capped call transactions. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the capped call transactions with such option counterparty. Our exposure will depend on many factors but, generally, an increase in our exposure will be correlated to an increase in the market price and in the volatility of our Common Shares. In addition, upon a default by an option counterparty, we may suffer more dilution, the effect of which would not be compensated for, than we currently anticipate with respect to our Common Shares. We can provide no assurance as to the financial stability or viability of the option counterparties.

#### **Risks Related to Regulatory Matters**

*Regulatory developments surrounding HPC and AI may negatively impact our efforts to expand into HPC Infrastructure.*

The regulatory landscape surrounding HPC, AI and Bitcoin Mining operations is evolving rapidly, and we anticipate increased scrutiny and potential regulation in the near and long term. These developments may affect our business and operations in ways that are difficult to predict.

There are growing concerns about the ethical implications and potential misuse of the growing AI technologies and the AI landscape is facing challenges and uncertainties. The development of more advanced AI systems, such as large language models and generative AI, has raised concerns about potential misuse, bias, and the displacement of human workers. Governments and regulatory bodies are considering measures to ensure responsible development and deployment of AI systems, including guidelines for transparency, accountability, and fairness. In recent years, crypto Mining has received increased attention from regulators with respect to technical and financial aspects of this industry. We expect that regulatory efforts in this area will continue to evolve and potentially affect our business.

As a company operating at the intersection of HPC, AI, and Bitcoin Mining, we are committed to maintaining a proactive and adaptive approach to regulatory compliance. We continue to monitor legislative and regulatory developments closely and engage in dialogue with relevant stakeholders to ensure our business practices align with the evolving legal and regulatory framework. However, there can be no assurance that our business will not be adversely impacted by future developments.

*We are required to obtain, and to comply with, government permits and approvals.*

We are required to obtain, and to comply with, numerous permits and licenses from federal, state and local governmental agencies. The process of obtaining and renewing necessary permits and licenses can be lengthy and complex and can sometimes result in the establishment of conditions that make the project or activity for which the permit or license was sought unprofitable or otherwise unattractive. In addition, such permits or licenses may be subject to denial, revocation or modification under various circumstances. Failure to timely obtain or comply with the conditions of permits or licenses, or failure to comply with applicable laws or regulations, may result in the delay or temporary suspension of our operations and electricity sales or the curtailment of our delivery of electricity to our customers and may subject us to penalties and other sanctions. Although various regulators routinely renew existing permits and licenses, renewal of our existing permits or licenses could be denied or jeopardized by various factors, including, among others: (i) failure to provide adequate financial assurance for closure, (ii) failure to comply with environmental, health and safety laws and regulations or permit conditions, (iii) local community, political or other opposition and (iv) executive, legislative or regulatory action.

Our inability to procure and comply with the permits and licenses required for our operations, or the cost to us of such procurement or compliance, could have a material adverse effect on us. In addition, new environmental legislation or regulations, if enacted, or changed interpretations of existing laws, may cause activities at our facilities to need to be changed to avoid violating applicable laws and regulations or elicit claims that historical activities at our facilities violated applicable laws and regulations. In addition to the possible imposition of fines in the case of any such violations, we may be required to undertake significant capital investments and obtain additional operating permits or licenses, which could have a material adverse effect on us.

*Land reclamation requirements may be burdensome and expensive.*

We operate in partnership with local environmental authorities to reclaim coal refuse piles. Reclamation may include requirements to control dispersion of potentially deleterious effluents, treat ground and surface water to drinking water standards and reasonably re-establish pre-disturbance landforms and vegetation. To carry out reclamation obligations, we must allocate financial resources that might otherwise be spent on implementing our business plan. If the costs associated with our reclamation work are higher than anticipated, our financial position could be adversely affected.

***The combustion of coal refuse at our Scrubgrass and Panther Creek power generating facilities is subject to environmental, safety and energy transition risks that could result in significant liabilities and adversely impact our business, financial condition and results of operations.***

Our operations and use of coal refuse as feedstock at our power generating facilities, including the combustion, storage, and transportation of coal refuse, present a series of environmental and human health and safety risks. Such risks, including the accidental release of coal refuse and other materials into the environment, among others, may not be fully avoidable and could cause us to incur significant clean-up costs and liabilities. We may not be able to recover some or any of these costs from insurance. Our combustion of coal refuse is also subject to stringent federal, state and local laws and regulations governing air and water quality, hazardous and solid waste disposal and other environmental matters. Compliance with these requirements requires significant expenditures for the installation, maintenance and operation of pollution control equipment, monitoring systems and other equipment or facilities. Any policy initiatives or directives, either at the federal or state level, limiting our ability to use coal refuse as feedstock at our Scrubgrass and Panther Creek power generating facilities could adversely impact our operations and potentially reduce the extent of our business, any of which could have a material adverse effect on our business, results of operations and financial condition.

***The availability and cost of emission allowances due to the cost of coal refuse could adversely impact our costs of operations.***

We are required to maintain, through either allocations or purchases, sufficient emission allowances for sulfur dioxide, CO<sub>2</sub> and NO<sub>x</sub> to support our operations in the ordinary course of operating our power generation facilities. These allowances are used to meet the obligations imposed on us by various applicable environmental laws. If our operational needs require more than our allocated allowances, we may be forced to purchase such allowances on the open market, which could be costly. If we are unable to maintain sufficient emission allowances to match our operational needs, we may have to curtail our operations so as not to exceed our available emission allowances or install costly new emission controls. As we use the emission allowances that we have purchased on the open market, costs associated with such purchases will be recognized as operating expense. If such allowances are available for purchase, but only at significantly higher prices, the purchase of such allowances could materially increase our costs of operations in the affected markets.

***Natural or man-made events may cause power production to fall below expectations.***

Our electricity generation depends upon our ability to maintain the working order of our coal refuse power generation facility. A natural or man-made disaster, severe weather such as snow and ice storms, or accident could impede our ability to access the coal refuse that is necessary for our plant to operate, damage our transmission line preventing us from distributing power to the PJM grid and our Miners or require us to shut down our plant or related equipment, services and facilities. To the extent we experience a prolonged interruption at our plant or a transmission outage due to natural or man-made events, our electricity generation levels could materially decrease. We may also incur significant repair and clean-up costs associated with these events. The effect of the failure of the plant to operate as planned as described above could have a material adverse effect on our business, financial condition and results of operations.

***We may not be able to operate the power generation facility as planned, which may increase our expenses and decrease our revenues and have an adverse effect on our financial performance.***

Our operation of the power generation facility, information technology systems and other assets and conduct of other activities subjects us to a variety of risks, including the breakdown or failure of equipment, plant downtimes and related maintenance costs, accidents, security breaches, viruses or outages affecting information technology systems, labor disputes, obsolescence, delivery/transportation problems and disruptions of fuel supply and performance below expected levels. These events may impact our ability to conduct our businesses efficiently and lead to increased or unexpected costs, expenses or losses. Planned and unplanned outages at our power generation facilities may require us to purchase power at then-current market prices to satisfy our commitments or, alternatively, pay penalties and damages for failure to satisfy them. Having to purchase power at then-market rates could also have a negative impact on the cost structure of certain of our compute power operations dedicated to Mining.

Although we maintain customary insurance coverage for certain of these risks, no assurance can be given that such insurance coverage will be sufficient to compensate us fully in the event losses occur and no assurance can be given that such insurance coverage will be maintained.

#### **Risks Related to Certain Regulations and Laws, Including Tax Laws**

***Political uncertainty in the U.S. and internationally could adversely affect the broader cryptocurrency industry and our business, financial condition, and results of operation.***

In the last several years, the United States and certain European countries have experienced political events that have cast uncertainty on global financial and economic markets. Since the 2016 United States presidential election, for example, the United States has withdrawn from the Trans-Pacific Partnership and Congress has passed sweeping tax reform, which, among other things, reduced United States corporate tax rates. In the past, the United States administration has also taken action with respect to reduction of regulation. Trends such as these may affect the relative competitiveness of and impose additional costs or liabilities on other jurisdictions, including Canada. It is unclear exactly what other actions may be proposed or implemented by the new United States administration, and if implemented, how such actions may impact the broader cryptocurrency industry. Any actions taken by the current United States administration may have a negative impact on the Canadian economy and on the businesses, financial conditions and results of operations of companies operating in the cryptocurrency industry, including us. While we believe that the current political climate in Canada and the United States is generally favorable towards cryptocurrency Mining, it is impossible to predict how future changes in domestic and international policy may impact us specifically and the industry as a whole.

***Our interactions with a blockchain may expose us to specially designated nationals (“SDN”) or blocked persons and new legislation or regulation could adversely impact our business or the market for digital assets.***

We are required to comply with sanctions programs administered by the Office of Financial Assets Control (“OFAC”) of the U.S. Department of Treasury and may be required to comply with similar sanctions programs maintained by other jurisdictions. We are generally prohibited from conducting business with persons named on its SDN list or other sanctioned persons. However, because of the pseudonymous nature of blockchain transactions, we cannot exclude the possibility that we could inadvertently engage in transactions with persons on the SDN list or other sanctioned persons. Our policies prohibit any transactions with sanctioned persons, and we take commercially reasonable steps to avoid such transactions, but we may not always be able to accurately determine the ultimate identity of the individual with whom we transact in Bitcoin. Moreover, there is a risk that some bad actors will continue to attempt to use digital assets, including Bitcoin, as a potential means of avoiding federally imposed sanctions.

We are unable to predict the nature or extent of new and proposed legislation and regulation affecting the digital asset industry, or the potential impact of the use of Bitcoin or other digital assets by sanctioned persons, which could have material adverse effects on our business, financial condition, and results of operations and our industry more broadly. Further, we may be subject to investigation, administrative or court proceedings, and civil or criminal monetary fines and penalties as a result of any enforcement actions, all of which could harm our business, financial condition, and results of operations.

We are unable to predict the nature or extent of new and proposed legislation and regulation affecting the digital asset industry, or the potential impact of the use of Bitcoin or other digital assets by SDN or other blocked or sanctioned persons, which could have material adverse effects on our business, financial condition, and results of operations and our industry more broadly. Further, we may be subject to investigation, administrative or court proceedings, and civil or criminal monetary fines and penalties as a result of any enforcement actions, all of which could harm our business, financial condition, and results of operations.

***Violations of the U.S. Foreign Corrupt Practices Act and similar anti-bribery legislation could have a material adverse effect on our reputation, business, and financial condition.***

The Foreign Corrupt Practices Act (United States), the Corruption of Foreign Public Officials Act (Canada) and anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business or other commercial advantages. We have policies in place that mandate compliance with applicable anti-bribery laws, which laws, if violated, provide for the levy of substantial penalties against offending parties.

We use our best efforts to prevent the occurrence of bribery and corruption and have policies and procedures in place to minimize such risks, including enforcement of policies against giving or accepting money or gifts; namely our Code of Business Conduct and Ethics, Anti-Bribery and Anti-Corruption Policy and Whistleblower Policy. There can be no assurance, however, that our policies and procedures will always protect us from reckless or other inappropriate acts contrary to our policies committed by our affiliates, employees, agents or companies acquired by or merged with us. Any allegations of non-compliance with anti-bribery laws could subject us to whistleblower complaints, adverse media coverage, investigations, enforcement actions, fines, damages, significant administrative, civil and/or criminal sanctions, collateral consequences, remedial measures, and legal expenses, all of which could materially and adversely affect our business, prospects, financial condition and results of operations, as well as our reputation. Responding to any investigation or action could result in a materially significant diversion of management's attention and resources and significant defense costs and other professional fees.

***Changes in tax laws or unanticipated tax liabilities could adversely affect our effective income tax rate and profitability.***

We are subject to income taxes in various jurisdictions in the United States and Canada and may become subject to taxation in additional jurisdictions as we expand our business. Our effective tax rate could be adversely affected in the future by several factors, including changes in the valuation of deferred tax assets and liabilities, changes in tax laws and regulations or their interpretations and application, changes in the geographic mix of our earnings, and the outcome of income tax audits in any of the jurisdictions in which we operate or are otherwise subject to tax.

A significant change in U.S. or Canadian tax laws and regulations may materially and adversely impact our income tax liability, provision for income taxes, and effective tax rate. We regularly assess these matters to determine the adequacy of our income tax provision, which is subject to significant judgment.

In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. Although we believe our tax estimates are reasonable, the outcome of income tax audits and related litigation could be materially different than what is reflected in our historical income tax provisions and accruals. There can be no assurance that the resolution of any audits or litigation will not have an adverse effect on business, financial condition, and results of operations.

***Changes in tax credits related to coal refuse power generation could have a material adverse effect on our business, financial condition, results of operations and future development efforts.***

The profitability of our operations at Scrubgrass and Panther Creek depends, in part, on the continued availability of state renewable energy tax credits offered by the Commonwealth of Pennsylvania, US through programs such as the one established under The Alternative Energy Portfolio Standards Act of 2004 or the Coal Refuse Energy and Reclamation Tax Credit Program established by Act 84 of July 13, 2016. These tax credit programs could be changed or eliminated as a result of state budget considerations or otherwise. Reduction or elimination of such credits could materially and adversely harm our business, financial condition, results of operations and future development efforts.

***Our business is subject to substantial energy regulation and may be adversely affected by legislative or regulatory changes, as well as liability under, or any future inability to comply with existing or future energy regulations or requirements.***

Our business is subject to extensive U.S. federal, state and local laws. Compliance with, or changes to, the requirements under these legal and regulatory regimes may cause us to incur significant additional costs or adversely impact our ability to compete on favorable terms with competitors. Failure to comply with such requirements could result in the shutdown of a non-complying facility, the imposition of liens, fines, and/or civil or criminal liability and/or costly litigation before the agencies and/or in state or federal court.

The regulatory environment has undergone significant changes in the last several years due to load growth and to state and federal policies affecting wholesale competition and the creation of incentives for the addition of large amounts of new generation and transmission to meet that load growth and maintain grid reliability. Increasing new and projected load growth includes actual and announced additions of large data centers in the region in which we operate—PJM—to meet growing AI usage needs. These changes are ongoing, and we cannot predict the future design of the wholesale power markets or the ultimate effect that the changing regulatory environment will have on our business. In addition, in some of these markets, interested parties have proposed material market design changes, including the elimination of a single clearing price mechanism, as well as proposals to reinstate the vertically-integrated-monopoly model of utility ownership or to require divestiture by generating companies to reduce their market share. If competitive restructuring of the electric power markets is reversed, discontinued, delayed, or materially altered, our business prospects and financial results could be negatively impacted.

***We are subject to extensive environmental regulation, and failure to comply with environmental laws or changes in such laws could result in significant liabilities and have a material adverse effect on our business.***

We are subject to extensive environmental regulation by governmental authorities, including the U.S. and Canadian federal, state, and provincial environmental agencies and attorneys general. Our operations may be subject to foreign, federal, state, provincial, and local laws and regulations related to air and water quality, hazardous and solid waste disposal, and other environmental matters. We may incur significant additional costs beyond those currently contemplated to comply with these regulatory requirements. If we fail to comply with these regulatory requirements, we could be forced to reduce or discontinue operations or become subject to administrative, civil, or criminal liabilities and fines. Existing environmental regulations could be revised or reinterpreted, new laws and regulations could be adopted or become applicable to us or our facilities, and future changes in environmental laws and regulations could occur, including potential regulatory and enforcement developments related to air emissions, all of which could result in significant additional costs beyond those currently contemplated to comply with existing requirements. Any of the foregoing could have a material adverse effect on our business.

The threat of climate change continues to attract considerable attention in the United States and foreign countries and, as a result, our operations are subject to regulatory, political, litigation and financial risks associated with the use of fossil fuels, including coal refuse, and emission of GHGs. New or amended legislation, executive actions, regulations or other regulatory initiatives pertaining to GHG emissions and climate change could result in the imposition of more stringent standards and could result in increased compliance costs or costs of operations.

Failure to comply with such requirements could result in the shutdown of a non-complying facility, the imposition of liens, fines, and/or civil or criminal liability and/or costly litigation before the agencies and/or in state or federal court. Additionally, political, financial and litigation risks may result in us restricting, delaying or canceling the extent of our business activities, incurring liability for infrastructure damages as a result of climatic changes, or impairing the ability to continue to operate in an economic manner. The regulatory environment has undergone significant changes in the last several years due to state and federal policies affecting wholesale competition and the creation of incentives for the addition of large amounts of new renewable generation and, in some cases, transmission. Fuel conservation measures, alternative fuel requirements and increasing consumer demand for alternative energy sources (such as Pennsylvania's Tier I Alternative Energy Sources, including solar photovoltaic energy, wind power, and low-impact hydropower) that do not generally have the adverse environmental impact or regulatory scrutiny associated with the combustion of coal or other fossil fuels could also reduce demand for coal refuse power generation facility activities. The occurrence of one or more of these developments could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, cryptocurrency Mining has become subject to increased scrutiny regarding its energy consumption and impact on global emissions. In the future, the EPA or other regulatory authorities may propose and finalize additional regulatory actions that may adversely affect our facilities, including our Scrubgrass and Panther Creek power generation facilities, or our ability to cost-effectively develop any new generation facilities.

Various environmental activist groups and non-governmental organizations have also lobbied for emissions and energy use monitoring and reporting requirements for cryptocurrency Mining companies or even more extensive regulation of the cryptocurrency Mining sector. These efforts have the potential to lead to increased regulatory burdens on our Mining operations and cause us reputational harm by highlighting cryptocurrency Mining's impact, however proportionate or disproportionate compared to other economic sectors, on global emissions. We are unable to predict whether currently proposed legislation or regulatory initiatives will be implemented, but any action by the jurisdictions in which we operate to restrict, limit, condition, or otherwise regulate our power production or crypto asset Mining operations, as part of a climate change or energy transition policy initiative or otherwise, could adversely affect our business, financial condition, and results of operations.

***We operate in a complex and rapidly evolving energy regulatory environment, and we are subject to a wide range of laws and regulations enacted by U.S. federal, state, and local governments, governmental agencies, and regulatory authorities.***

We operate in a complex and rapidly evolving energy regulatory environment, and we are subject to a wide range of laws and regulations enacted by U.S. federal, state, and local governments, governmental agencies, and regulatory authorities. From a federal energy regulatory perspective, these include PURPA, the Federal Power Act (FPA), and the Public Utility Holding Company Act (PUHCA), in each case as administered by the Federal Energy Regulatory Commission (FERC). We are also subject to compliance with requirements imposed by PJM under its tariff, which may also be enforced by FERC. As a result, our business is subject to substantial energy regulation and may be adversely affected by legislative or regulatory changes, as well as liability under, or any future inability to comply with, existing or future energy regulations or requirements.

We are subject to the jurisdiction of FERC because, through Scrubgrass and Panther Creek, we own and operate FERC-jurisdictional facilities that make wholesale sales of energy in interstate commerce. However, because these facilities are QFs under PURPA, they are exempt from a number of provisions of the FPA applicable to FERC's traditional utility regulatory jurisdiction, as long as we satisfy the requirements to maintain QF status. We expect to continue to satisfy these requirements.

The energy regulatory environment has undergone significant changes in the last several years due to load growth and to state and federal policies affecting wholesale competition and the creation of incentives for the addition of large amounts of new generation and transmission to meet that load growth and maintain grid reliability. Increasing new and projected load growth includes actual and announced additions of large data centers in the principal region in which we operate—PJM—to meet the growing HPC and AI compute needs. These changes are ongoing, and we cannot predict the future design of the wholesale power markets or the ultimate effect that the changing regulatory environment will have on our business. In addition, in some of these markets, interested parties have proposed material market design changes, including the elimination of a single clearing price mechanism, as well as proposals to reinstate the vertically-integrated-monopoly model of utility ownership or to require divestiture by generating companies to reduce their market share. If competitive restructuring of the electric power markets is reversed, discontinued, delayed, or materially altered, our business prospects and financial results could be negatively impacted.

***Increasing scrutiny of our ESG practices and the impacts of climate change could increase our operating costs, divert management attention from our strategic goals, and adversely affect our business.***

Companies across many industries, including Bitcoin Mining and digital infrastructure, are facing scrutiny related to their environmental, social, and governance (“ESG”) practices. Investor advocacy groups, certain institutional investors, investment funds and other influential investors are also increasingly focused on ESG practices and in recent years have placed increasing importance on the environmental and community impacts of their investments. Enhanced public awareness and concern regarding environmental risks, including global climate change, may result in increased public scrutiny of our business. As a result, our management’s time and energy may be diverted from executing on our strategic goals towards responding to such scrutiny and further advancing our ESG practices, which may not necessarily enhance the value of our Common Shares or positively impact shareholder return.

In addition, the impacts of climate change may affect the availability and cost of materials, natural resources and sources and supplies of energy, which may increase the cost of our operations. Changes in U.S. federal policy, including actions by the current administration signaling a shift away from supporting renewable energy, could result in fewer renewable energy projects being constructed and lead to increases in electricity prices, which may adversely affect our energy costs and the availability of renewable power for our operations. Other factors which may impact our profitability include, but are not limited to, fluctuating demand for Bitcoin and other cryptocurrencies, insurance and other operating costs, and damage incurred as a result of extreme weather events. New environmental laws, regulations or industry standards may be adopted with little or no notice to us and may impose significant operational restrictions and compliance requirements on our operations. The cost of compliance with changes in government regulations has the potential to reduce the profitability of our operations or cause delays in the development of new digital infrastructure projects.

***If we are classified as a passive foreign investment company, United States holders of our shares may suffer adverse tax consequences.***

Generally, if prior to the U.S. Redomiciliation, in any taxable year 75% or more of our gross income is passive income, or at least 50% of the average quarterly value of our assets are held for the production of, or produce, passive income, we would be characterized as a passive foreign investment company (“PFIC”) for U.S. federal income tax purposes. We do not believe we were a PFIC for 2025 and do not expect to be a PFIC for 2026. However, PFIC status is determined annually, and whether we will be a PFIC for any future taxable year is uncertain. Moreover, the application of the PFIC rules to cryptocurrency such as bitcoin and transactions related thereto is subject to uncertainty. Accordingly, there can be no assurance that Bitfarms will not be classified as a PFIC for any taxable year. If we are characterized as a PFIC, United States holders of our shares who hold our shares before the U.S. Redomiciliation may suffer adverse tax consequences, including the treatment of gains realized on the sale of our shares as ordinary income, rather than as capital gain, the loss of the preferential income tax rate applicable to dividends received on our shares by individuals who are United States holders, and the addition of interest charges to the tax on such gains and certain distributions. A United States shareholder of a PFIC generally may mitigate these adverse U.S. federal income tax consequences by making a Qualified Electing Fund (“QEF”) election, or, to a lesser extent, a mark-to-market election. We do not intend to provide the information necessary for United States shareholders to make a QEF election if we are classified as a PFIC for any year.

#### **Risks Related to Ownership of Our Common Shares**

***The profitability of our operations has been and will continue to be significantly affected by the high volatility of Bitcoin prices, which could adversely affect our financial condition and the trading price of our Common Shares.***

The profitability of our operations has been and will continue to be significantly affected by changes in the spot price of Bitcoin. Bitcoin prices in particular are highly volatile, fluctuating due to numerous factors beyond our control, including speculation and incomplete information, rapidly changing investor sentiment, changes in technology, regulatory changes, fraudulent or malicious actors, media coverage of Bitcoin, inflation, and political or economic events, as well as market acceptance and demand for Bitcoin. The market price of one Bitcoin, in our principal market, ranged from approximately \$87,000 to \$126,000 during the year ended December 31, 2025. Although we may partially hedge our investment in Bitcoin, such hedging practices may not adequately protect us from Bitcoin’s price volatility and surrounding risks.

Currently, we do not use a formula or specific methodology to determine whether or when we will sell Bitcoin that we hold, or the number of Bitcoin we will sell. Rather, decisions to hold or sell Bitcoin are currently determined by management by analyzing forecasts and monitoring the market in real time. Such decisions, however well-informed, may result in untimely sales and even losses, adversely affecting an investment in us. Further, some of the business decisions (e.g., purchases of Miners and debt financing) we have made, and may in the future make, were or will be tied to the price of Bitcoin at the time of each of those decisions. If Bitcoin spot prices decline and remain at low market levels for a sustained period while Network Difficulty does not decrease proportionally, our results of operations and financial condition, as well as the trading price of our Common Shares, could be materially adversely affected.

Bitcoin and related Mining Equipment may be subject to momentum pricing, which is typically associated with growth stocks and other assets whose valuation, as determined by the investing public, accounts for anticipated future appreciation in value. Further, the price of Mining Equipment is often tied to the price of Bitcoin, influenced by factors such as Mining difficulty and the value of corresponding rewards. Bitcoin market prices are determined primarily using data from various exchanges, over-the-counter markets and derivative platforms. Momentum pricing may have resulted, and may continue to result, in speculation regarding future appreciation in the value of Bitcoin, inflating market prices and making those market prices more volatile. As a result, Bitcoin market prices may be more likely to fluctuate due to changing investor confidence in future appreciation (or depreciation) in their market prices, which could adversely affect the trading price of our Common Shares.

In addition, the securities markets have from time-to-time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. Specifically, the trading price of our Common Shares is, and, in the future, is likely to continue to be, highly correlated to the trading price of Bitcoin. Bitcoin Mining companies' stock have shown volatility relative to Bitcoin. For example, the closing price of our Common Shares on Nasdaq as of December 31, 2025 was \$2.35 and the closing price of Bitcoin was approximately \$87,509 and, as of December 31, 2024, the closing price of our Common Shares was \$1.49 and the closing price of Bitcoin was approximately \$93,429.

Our operating results and financial condition have been and may continue to be adversely affected by declines in Bitcoin market prices, resulting in plans and obligations that we assess and likely will continue to reassess, particularly in light of potential general declines in Bitcoin market prices, to determine the practicality, profitability and timeline of such plans and commitments.

***The market price of our Common Shares has fluctuated significantly and may continue to do so, which could result in substantial losses for shareholders.***

The market price of our Common Shares fluctuates significantly in response to several factors, most of which we cannot control and many of which have not necessarily been related to our operating performance, underlying asset values or prospects. The market price of our Common Shares ranged from \$0.68 to \$6.47 on Nasdaq and CAD\$0.98 to CAD\$9.10 on the TSX from January 1, 2025, to December 31, 2025. Other factors that may impact the trading price of our Common Shares include, but are not limited to:

- volatility in the price of Bitcoin;
- actual or anticipated fluctuations in our results of operations and/or future prospects;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which we operate;
- addition of or departure of our executive officers, directors, and/or other key personnel;
- additional sales or perceived sales of our Common Shares;
- operating and financial performance that vary from the expectations of management, securities analysts, and investors;
- regulatory changes affecting the industries in which we operate generally and our business and operations;
- announcements of developments and other material events by us or our competitors;

- fluctuations to the costs of vital products and services used by us in our business;
- changes in global financial markets, global economies, and/or general market conditions, such as interest rates;
- significant acquisitions or business combinations, strategic partnerships, joint ventures, or capital commitments by or involving us or our competitors;
- litigation or regulatory action against us;
- news reports, investor speculation, social media, chat rooms, and other methods of information dissemination concerning trends, concerns, technological, or competitive developments, regulatory matters, and other related issues in our industry or target markets;
- the level of short interest in our share; and
- current and future global economic, political, and social conditions.

In the past, following periods of volatility in the market price of a company's securities, securities class-action litigation has often been brought against that company. We may become the subject of such litigation in the future, which litigation may be expensive to defend and may divert Management's attention and resources from the operation of our business.

In addition, we must comply with the continued listing requirements of Nasdaq, the TSX or any other securities exchange on which our securities are listed in the future to avoid our securities being delisted. A delisting from Nasdaq and/or the TSX would result in our Common Shares being eligible for quotation on the over-the-counter ("OTC") market, which is generally considered to be a less efficient system than listing on a national exchange, such as Nasdaq and the TSX, because of the OTC's lower trading volumes, transaction delays and reduced security analyst and news media coverage. These factors could contribute to lower prices and larger spreads in the bid and ask prices for our Common Shares.

***Future sales, or the perception of future sales, by our shareholders in the public market could cause the market price for our Common Shares to decline.***

The sale of shares of our Common Shares in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our Common Shares. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that it deems appropriate.

***We do not intend to pay dividends on our Common Shares for the foreseeable future.***

Because we do not currently intend to pay any dividends on our Common Shares for the foreseeable future, our shareholders will not be able to receive a return on their shares unless they sell them.

We currently intend to retain all available funds and any future earnings to fund the development, expansion and growth of our business and execute our strategic initiatives. As a result, we do not currently anticipate declaring or paying any cash dividends on our Common Shares in the near future. Any decision to declare and pay dividends in the future will be made at the discretion of our Board and will depend on, among other things, our business, financial condition, results of operations, cash requirements and availability, industry trends, and other factors that the Board may deem relevant. Any such decision also will be subject to compliance with contractual restrictions and covenants in the agreements governing our indebtedness. We may also incur additional indebtedness, the terms of which may further restrict or prevent us from paying dividends on our Common Shares. Unless we pay dividends, our shareholders will not be able to receive a return on their shares unless they sell them. There is no assurance that shareholders will be able to sell shares when desired. Our inability or decision not to pay dividends could also adversely affect the market price of our Common Shares.

## **Risks Related to the U.S. Redomiciliation**

***We may fail to realize the perceived benefits of the U.S. Redomiciliation, including as a result of our shares of not being included in a U.S. stock market index.***

There can be no assurance that all of the anticipated benefits of the U.S. Redomiciliation will be achieved. Achieving the anticipated benefits of the U.S. Redomiciliation is subject to a number of risks and uncertainties, including factors that we do not and cannot control. In addition, if the perceived benefits of the U.S. Redomiciliation do not meet expectations of investors or securities analysts, the price of our Common Shares following completion of the U.S. Redomiciliation may decline.

We pursued the U.S. Redomiciliation because we believe that the U.S. Redomiciliation will be beneficial to our business and operations, our shareholders and other stakeholders over the long-term. We believe that the U.S. Redomiciliation will raise the profile and marketability of our capital stock in the United States through, among other things, the ability to attract deeper pools of passive investment capital in the United States, particularly if shares of our Common Shares are included in certain US stock market indices and other investment vehicles that only include securities of US-incorporated companies. However, following the U.S. Redomiciliation, when the Common Shares are removed from Canadian stock market indices and if shares of our Common Shares are not included in such U.S. stock market indices, this could result in increased selling pressure and/or decreased demand for our Common Shares that would increase stock price volatility or cause the market price of the shares of our Common Shares to fall. Initial inclusion and continued inclusion in a stock market index or fund is not guaranteed and is subject to numerous factors which can be applied subjectively by the entity managing the index or fund. If not listed on a designated stock exchange, there will also be an absence of certain tax benefits, such as the Company's Common Shares being qualified investments for trusts governed by registered plans under the Canadian Tax Act. There are no assurances that we will be included in any US stock market indices or funds in a timely manner, or at all. Even if we are included in a US stock market index or fund, the entities managing such indices or funds may change their inclusion criteria, resulting in the future exclusion from such index or fund.

The success of the U.S. Redomiciliation will depend, in part, on our ability to realize the anticipated benefits associated with the U.S. Redomiciliation and associated reorganization of our corporate structure, and we may not be able to realize such benefits on a timely basis or at all.

***The U.S. Redomiciliation may result in sales of shares of our Common Shares by certain retail and institutional shareholders or investment funds that are not permitted to hold shares of a U.S. company under their internal guidelines.***

The U.S. Redomiciliation may result in sales of shares of our Common Shares by certain retail and institutional shareholders or investment funds (including Canadian-focused funds) that are not permitted to hold shares of a U.S. company under their internal guidelines or are limited in the size of any such investments. Such sales could result in increased selling pressure and/or decreased demand for our Common Shares, which could increase stock price volatility or cause the market price of the shares of our Common Shares to fall. As a result of the foregoing, certain of these investors may be required under their internal guidelines to sell their shares at times when, or at prices for which, they would otherwise not have sold. If an investor sells its shares at a time when the market price is lower than their cost basis in the shares, the investor will suffer a loss that could be significant to such investor.

The success of the U.S. Redomiciliation will depend, in part, on our ability of to realize the anticipated benefits associated with the U.S. Redomiciliation and associated reorganization of our corporate structure, and we may not be able to realize such benefits on a timely basis or at all.

***We will incur non-recurring costs related to the U.S. Redomiciliation.***

We have incurred and expect to incur a number of non-recurring costs associated with the U.S. Redomiciliation. There can be no assurance that the actual costs will not exceed those estimated and the actual completion of the U.S. Redomiciliation may result in additional and unforeseen expenses. In addition, we have incurred and will incur legal, accounting and other professional services fees and other costs related to the U.S. Redomiciliation. Most of these costs will be payable whether or not the U.S. Redomiciliation is completed. While it is expected that benefits of the U.S. Redomiciliation achieved by us will offset these transaction costs over time, this net benefit may not be achieved in the short-term or at all, particularly if the U.S. Redomiciliation is delayed or does not happen at all. In addition, we may incur increased compliance costs arising from complying with both the U.S. and Canadian ongoing reporting and disclosure regimes. These combined factors could adversely affect our business, operating profit and overall financial condition.

***We have changed the financial reporting standards that we apply to our financial statements from IFRS Accounting Standards to U.S. GAAP and, as a result, some of our financial data derived from U.S. GAAP financial statements may not be easily comparable to historical financial results derived from historical IFRS financial statements.***

Our financial statements included in this Annual Report on Form 10-K have been prepared in accordance with U.S. GAAP and will no longer be prepared under IFRS Accounting Standards as we previously did, and any changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters as a result of the application of U.S. GAAP instead of IFRS Accounting Standards could significantly affect our reported financial results or financial condition.

Our historical filings of consolidated interim period and full year financial statements were previously prepared in accordance with IFRS Accounting Standards and may not be comparable to financial statements prepared according to U.S. GAAP. Although generally similar in principle, U.S. GAAP includes specific disclosure requirements that are not explicitly required under IFRS Accounting Standards. Therefore, disclosures provided under IFRS Accounting Standards and U.S. GAAP may differ depending on the nature of the risks and uncertainties associated with the underlying transaction.

In addition, U.S. GAAP and related accounting pronouncements, implementation guidelines and interpretations are highly complex and involve many subjective assumptions, estimates and judgments, including with regard to a wide range of matters that are relevant to our business, including (but not limited to) revenue recognition, business combinations, impairment of property, plant and equipment, intangibles and goodwill, right-of-use assets, prepaid expenses and other assets, income taxes, liabilities and litigation. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments could significantly change our reported financial performance or financial condition in accordance with generally accepted accounting principles.

In connection with this transition, we have invested significant resources and time to convert historical financial statements prepared under IFRS Accounting Standards from prior fiscal years into U.S. GAAP financial statements. There are significant differences between U.S. GAAP and IFRS Accounting Standards, including differences related to intangible assets, capitalized development costs, lease accounting, income tax, treatment of warrants and other convertible securities. As a result, one may not be able to meaningfully compare our financial statements under U.S. GAAP with our historical financial statements previously provided under IFRS Accounting Standards.

**Item 1B. Unresolved Staff Comments.**

None.

**Item 1C. Cybersecurity.**

**Cybersecurity Risk Management and Strategy**

We recognize the importance of assessing, identifying, and managing material risks associated with cybersecurity threats, as such term is defined in Item 106(a) of Regulation S-K. Cybersecurity risks are managed across the Company and its subsidiaries and are integrated into our overall enterprise risk management (“ERM”) framework.

We have developed and implemented a cybersecurity risk management program designed to protect the confidentiality, integrity, and availability of our information systems, data, and critical business processes. Our cybersecurity risk management program is integrated into our broader ERM program and shares common methodologies, reporting channels, and governance processes applicable to other legal, compliance, operational, and financial risks.

Our cybersecurity risk management program is informed by applicable laws and regulations and draws guidance from industry standards and best practices, including frameworks published by the National Institute of Standards and Technology (“NIST”). While we reference these frameworks to inform our approach, this does not imply that we meet any particular technical standard, specification, or certification.

Key elements of our cybersecurity risk management program include:

*Risk Identification and Assessment.* Periodic risk assessments designed to identify and evaluate cybersecurity risks that could affect our corporate information systems, cloud environments, data, third-party service providers, and business operations, including risks informed by threat intelligence and industry-specific threat activity.

*Policies and Controls.* Information security and cybersecurity policies that establish administrative, technical, and physical safeguards designed to protect systems and data, including access controls, monitoring, and incident response procedures.

*Incident Response.* A cybersecurity incident response policy that outlines procedures for detecting, analyzing, and responding to cybersecurity incidents, including escalation and internal reporting processes for incidents that may be significant or potentially material.

*Third-Party Risk Management.* A vendor risk management process designed to identify and assess cybersecurity risks associated with third-party service providers based on their criticality and risk profile, including contractual security requirements and ongoing monitoring, where appropriate.

*Training and Awareness.* Cybersecurity awareness training for employees and contractors with access to Company systems, intended to promote awareness of cybersecurity risks and individual responsibilities.

*Use of External Experts.* Engagement of external service providers, where appropriate, to assist with risk assessments, testing, monitoring, and other aspects of our cybersecurity program.

Despite these efforts, cybersecurity threats continue to evolve, and no security program can eliminate all risks. We have not identified any cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition. For additional description of cybersecurity risks and potential related impacts on the Company, refer to the risk factor captioned “Cybersecurity threats and hacking attacks could compromise our systems and data, resulting in material adverse effects on our business, financial condition, and results of operations.” in Part I, Item 1A “Risk Factors.”

## **Cybersecurity Governance**

Our Board has oversight responsibility for the management of risks facing the Company, including cybersecurity risks. The Board has delegated oversight of cybersecurity and information technology risks to the audit committee of the Board (the “Audit Committee”).

The Audit Committee receives periodic reports from management regarding cybersecurity risks, the status of our cybersecurity program, and significant developments. Management also provides updates to the Board or Audit Committee, as appropriate, regarding any cybersecurity incidents that are considered significant or potentially material.

Management is responsible for the day-to-day operation of our cybersecurity risk management program and for identifying, assessing, and managing material cybersecurity risks. Our cybersecurity program is led by our Vice President, Global Corporate IT, who has responsibility for information security and cybersecurity risk management across the organization and reports to executive management. Our Vice President, Global Corporate IT has over 13 years of experience in IT, including 8 years in software development and more than 5 years in roles with direct responsibility for cybersecurity governance, risk management, and compliance. He is supported by internal personnel and external cybersecurity service providers with experience in cybersecurity governance, risk management, and incident response.

We maintain a cross-functional incident response capability involving information technology, legal, finance, compliance, and communications personnel, which is activated as necessary in the event of a cybersecurity incident. Management assesses the severity and potential impact of cybersecurity incidents and escalates matters to executive management and the Board, as appropriate, including for materiality and disclosure considerations. We consult with external advisors, including legal counsel, as appropriate.

## Item 2. Properties.

The following table summarizes our principal owned and leased properties as of March 27, 2026. These sites are used to host our HPC data centers.

Location	Energized Capacity	Property Information
<b>Canada</b>		
Farnham, Québec, Canada	10 MW	Leased
Saint-Hyacinthe, Québec, Canada	15 MW	Leased
Cowansville, Québec, Canada	17 MW	Leased
Baie-Comeau, Québec, Canada	22 MW	Leased
Magog, Québec, Canada	10 MW	Leased
Bunker, Sherbrooke, Québec, Canada	48 MW	Leased
Leger, Sherbrooke, Québec, Canada	30 MW	Leased
Garlock, Sherbrooke, Québec, Canada	18 MW	Leased
<b>United States</b>		
Sharon, Pennsylvania, United States	30 MW	Leased/Owned <sup>(1)</sup>
Panther Creek, Pennsylvania, United States	60 MW	Owned
Scrubgrass, Pennsylvania, United States	63 MW	Owned
Moses Lake, Washington, United States	18 MW	Owned

(1) 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. 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

In addition, in January 2026, we entered into a lease for an approximately 9,000 square feet space in New York at Equitable Life Building, 120 Broadway, Suite 1075, New York, NY, 10004 that we intend to use as our corporate headquarters post U.S. Redomiciliation. We maintain offices in New York City (New York, U.S.), Toronto (Ontario, Canada), Brossard (Québec, Canada) and Pittsburgh (Pennsylvania, U.S.). We established our New York City office in 2025 as part of our U.S. Redomiciliation efforts and institutional positioning, and this office will be our principal executive office upon our U.S. Redomiciliation.

We believe our existing facilities are sufficient for our current needs. In the future, we may reassess our existing facilities or add new facilities as we further expand our operations. We believe suitable space will be available on commercially reasonable terms to meet our future needs.

## Item 3. Legal Proceedings.

For a description of our material pending legal proceedings, refer to Note 27 - Commitments and Contingencies included in our notes to our consolidated financial statements included elsewhere in this Annual Report, which is incorporated herein by reference.

We are not presently a party to any other legal or regulatory proceedings that, in the opinion of our management based on information currently available, if determined adversely to us, would individually or taken together have a material adverse effect on our business, financial condition, or results of operations. However, we are subject to regulatory oversight by numerous federal, state, provincial, local, and other regulators and we are, and we may become, subject to various legal proceedings, inquiries, investigations, and demand letters that arise in the course of our business, any of which may result in judgments, settlements, fines, penalties, injunctions or other relief. Such matters are subject to many uncertainties and outcomes that are not predictable.

## Item 4. Mine Safety Disclosures.

None.

## PART II.

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

#### (a) Market Information

The Common Shares are listed on the Nasdaq and the TSX (in each case under the symbol "BITF"). Upon completion of the U.S. Redomiciliation, the Keel Common Stock is expected to begin trading on Nasdaq and the TSX under the ticker "KEEL" two business days following completion of the U.S. Redomiciliation, subject to fulfilling all of the listing requirements of Nasdaq and the TSX, respectively.

#### (b) Holders

As of March 27, 2026, based on information provided to us by our transfer agent, there were 60 holders of record of Common Shares. This number is not representative of the number of beneficial holders of our Common Shares nor are they representative of where such beneficial holders reside, since many of such shares are held of record by brokers or other nominees. We do not have knowledge of the identities of the beneficial owners of Common Shares registered through intermediaries.

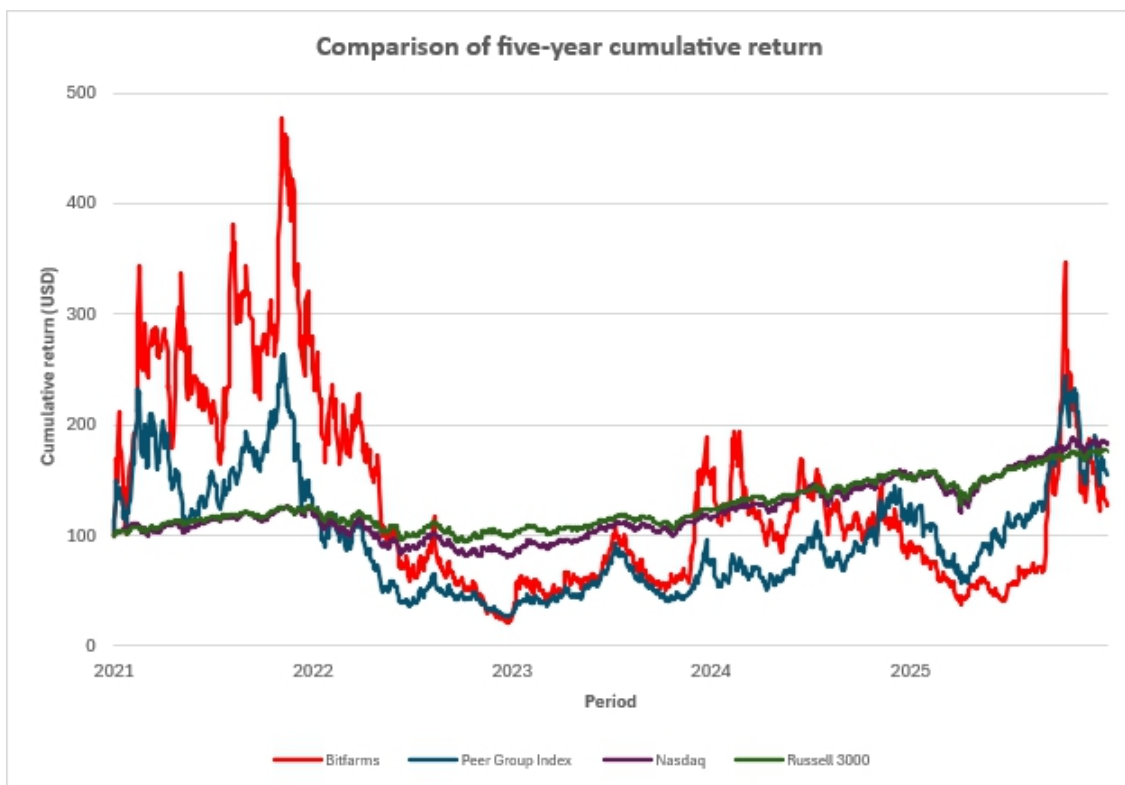
#### (c) Dividends

We have not declared or paid any dividends to our shareholders. We intend to retain earnings for general corporate purposes to promote future growth; as such, our Board does not anticipate paying any dividends at this time. Our Board will review this policy from time-to-time, having regard to our financial condition, financing requirements and other relevant factors.

#### (e) Performance Graph

The following chart compares the cumulative total shareholder return (TSR) of \$100 invested in our Common Shares (BITF) with the cumulative TSR of the NASDAQ Composite Index, RUSSELL 3000 and the equally-weighted average return of our self-constructed Peer Group for the period from December 31, 2020 to December 31, 2025.

Our self-constructed Peer Group Index consists of the members of our December 31, 2025 peer group with available publicly traded market data as of and subsequent to, December 31, 2020, and consist of: Applied Digital Corporation (APLD), Bitdeer Technologies Group (BDTR), Cipher Mining Inc (CIFR), CleanSpark Inc (CLSK), Core Scientific Inc (CORZ), DigitalOcean Holdings Inc (DOCN), Fastly Inc (FSLY), Galaxy Digital (GLXY), Hive Digital Technologies Ltd (HIVE), Hut 8 Corp (HUT), Iren Limited (IREN), Marathon Digital Holdings Inc (MARA), Riot Platforms Inc (RIOT), TeraWulf Inc (WULF) and WhiteFiber Inc (WYFI).



**(f) Recent Sales of Unregistered Securities; Use of Proceeds from Registered Offerings**

**Recent Sales of Unregistered Sales**

*Convertible Senior Notes*

In October 2025, we 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 were issued in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act and outside of the United States pursuant to Regulation S under the Securities Act. 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, we 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), subject 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, we 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 us to repurchase their notes for cash.

Net proceeds from the offering were approximately \$568.9 million.

#### *Macquarie Warrants*

In April 2025, we 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. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” in Item 7 of this Annual Report. In connection with that new facility, we issued 5,330,946 warrants to Macquarie in a private placement under Section 4(a)(2) of the Securities Act. The warrants are convertible for a fixed number of Common Shares at an exercise price of \$1.17.

In October 2025, we amended the facility to, among other things, limit the borrowers and guarantors under the credit facility’s loan agreement to certain subsidiaries holding Panther Creek project-specific assets and drew an additional \$50.0 million. In connection with the amendment, we issued 2,197,127 warrants to Macquarie in a private placement under Section 4(a)(2) of the Securities Act. The warrants are convertible for a fixed number of Common Shares at an exercise price of \$5.69.

We repaid these amounts in February 2026 to avoid negative carry and balance sheet complexity, given the amount of cash on our balance sheet to fund near-term development.

#### ***Use of Proceeds from Registered Offerings***

##### *2024 At-the-Market Offering*

On March 8, 2024, we entered into an at-the-market offering agreement (the “ATM Agreement”) with H.C. Wainwright & Co. (“HCW”) as agent, pursuant to which we established an at-the-market equity program (the “ATM Program”). Pursuant to the ATM Program, the Company was able to, at its discretion and from time-to time during the term of the ATM Agreement, sell, through HCW, Common Shares for gross proceeds of up to \$375,000,000 in accordance with the ATM Agreement. Pursuant to the ATM Program, from March 8, 2024 to July 24, 2024, the Company issued 109,323,321 Common Shares for gross proceeds of \$248.1 million. On October 4, 2024, the Company filed an amended and restated prospectus supplement, pursuant to which it recommenced the ATM Program. From October 4, 2024 to the conclusion of the ATM Program in October 2025, the Company issued 55,767,778 Common Shares for gross proceeds of \$126.9 million. On October 7, 2025, the ATM Program was completed, as we 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 ATM Program. We used the proceeds from the ATM Program prudently to support the growth and development of our major Mining capital expenditure program, as well as for working capital and general corporate purposes.

#### **(g) Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

None.

#### **Item 6. [Reserved]**

**I. OVERVIEW****1. Introduction**

The following Management's Discussion and Analysis of Financial Condition and Results of Operations (the "MD&A") for Bitfarms Ltd. (together with its subsidiaries, "we", "our", the "Company" or "Bitfarms") should be read in conjunction with our audited annual consolidated financial statements and its accompanying notes for the year ended December 31, 2025 (the "Financial Statements") included elsewhere in this Annual Report on Form 10-K. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual business, financial condition, and results of operations could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Annual Report on Form 10-K, particularly under "Item 1A. Risk Factors." See also "Cautionary Statement Regarding Forward-Looking Statements." Our historical results are not necessarily indicative of the results that may be expected for any period in the future.

Beginning with this Annual Report, we have transitioned from preparing our Financial Statements in accordance with International Financial Reporting Standards ("IFRS"), 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 MD&A have been adjusted to U.S. GAAP for consistency.

Our Financial Statements and this MD&A are reported in thousands of U.S. dollars and U.S. dollars, respectively, except where otherwise noted.

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

<b>Term</b>	<b>Definition</b>
Q4 2025	Three months ended December 31, 2025
Q4 2024	Three months ended December 31, 2024
FY 2025	Twelve months ended December 31, 2025
FY 2024	Twelve months ended December 31, 2024
FY 2023	Twelve months ended December 31, 2023

## I. OVERVIEW (Continued)

### 2. Company Overview

Bitfarms is a North American digital and energy infrastructure company that develops, owns and plans to operate data centers and energy infrastructure for high-performance computing (“HPC”) and artificial intelligence (“AI”) workloads. In 2025, we began a significant transformation in our corporate strategy, pivoting away from our historical focus on Bitcoin Mining operations in the Americas to concentrate on the United States HPC data center market. This strategic realignment was driven by several key factors, including growing demand for AI compute capacity across North America and the volatility and operational challenges associated with our Latin American jurisdictions. As a result of these strategic decisions and challenges, we classified certain of our Latin American assets as “held for sale” and their operations as discontinued operations. Despite our discontinued operations related to Latin America, we continue to maintain our legacy Bitcoin Mining operations in the U.S. and Canada, to help fund operations and development efforts.

Bitfarms was founded in 2017 and is publicly traded on the Nasdaq and TSX under the ticker symbol “BITF.” On or about April 1, 2026, we expect to complete our U.S. Redomiciliation process, pursuant to which shareholders of Bitfarms will exchange their shares for shares of a newly formed public company incorporated in the State of Delaware, Keel Infrastructure Corp. (“Keel”). On or about April 6, 2026, we expect to begin trading on the Nasdaq and TSX under the ticker symbol “KEEL”.

Our mission is to deliver the infrastructure and energy required to support HPC and AI workloads. We have a portfolio of assets (our “Infrastructure Assets”) that include owned and operated power generation facilities with collocated Bitcoin Mining data centers, established grid interconnections within the wholesale electricity market administered by PJM Interconnection, L.L.C. (“PJM”) in Pennsylvania, and 100% renewable hydroelectric capacity in Québec, Canada and Washington state. Our Infrastructure Assets represent a 2.2 GW power capacity pipeline, comprising 648 MW of secured capacity and 1,513 MW of planned capacity in development, located across our U.S. Sites and Québec Sites. Currently, our Infrastructure Assets are deployed to support our Bitcoin Mining activities. We are developing our Infrastructure Assets to support HPC data centers, and expect to continue such development in the coming years.

HPC Infrastructure is our primary growth area. We are developing data centers designed to support HPC and AI workloads, with the intention of leasing capacity to hyperscalers, cloud service providers, AI companies, and enterprises under long-term contracts. We expect these contracts to deliver higher cash flows per megawatt and greater revenue predictability than Bitcoin Mining. As of December 31, 2025, this growth area had not yet generated revenue.

## I. OVERVIEW (Continued)

### 2. Company Overview (Continued)

As its historical core business, Bitfarms 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. dollar, or another currency. However, the fees are paid to Bitfarms on a daily basis in Bitcoin. Bitfarms accumulates the cryptocurrency and transaction fees it receives or exchanges them for U.S. dollar through reputable and established cryptocurrency trading platforms. As of December 31, 2025, Bitfarms operated 14.8 EH/s. Through 2024 and 2025, we upgraded our fleet to 85,442 new-generation ASIC miners (Bitmain T21, S21, S21 Pro, S21 Hydro, and S21+ models), reaching peak capacity of 19.5 EH/s and 19 w/TH efficiency in the first quarter of 2025 prior to the shutdown of our Argentina operations. We do not plan to invest incremental capital in expanding our hashrate and expect Mining to wind down progressively as sites are converted to HPC and AI workloads.

To support and accelerate the development of our HPC data center projects, we undertook several significant financing and operational initiatives.

As described in Note 3 to the Financial Statements, we acquired Stronghold Digital Mining, Inc. (“Stronghold”) on March 14, 2025 (the “Stronghold Transaction”). Through the acquisition of Stronghold, we now own and operate two refuse power generation facilities with a combined capacity of 473 MW. Both facilities qualify as an “Alternative Energy System” under Pennsylvania, U.S. law because Mining refuse is classified as a Tier II Alternative Energy Source (large-scale hydropower is also classified in this tier). We sell our electricity into the PJM Merchant Market under a professional services agreement with Customized Energy Solutions, Ltd. To support our co-located data centers, our primary fuel source at these facilities is waste which is provided by various third parties. We earn waste tax credits by utilizing refuse to generate electricity. We primarily consume the energy internally to support computational activities related to hashing calculations and sell any excess of energy we produce to the local energy supplier (the “Grid”).

In October 2025, we advanced our HPC 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 Vertiv, a large publicly-traded American multinational provider of critical infrastructure and services for data centers.

In October 2025, we raised \$588.0 million through the issuance of Convertible Notes. In April 2025 we drew the initial tranche of \$50.0 million of the Macquarie loan, and in October 2025, we borrowed \$50.0 million through the conversion of our credit facility, with Macquarie Equipment Capital, Inc. (“Macquarie”). In February 2026, we fully repaid the \$100.0 million Macquarie credit facility.

### 3. Factors Affecting our Performance

#### Ability to Secure Low-Cost Electricity

HPC data centers and Bitcoin Mining consume extensive energy, including for both the Mining and cooling aspects of our operations. In particular, we believe the increasing difficulty of the network, driven by more miners and higher global hashrate, and the periodic halving adjustments of Bitcoin reward rates, as well as the global demand for HPC data centers for various use cases, and the need for reliability in such industry, will drive the increasing importance of access to power and cost effectiveness in HPC data centers and Bitcoin Mining over the long-term.

Certain governments and regulators are increasingly focused on the energy and environmental impact of data centers used for Bitcoin Mining and HPC data centers. This has led, and could lead, to new governmental measures regulating, restricting or prohibiting the use of electricity for Bitcoin Mining and HPC data center operations, or could result in increased power costs for these types of power consumers.

We currently maintain a portfolio of competitively priced electrical power. However, there is no guarantee that we will be able to negotiate additional power agreements on similar terms, or at all. The price we pay for electricity depends on numerous factors including sources of generation, regulatory environment, electricity market structure, commodity prices, transmission cost allocation, instantaneous supply/demand balances, counterparty consumption and procurement method. These factors may be subject to change over time and result in increased power costs. In addition, developments in the United States, including actions by the current U.S. administration, signal a policy shift away from supporting renewable energy which could result in fewer such projects being constructed and lead to increases in electricity prices as demand increases. There have also been legislative proposals and other legal developments targeting renewable energy and large electrical loads in certain states. Any reductions or modifications to, or the elimination of laws, programs or incentives that provide electricity to Bitcoin Mining companies or HPC data center operators or that support renewable energy, or the implementation of more arduous requirements for renewable energy projects, could potentially limit the availability of, and increase the costs we incur for, electricity, including renewable energy, in the United States.

#### Competitive Environment

We expect increasing global adoption of HPC and AI use cases as existing industries incorporate AI and other HPC-intensive processes and new industries emerge. We anticipate that the use of AI will expand to a broader set of enterprises that will utilize AI to drive internal efficiencies and implement AI into their products and services. As more non-AI-native organizations across a broader spectrum of industries run training and inference workloads on their own proprietary models, and as new industries with additional HPC and AI workload demands emerge, we believe we will be well-positioned to capture those workloads at our facilities. Our facilities are capable of handling these added workloads due to our utility relationships and power procurement capabilities, our Behind-the meter power generation experience, and experience with grid-management and flexible load operations, among other factors. Successful acquisitions of new customers will depend on our ability to provide sufficient, cost-competitive high-uptime supply for HPC and AI compute demands, demand from end-users of AI-enabled products and services, demand from end-users for HPC workloads, our overall pricing relative to competition, and the location and efficiency of our HPC infrastructure sites. If AI and other HPC-intensive use cases are not broadly adopted by enterprises to the extent we expect, or if new use cases do not emerge, our market opportunity may be smaller than we expect.

## I. OVERVIEW (Continued)

### 3. Factors Affecting our Performance (Continued)

#### Competitive Environment (Continued)

We compete with a variety of Bitcoin Mining companies globally, including individual hobbyists, Mining Pools and public and private companies, as well as HPC data center operators including large and well-funded companies. We believe that, even if the price of Bitcoin decreases, the Bitcoin Mining market will continue to draw new Mining companies and increase the scale and sophistication of competition in the Bitcoin Mining industry, while the HPC Infrastructure sector continues to draw companies with significant resources to dedicate to growing their HPC data center business as well as expertise in the industry. Increasing competition generally results in an increase to the global hashrate, which in turn would generally lead to a reduction in the percentage share of the fixed Bitcoin network rewards that Bitcoin Mining companies, including Bitfarms, would earn, and may result in larger and more established HPC data center providers increasing their resource allocation and attention to the industry, which could make our ability to compete, including to attract and maintain customers, more difficult.

#### Expansion into HPC infrastructure services and other energy-intensive use cases

A key factor affecting our performance is our ability to expand into AI infrastructure services and other energy-intensive applications. We are leveraging our existing development and operational expertise to develop HPC data centers that support specialized workloads for enterprise and hyperscale customers and other next-generation, energy-intensive use cases. Success in this area depends on various factors, including our ability to secure and retain customers, manage capital efficiently, develop future sites, and compete effectively in emerging technology markets. While this expansion may increase operating and capital costs and expose us to execution and market risks, management believes our experience in power origination, development, and management in large-scale digital infrastructure development position us to capture long-term growth opportunities in the evolving AI sector and other next-generation, energy-intensive use cases.

#### Market Value of Bitcoin

We primarily derive our revenues from Bitcoin Mining. We earn Bitcoin in exchange for computational power used for hashing calculations from Mining Pool operators. We currently liquidate Bitcoin earned into fiat currencies such as U.S. dollar or Canadian dollar as needed. Because the compensation received from computational power used for hashing calculations is paid in Bitcoin, our operating and financial results are tied to fluctuations in the value of Bitcoin. In addition, positive or negative changes in the global hashrate impact Mining difficulty and therefore the quantity of Bitcoin earned from our computational power used for hashing calculations, and as a result, materially affect our revenue and margins.

In a declining Bitcoin price environment, the Bitcoin Mining protocol may provide a natural downside protection for low-cost Bitcoin Miners through an adjustment to the number of Bitcoin Mined. For example, when the Bitcoin price falls, the ability for higher cost Mining companies to pay their operating costs may be impacted, which in turn may lead over time to higher cost Mining companies switching off their operations (for example, if their marginal cost of power makes it unprofitable to continue Mining, they may exit the network). As a result, in such circumstances the global hashrate may fall, and remaining low-cost Mining companies may benefit from an increased percentage share of the fixed Bitcoin network rewards. Conversely, in a rising Bitcoin price environment, additional Mining-related equipment may be deployed by Mining companies, leading to increased global hashrate in the overall network.

## **I. OVERVIEW (Continued)**

### **3. Factors Affecting our Performance (Continued)**

#### **Market Value Bitcoin (Continued)**

While the total supply of Bitcoin is capped at 21 million, the price of Bitcoin fluctuates because of the dynamic nature of the market for Bitcoin. The market for Bitcoin is rapidly changing and subject to global regulatory, tax, political, environmental, cybersecurity, and market factors beyond our control. For a discussion of other factors that could lead to material adverse changes in the market value of Bitcoin, which could in turn result in substantial damage to or even the failure of our Bitcoin business, see “Item 1A. Risk Factors—Risks Related to Our Business and Operations.”

Furthermore, the rewards for each Bitcoin mined are subject to “halving” adjustments at predetermined intervals. At the inception of Bitcoin, the reward for Mining each block was set at 50 Bitcoin and this was cut in half to 25 Bitcoin on November 28, 2012 at block 210,000, cut in half to 12.5 Bitcoin on July 9, 2016 at block 420,000, cut in half to 6.25 Bitcoin on May 11, 2020 at block 630,000, and cut in half again to 3.125 Bitcoin on April 19, 2024 at block 840,000. The next two halving events for Bitcoin are expected to take place in 2028 at block 1,050,000 (when the reward will reduce to 1.5625 Bitcoin), and in 2032 at block 1,260,000 (when the reward will reduce to 0.78125 Bitcoin). As the rewards for each Bitcoin Mined reduce, the Bitcoin we earn relative to our hashrate capacity decreases. As a result, these adjustments have had, and are expected to continue to have, material effects on our operating and financial results.

#### **Efficiency of Mining Machines and HPC and AI Hardware**

As global Mining capacity increases, we would need to correspondingly increase our total hashrate capacity in order to maintain our proportionate share relative to the overall global hashrate to maintain the same amount of Bitcoin Mining revenue. Our Bitcoin Mining operations currently utilize the Bitmain S21 XP Miners, S21 Pro Miners, S21 Miners and T21 Miners. To remain cost competitive compared to other Mining industry participants, in addition to targeting cost effective sources of energy and operating efficient data center infrastructure, we would need to maintain an energy efficient Mining fleet, which would require capital outlays to purchase new Miners, so that we could make periodic upgrades to our existing Mining fleet.

As we plan to operate our facilities to support HPC and AI uses, our future performance and success will depend in part on our ability to access the latest generation of high-performance networking and storage equipment required to operate our HPC data centers.

From time-to-time, disruption in global supply chains may result in shortages of advanced Mining-related equipment and HPC and AI infrastructure components that meet our standards of quality and efficiency.

## II. RESULT OF OPERATIONS

### 1. Production and Mining Operations<sup>1</sup>

#### Key Performance Indicators

In addition to our financial results and U.S. GAAP financial measures, we use certain key performance indicators to evaluate our business, identify trends, and make strategic decisions.

The following table presents our key performance indicators for the years ended December 31, 2025, 2024 and 2023:

	Years ended December 31,				
	2025	2024	2023	2025 v. 2024	2024 v. 2023
				% Change	% Change
Total Bitcoin earned through Bitcoin Mining	2,008	1,992	4,074	1%	(51)%
Bitcoin received through hosting revenue <sup>1</sup>	46	—	—	100%	—%
Cost per kWh	\$ 0.049	\$ 0.047	\$ 0.049	4%	(5)%
Average Watts/Average TH efficiency*	18	25	36	(28)%	(31)%
Installed Watts/TH efficiency	19	21	35	(10)%	(40)%

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

#### Total Bitcoin earned

Total Bitcoin earned represents the aggregate number of Bitcoin received in exchange from its computational power used for hashing calculations during the period. This metric is a key indicator of our operational performance and Mining productivity, as it reflects uptime, fleet efficiency, network difficulty, and deployed hashrate.

During FY 2025, we earned 2,008 Bitcoin, compared to 1,992 Bitcoin earned during FY 2024, representing an increase of 1% from the previous year as a result of an increase in hashrate from our expansions and upgrades to our Miner fleet with higher efficiency Miners, partially offset by reduced Block Rewards following the April 2024 halving event and a 47% higher average Network Difficulty.

During FY 2024, we earned 1,992 Bitcoin compared to 4,074 Bitcoin earned during FY 2023, representing a decrease of 51% from the previous year as a result of reduced Block Rewards following the April 2024 halving event and a 68% increase in average Network Difficulty, partially offset by an increase in hashrate from our expansions and upgrades to our Miner fleet with higher efficiency Miners.

#### Cost per kWh

Cost per kWh represents the average electricity price incurred to power our Mining operations. This metric allows users to assess our operational energy efficiency. Power cost is a key driver of Mining profitability.

During FY 2025 the cost per kWh was \$0.049 compared to \$0.047 in FY 2024. The 4% increase is mainly due to higher cost of energy for the Panther Creek and Scrubgrass data centers.

During FY 2024 the cost per kWh was \$0.047 compared to \$0.049 in FY 2023. The 5% decrease is mainly due to lower cost in North American Bitcoin data centers.

<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 we make a strategic shift towards HPC/AI Infrastructure in North America.

## II. RESULT OF OPERATIONS (Continued)

### 1. Production and Mining Operations<sup>1</sup> (Continued)

#### Key Performance Indicators (Continued)

##### *Average Watts/Average TH*

Average watts/Average TH measures the energy efficiency of our active Mining fleet by calculating the average power consumption in watts required to generate one TH per second of computational capacity. Lower Watts/TH indicates greater fleet efficiency, which directly impacts operating costs and Mining margins.

We improved ending energy efficiency to 19 Watts/TH on December 31, 2025, compared to 21 Watts/TH on December 31, 2024, with our Mining fleet upgrades. This improvement resulted in a 18 average Watts/Average TH efficiency during FY 2025, compared to 25 average Watts/Average TH efficiency during FY 2024, representing an improvement of 28%.

We maintained our ending energy efficiency at 21 Watts/TH as of December 31, 2024, which is consistent with the energy efficiency as of December 31, 2023. Our Mining fleet upgrades resulted in a 25 average Watts/Average TH efficiency during FY 2024, compared to 36 average Watts/Average TH efficiency during FY 2023, representing an improvement of 31%.

The following table presents our key performance indicators as of December 31, 2025, 2024 and 2023:

	As of December 31,				
	2025	2024	2023	2025 v. 2024	2024 v. 2023
				% Change	% Change
Current Energized Capacity (MW)	341	323	240	6%	35%
Secured Growth Capacity (MW)	430	70	10	514%	600%
Secured Gross Data Center Capacity (MW)*	648	393	250	65%	57%
Identified Additional Gross Data Center Capacity (MW)	1,513	—	—	100%	—%
Total Pipeline (MW)	2,161	393	250	450%	57%

\* The current energized capacity at the Panther Creek and Scrubgrass site of 60 MW and 63 MW, respectively, are not under an energy service agreement. The capacity is therefore excluded from Secured Gross Data Center Capacity.

##### *Current Energized Capacity*

Current Energized Capacity represents the gross power capacity provided by utilities being used at our U.S. Sites and Québec Sites

##### *Secured Growth Capacity*

Secured Growth Capacity represents gross power capacity that is not currently available on site but for which the Company has executed an electric supply agreement with a utility, whereby the utility agrees to provide that power capacity at a specified future date.

<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 we make a strategic shift towards HPC/AI Infrastructure in North America.

## II. RESULT OF OPERATIONS (Continued)

### 1. Production and Mining Operations<sup>1</sup> (Continued)

#### Key Performance Indicators (Continued)

##### *Secured Gross Data Center Capacity*

Secured Gross Data Center Capacity represents the total amount of gross power capacity that is subject to electric supply agreements with utilities, including both power capacity currently available on site and power capacity that utilities have agreed to deliver at a future date.

##### *Identified Additional Gross Data Center Capacity*

Gross power capacity that has not been contracted under an electric supply agreement but is currently being evaluated at the U.S. Sites and Quebec Sites. This includes capacity that is currently under utility load studies as well as potential on-site, behind-the-meter natural gas power generation at Scrubgrass.

##### *Total Pipeline*

Total Pipeline represents the sum of Secured Gross Data Center Capacity and Identified Additional Gross Capacity. This measure encompasses both committed capacity and early-stage opportunities under evaluation. Management monitors the total pipeline to understand the full spectrum of current and potential future growth and to prioritize development efforts aligned with strategic objectives.

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<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 we make a strategic shift towards HPC/AI Infrastructure in North America.

## II. RESULT OF OPERATIONS (Continued)

### 2. Financial Performance

#### Consolidated Financial & Operational Results

(U.S.\$ in thousands except where indicated)	Year ended December 31,							
	2025	2024	2023	2025 v. 2024		2024 v. 2023		
				\$ Change	% Change	\$ Change	% Change	
<b>Revenues</b>	<b>229,276</b>	133,274	120,400	96,002	72%	12,874	11%	
Cost of revenues	<b>(248,180)</b>	(149,186)	(144,142)	(98,994)	66%	(5,044)	3%	
<b>Gross loss</b>	<b>(18,904)</b>	(15,912)	(23,742)	(2,992)	19%	7,830	(33)%	
Gross margin <sup>(1)</sup>	<b>(8)%</b>	(12)%	(20)%	—	—	—	—	
<b>Operating expenses</b>								
General and administrative expenses	<b>(78,339)</b>	(61,925)	(33,867)	(16,414)	27%	(28,058)	83%	
Change in fair value of digital assets	<b>(50,522)</b>	26,015	7,558	(76,537)	(294)%	18,457	244%	
Realized gain on sale of digital assets	<b>28,219</b>	27,209	7,713	1,010	4%	19,496	253%	
(Loss) gain on disposition of property, plant and equipment and deposits	<b>(1,612)</b>	227	(2,055)	(1,839)	(810)%	2,282	111%	
Impairment of long-lived assets and deposits	<b>(28,442)</b>	(3,628)	(5,604)	(24,814)	684%	1,976	(35)%	
<b>Operating loss</b>	<b>(149,600)</b>	(28,014)	(49,997)	(121,586)	434%	21,983	(44)%	
Operating margin <sup>(1)</sup>	<b>(65)%</b>	(21)%	(42)%	—	—	—	—	
Interest income	<b>6,288</b>	6,037	1,420	251	4%	4,617	325%	
Interest expense	<b>(8,623)</b>	(745)	(2,865)	(7,878)	<i>nm</i>	2,120	(74)%	
(Loss) gain on derivative assets and liabilities	<b>(50,415)</b>	17,819	48	(68,234)	(383)%	17,771	<i>nm</i>	
Gain on extinguishment of long-term debt	—	—	12,835	—	—%	(12,835)	(100)%	
Other expense	<b>(6,063)</b>	(2,110)	(1,528)	(3,953)	187%	(582)	38%	
Total other (expense) income	<b>(58,813)</b>	21,001	9,910	(79,814)	(380)%	11,091	112%	
<b>Loss before taxes from continuing operations</b>	<b>(208,413)</b>	(7,013)	(40,087)	(201,400)	<i>nm</i>	33,074	(83)%	
Income tax (expense) recovery	<b>(101)</b>	(346)	154	245	(71)%	(500)	(325)%	
Loss from continuing operations	<b>(208,514)</b>	(7,359)	(39,933)	(201,155)	<i>nm</i>	32,574	(82)%	
Loss from discontinued operations <sup>(2)</sup>	<b>(76,030)</b>	(21,006)	(15,578)	(55,024)	262%	(5,428)	35%	
<b>Net loss</b>	<b>(284,544)</b>	(28,365)	(55,511)	(256,179)	903%	27,146	(49)%	

*nm*: not meaningful

The financial performance discussed below for continuing operations does not include our Argentina and Paraguay operations.

- 1 Gross margin and Operating margin are supplemental financial ratios; refer to Section 4 - *Non-GAAP and Other Financial Measures and Ratios*.
- 2 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 we make a strategic shift towards HPC Infrastructure in North America.

## II. RESULT OF OPERATIONS (Continued)

### 2. Financial Performance (Continued)

#### A. Revenues from continuing operations

##### *FY 2025 v. FY 2024*

Revenues were \$229.3 million in FY 2025 compared to \$133.3 million in FY 2024. The increase of \$96.0 million, or 72% is mainly due to a \$78.0 million increase in Bitcoin Mining revenue resulting from the increase in average Bitcoin price and the increase in Bitfarms' average hashrate. During FY 2025, we mined 2,008 Bitcoins with an average Bitcoin price of \$100,942, compared to 1,992 Bitcoins with an average Bitcoin price of \$63,715 in FY 2024. In addition, following the acquisition of Stronghold in the first quarter of 2025, our Energy Sales and Hosting Revenue increased by \$14.0 million and \$4.5 million, respectively. These increases were partially offset by a higher Network Difficulty and lower Bitcoin Block Rewards following the Bitcoin halving event that occurred on April 19, 2024.

We earned our revenues during FY 2025 from our North American operations. The United States and Canada accounted for 51% and 49% of total revenues, respectively, compared to 12% and 88% in FY 2024, respectively.

In FY 2025, revenues from our continuing operations in the United States increased by \$99.9 million compared to FY 2024. The increase is mainly due to the average hashrate increase of the United States operations of 5.1 EH/s and the increase in average Bitcoin price, partially offset by a higher Network Difficulty, as well as the decrease in Block Rewards following the Bitcoin halving event that occurred on April 19, 2024. Our acquisition of Stronghold facilities as part of the Stronghold Transaction contributed to 1.4 EH/s, or 23% of the hashrate increase. Revenues from our continuing operations in Canada decreased by \$3.9 million, compared to FY 2024 due to the factors mentioned above, partially offset by the average hashrate increase of Canada operations of 0.9 EH/s and the increase in average Bitcoin price.

##### *FY 2024 v. FY 2023*

Revenues were \$133.3 million in FY 2024 compared to \$120.4 million in FY 2023. The increase of \$12.9 million, or 11%, is primarily due to a \$12.8 million increase in Bitcoin Mining revenue resulting from the increase in average Bitfarms' hashrate and the increase in average Bitcoin price. During FY 2024, we mined 1,992 Bitcoins with an average Bitcoin price of \$63,715, compared to 4,074 Bitcoins with an average Bitcoin price of \$28,311 in FY 2023. The increase was partially offset by a higher Network Difficulty and the fewer Bitcoin earned resulting from lower Bitcoin block rewards following the Bitcoin halving event that occurred on April 19, 2024.

We earned our revenues during FY 2024 from our North American continuing operations. Canada and the United States accounted for 88% and 12% of total revenues, respectively, in line with FY 2023.

In FY 2024, revenues from our operations in Canada increased by \$7.8 million compared to FY 2023. The increase is mainly due to the average hashrate increase of Canada operations of 1.3 EH/s and the increase in average Bitcoin price. Revenues from our United States operations increased by \$5.0 million during FY 2024 compared to FY 2023 due to the increase in average Bitcoin price. Both increases were partially offset by a higher Network Difficulty and the decrease in block rewards following the Bitcoin halving event that occurred on April 19, 2024.

## II. RESULT OF OPERATIONS (Continued)

### 2. Financial Performance (Continued)

#### B. Cost of Revenues from continuing operations

##### *FY 2025 v. FY 2024*

Our cost of revenues was \$248.2 million for FY 2025 compared to \$149.2 million for FY 2024. The higher cost of revenues was largely due to a \$50.2 million, or 623%, increase in infrastructure expenses. Infrastructure expenses increased by \$32.5 million in relation to the operating expenses at the Panther Creek and Scrubgrass power plants following the acquisition of Stronghold in the first quarter of 2025. The Stronghold infrastructure expenses consisted of \$11.8 million of plant maintenance costs, \$11.9 million of labor costs and other employee benefits, and \$8.8 million of other operating expenses. We had a \$9.2 million increase in customs duty expenses during the year following a determination by the U.S. Customs and Border Protection regarding Miners we imported in 2021.

Sales tax recoveries in FY 2025 were nil, compared to \$25.8 million received in FY 2024 for sales taxes we paid between February 5, 2022 and April 2024 after having received confirmation from the provincial tax authorities that Canadian sales taxes were refundable.

Energy expenses in FY 2025 increased by \$19.9 million, or 33% largely due to a \$32.3 million increase in fuel expenses from our power plants following the acquisition of Stronghold in the first quarter of 2025. In addition, electricity costs increased by \$10.3 million as we added new and more efficient Miners resulting in increased energy utilization to an average of 212 MW during FY 2025 compared to 146 MW for the same period in 2024. The increase was partially offset by Rights to Renewable Energy Credits ("RECs") and Waste Tax Credits ("WTCs") of \$17.1 million and \$5.7 million, respectively, compared to nil in FY 2024.

Our hosting expenses were \$7.7 million in FY 2025, compared to nil in FY 2024, largely due to a \$4.4 million increase in electricity costs incurred in Q1 2025 as well as a non-recurring increase of \$3.3 million in hosting expenses as we had our Miners hosted at Stronghold's Panther Creek and Scrubgrass facilities in the first quarter of 2025, prior to the Stronghold acquisition.

The increases in cost of revenues were partially offset by a \$4.4 million decrease in non-cash depreciation and amortization expenses due to the accelerated depreciation recorded in FY 2024 related to the upgrade program which reduced the anticipated useful life of older Miners, offset by the additional depreciation related to the business acquisition in FY 2025.

##### *FY 2024 v. FY 2023*

Our cost of revenues was \$149.2 million for FY 2024 compared to \$144.1 million for FY 2023. The increase in cost of revenues was largely due to a \$37.5 million increase in non-cash depreciation and amortization expenses mainly attributable to accelerated depreciation of the older Miners that were replaced through the fleet upgrade as we progressively installed new Miners in 2024.

The increases were partially offset by a \$25.8 million sales tax recovery due to the confirmation we received from the provincial tax authorities that Canadian sales taxes we paid from February 5, 2022 onwards are refundable, and an \$8.3 million decrease in energy expenses due to Canadian sales taxes on our energy and infrastructure expenses no longer being expensed in FY 2024.

## II. RESULT OF OPERATIONS (Continued)

### 2. Financial Performance (Continued)

#### C. General & Administrative Expenses from continuing operations

##### *FY 2025 v. FY 2024*

For FY 2025, our G&A expenses were \$78.3 million, compared to \$61.9 million in FY 2024. The increase in G&A expenses of \$16.4 million, or 27%, was largely due to an \$8.0 million increase in salaries and wages due to (i) the increase in our overall headcount in FY 2025 compared to FY 2024 to support the expansion in the United States 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.

Our insurance, duties and other costs increased by \$3.7 million due to higher property and liability insurance expenses 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. The \$2.1 million sales tax recovery received in FY 2024 compared to nil in FY 2025 was due to the same reasons as explained above.

The increases were partially offset by a \$2.3 million decrease in professional services largely due to legal and accounting fees incurred in FY 2024 associated with nonrecurring activities including (i) the Stronghold Transaction, (ii) the Strategic Alternatives Review Process as defined in our 2024 Annual MD&A, (iii) the response to the shareholder dispute involving Riot Platforms Inc., including with respect to our implementation and defense of the shareholder rights plan adopted on June 20, 2024 and having entered into the Settlement Agreement, and (iv) the settlement of the employment claim against us brought by our former CEO, compared to nil in FY 2025.

##### *FY 2024 v. FY 2023*

For FY 2024, our G&A expenses were \$61.9 million, compared to \$33.9 million for the same period in 2023. The increase of \$28.1 million, or 83%, in G&A expenses was largely due to a \$16.6 million increase in professional services related to legal and accounting fees associated with non-recurring activities in FY 2024 is due to the same reasons as explained in the section FY 2025 v. FY 2024 above.

Our salaries and wages increased by \$8.9 million due to (i) the increase in our overall headcount in FY 2024 compared to FY 2023 to support the global expansion as well as merit and market-based adjustments and cost of living salary increases and (ii) the termination payment under the former CEO's employment agreement totaling \$1.6 million which was paid in the second quarter of 2024 after the former CEO's departure and a final settlement payment of \$2.5 million paid in the third quarter of 2024, ending any outstanding litigation or claims.

Insurance, duties and other costs increased by \$2.6 million due to increases in property and liability insurance expenses 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.

The increases were partially offset by a \$2.1 million sales tax recovery received in FY 2024 compared to nil in FY 2023 due to the same reason as explained in the section FY 2025 v. FY 2024 above.

## II. RESULT OF OPERATIONS (Continued)

### 2. Financial Performance (Continued)

#### D. Total other (expense) income from continuing operations

##### *FY 2025 v. FY 2024*

Interest expense was \$8.6 million in FY 2025, compared to \$0.7 million for FY 2024 as a result of the interest expense on the Macquarie credit facility and the Convertible Notes issued during FY 2025.

Losses on derivative assets and liabilities were \$50.4 million in FY 2025 compared to a \$17.8 million gain in FY 2024 due to unrealized losses of \$63.9 million during FY 2025 on open positions of capped call transactions entered into during FY 2025 in connection with the Convertible Notes, in addition to a realized loss on Bitcoin redemption options of \$2.4 million during FY 2025 as we settled or forfeited all remaining positions. For more details about capped call transactions, refer to Note 10 (*Derivative Assets and Liabilities*) and Note 22 (*Financial Instruments*) to the Financial Statements.

Our other expenses were \$6.1 million for FY 2025, compared to a \$2.1 million expense for FY 2024. The \$4.0 million unfavorable change was largely due to (i) an unfavorable change in other financial expenses of \$3.1 million mainly due to \$2.7 million in non-recurring interest on customs duties in FY 2025; (ii) a \$3.1 million unfavorable change in amortization of transaction costs and debt discount related to the Macquarie credit facility and the Convertible Notes; and partially offset by (iii) \$1.8 million favorable change from the gain on settlement of refundable deposits during FY 2025 and the loss on initial recognition of these refundable deposits during FY 2024.

##### *FY 2024 v. FY 2023*

Interest income was \$6.0 million for FY 2024, compared to \$1.4 million for FY 2023. The increase was due to our higher average cash balance during FY 2024 compared to FY 2023.

Interest expense was \$0.7 million for FY 2024, compared to \$2.9 million for FY 2023. The decrease in interest expense was due to (i) the extinguishment in February 2023 of the BlockFi Lending LLC (“BlockFi”) Loan that commenced on February 18, 2022 as described below and (ii) the NYDIG ABL LLC (“NYDIG”) Loan that commenced on June 15, 2022 and was fully repaid in February 2024.

Gains of \$17.8 million on derivative assets and liabilities were recognized in FY 2024 compared to nil in FY 2023 largely due to a \$15.9 million gain on our capitalization on Bitcoin price near all-time highs to close out Synthetic HODL positions, combined with the \$2.1 million gain from the change in the fair value of the Bitcoin redemption option.

A \$12.8 million gain on extinguishment of long-term debt and lease liabilities was recognized during FY 2023. In February 2023, we negotiated with BlockFi the settlement of the loan in its entirety for cash consideration of \$7.8 million, resulting in a gain on extinguishment of long-term debt of \$12.6 million compared to nil in FY 2024.

## II. RESULT OF OPERATIONS (Continued)

### 2. Financial Performance (Continued)

#### E. Discontinued Operations

In 2025, we began a significant transformation in our corporate strategy, pivoting away from our Latin American Bitcoin Mining operations to concentrate on the U.S. HPC infrastructure market. As a result of these strategic decisions, we classified certain of our Latin American assets as “held for sale” and their operations as discontinued operations.

##### i. Argentina’s operations as discontinued operations

During the second quarter of 2025, our energy supplier halted the supply of electricity to our Rio Cuarto, Argentina Bitcoin data center. Following this event, on August 11, 2025, we determined that we would discontinue and abandon our operations in Rio Cuarto, Argentina. We negotiated to eliminate our asset retirement obligation and reduced the reserved power to a minimum. As of September 30, 2025, our Argentina operations were abandoned and classified as a discontinued operation.

During the year ended December 31, 2025, discontinued operations in Argentina resulted in a net loss of \$43.7 million, which is mainly explained by an impairment loss on long-lived assets and deposits of \$35.3 million.

##### ii. Paraguay’s operations as discontinued operations and assets held for sale

During the first quarter of 2025, we finalized the sale of our Yguazu Bitcoin data center in Paraguay. During the third quarter of 2025, we determined that the Paso Pe Bitcoin data center met the criteria to be classified as held for sale, and all operations in Paraguay were classified as discontinued operations as we make a strategic shift towards HPC infrastructure projects in North America. The sale of the Paso Pe Bitcoin data center operations is anticipated to close within twelve months of the date the Bitcoin data center was classified as “held for sale”.

Refer to Note 11 - Assets Held for Sale and Discontinued Operations to the Financial Statements for more information on the results of Argentina’s and Paraguay’s operations and Note 12 - Impairment to the Financial Statements for more details on the impairment loss of our Paraguay and Argentina asset groups.

During the year ended December 31, 2025, discontinued operations in Paraguay resulted in a net loss of \$32.3 million, which is largely explained by an impairment loss on long-lived assets and deposits of \$38.1 million.

## II. RESULT OF OPERATIONS (Continued)

### 2. Financial Performance (Continued)

#### F. Change in fair value of digital assets

##### *FY 2025 v. FY 2024*

In FY 2025, a \$50.5 million loss on the change in fair value of digital assets was recognized, compared to a gain of \$26.0 million in FY 2024, primarily due to a decline in Bitcoin prices and realization of gains on disposal of Bitcoin during the year.

##### *FY 2024 v. FY 2023*

In FY 2024, a \$26.0 million gain on the change in fair value of digital assets was recorded, compared to \$7.6 million for FY 2023, primarily due to an increase in Bitcoin prices during the year.

#### G. Realized gain on sale of digital assets from continuing operations

##### *FY 2025 v. FY 2024*

In FY 2025, the realized gain on disposition of digital assets amounted to \$28.2 million, compared to \$27.2 million for FY 2024 as a result of a higher Bitcoin average selling price, partially offset by a lower quantity of Bitcoin sold.

##### *FY 2024 v. FY 2023*

In FY 2024, the realized gain on sale of digital assets amounted to \$27.2 million, compared to \$7.7 million for FY 2023 as a result of a higher Bitcoin average selling price, partially offset by a lower quantity of Bitcoin sold.

#### H. (Loss) gain on disposition of property, plant and equipment and deposits from continuing operations

##### *FY 2025 v. FY 2024*

In FY 2025, the loss on disposition of property, plant and equipment and deposits amounted to \$1.6 million, compared to a gain of \$0.2 million for FY 2024.

##### *FY 2024 v. FY 2023*

In FY 2024, the gain on disposition of property, plant and equipment and deposits amounted to \$0.2 million, compared to a loss of \$2.1 million for FY 2023.

#### I. Impairment of long-lived assets and deposits

##### *FY 2025 v. FY 2024*

In FY 2025, the impairment of long-lived assets and deposits was \$28.4 million, compared to \$3.6 million for FY 2024, primarily due to the impairment recognized on assets "held for sale".

##### *FY 2024 v. FY 2023*

In FY 2024, the impairment of long-lived assets and deposits was \$3.6 million, compared to \$5.6 million for FY 2023. The decrease is largely due to the termination of importation of Miners agreements with external brokers during FY 2023 resulting in an impairment of short-term deposits made to external brokers in addition to the FY 2023 impairment on Suni mineral assets.

## II. RESULT OF OPERATIONS (Continued)

### 3. Selected Quarterly Information from Continuing Operations<sup>1</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)	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Revenues	52,748	67,969	60,908	47,651	37,752	27,072	31,425	37,025
(Loss) income from continuing operations, net	(171,210)	(12,127)	13,196	(38,373)	41,561	(26,412)	(21,541)	(967)
Basic (loss) earnings per share from continuing operations	(0.31)	(0.02)	0.02	(0.08)	0.09	(0.06)	(0.05)	—
Diluted (loss) earnings per share from continuing operations	(0.31)	(0.02)	0.02	(0.08)	0.09	(0.06)	(0.05)	—

Revenues decreased in Q4 2025 compared to the third quarter of 2025, following a general upward trend throughout 2024 and the first three quarters of 2025. The quarter-over-quarter decline reflects changes in operating and market conditions during the period.

Net loss from continuing operations increased in Q4 2025 compared to the third quarter of 2025. The higher net loss was primarily driven by the decline in revenues and the impact of operating expenses and other costs that did not decrease proportionately, contributing to greater variability in quarterly results. Quarterly results have been and are expected to continue to be affected by market conditions, cost structure, and non-cash items.

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 our operations. We had operations in Québec, Canada, where power was sourced from Hydro-Québec, Hydro-Magog, Hydro-Sherbrooke and the City of Baie-Comeau. We 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 Québec (Canada), Washington state (United States) 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 Bitcoin Mining operations. Changes to supply and/or demand of electricity may result in curtailment of electricity to our Bitcoin Mining operations. Our geographical diversification may reduce the risk and extent of extreme weather and other external factors unduly affecting our overall performance.

<sup>1</sup> This data excludes the discontinued operations in Río Cuarto, Argentina and in Paraguay. On May 12, 2025, our energy provider GMSA, halted the supply of electricity to the Company's Río 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 BTC data center met the criteria to be classified as "held for sale", and all operations in Paraguay were designated as discontinued operations as we make a strategic shift towards HPC/AI infrastructure in North America.

## II. RESULT OF OPERATIONS (Continued)

### 4. Non-GAAP and Other Financial Measures and Ratios

#### Non-GAAP financial measures from continuing operations<sup>1</sup>

In addition to our results determined in accordance with U.S. GAAP, we utilize a number of non-GAAP financial measures and ratios in assessing operating performance, including “EBITDA”, “EBITDA margin”, “Adjusted EBITDA” and “Adjusted EBITDA margin”. Non-GAAP measures and ratios may exclude the impact of certain items and are used internally when analyzing operating performance. The definitions of the non-GAAP measures referenced herein, and the reasons the Board and Management use such non-GAAP measures, are set forth below.

These measures are provided as additional information to supplement U.S. GAAP measures by providing further understanding of our results of operations from Management’s perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under U.S. GAAP. Furthermore, because our calculation of these non-GAAP financial measures may differ from other companies, our presentation of these measures may not be comparable to similarly-titled measures of other companies.

The definitions and the data in the non-GAAP section exclude the discontinued operations in Rio Cuarto, Argentina and in Paraguay.

## II. RESULT OF OPERATIONS (Continued)

### 4. Non-GAAP and Other Financial Measures and Ratios (Continued)

#### A. Reconciliation of Consolidated Net (loss) income from continuing operations to EBITDA and Adjusted EBITDA from Continuing Operations

EBITDA is defined as net income (loss) from continuing operations adjusted to exclude: (i) interest expense; (ii) interest income; (iii) income tax expense; and (iv) depreciation and amortization. EBITDA Margin is defined as the percentage obtained when dividing EBITDA by Revenues. EBITDA and EBITDA Margin are used to:

- Assess profitability before the impact of different financing methods, income taxes, depreciation of capital assets and amortization of intangible assets;
- Provide the users of the MD&A with additional information to assist them in understanding components of our financial results, including a more complete understanding of factors and trends affecting our performance; and
- Facilitate comparisons of cash operating performance excluding the impact of charges and credits associated with financing our operations and growth from period to period and to assist Management in preparing annual operating budgets and forecasts.

Adjusted EBITDA is defined as EBITDA adjusted to exclude: (i) stock-based compensation; (ii) realized gain and loss on disposition of digital assets; (iii) change in fair value of digital assets; (iv) non-cash finance expenses; (v) asset impairment charges; (vi) gain on settlement of Refundable Hosting Deposits, disposition of marketable securities, gains or losses on derivative assets and liabilities and discount expense on VAT receivable; (vii) loss (gain) on derecognition and revaluation of warrants and warrant issuance costs; (viii) loss on currency exchange; (ix) sales tax recovery; and (x) other non-recurring items that do not reflect our core performance. Adjusted EBITDA Margin is defined as the percentage obtained when dividing Adjusted EBITDA by Revenues. Adjusted EBITDA and Adjusted EBITDA Margin are used to:

- Assess profitability before the impact of all of the items in calculating EBITDA in addition to certain other non-cash expenses;
- Provide the users of the MD&A a consistent comparable metric for profitability of our core operations across time periods; and
- Facilitate comparisons of operating performance from period to period and to assist Management in preparing annual operating budgets and forecasts.

## II. RESULT OF OPERATIONS (Continued)

### 4. Non-GAAP and Other Financial Measures and Ratios (Continued)

#### A. Reconciliation of Consolidated Net (loss) income from continuing operations to EBITDA and Adjusted EBITDA from Continuing Operations (Continued)

(U.S.\$ in thousands except where indicated)	Year ended December 31,						
	2025	2024	2023	2025 v. 2024		2024 v. 2023	
				\$ Change	% Change	\$ Change	% Change
<b>Revenues</b>	<b>229,276</b>	133,274	120,400	96,002	72%	12,874	11%
<b>Loss before taxes from continuing operations</b>	<b>(208,413)</b>	(7,013)	(40,087)	(201,400)	<i>nm</i>	33,074	(83)%
Interest income	(6,288)	(6,037)	(1,420)	(251)	4%	(4,617)	325%
Interest expense	8,623	745	2,865	7,878	<i>nm</i>	(2,120)	(74)%
Depreciation and amortization	98,130	102,469	65,043	(4,339)	(4)%	37,426	58%
Sales tax recovery - depreciation and amortization	—	(8,760)	—	8,760	100%	(8,760)	100%
<b>EBITDA</b>	<b>(107,948)</b>	81,404	26,401	(189,352)	(233)%	55,003	208%
<b>EBITDA margin</b>	<b>(47)%</b>	61%	22%				
Stock-based compensation	14,768	12,079	10,606	2,689	22%	1,473	14%
Realized gain on disposition of digital assets	(28,219)	(27,209)	(7,713)	(1,010)	4%	(19,496)	253%
Change in fair value of digital assets	50,522	(26,015)	(7,558)	76,537	<i>nm</i>	(18,457)	244%
Impairment of long-lived assets and deposits	28,442	3,628	5,604	24,814	684%	(1,976)	(35)%
Loss (gain) on derivative assets and liabilities	50,415	(17,819)	(48)	68,234	<i>nm</i>	(17,771)	<i>nm</i>
Gain on extinguishment of long-term debt	—	—	(12,835)	—	—%	12,835	100%
Gain on derecognition of warrants	—	(62)	—	62	100%	(62)	100%
Gain on settlement of Refundable Hosting Deposits	(945)	—	—	(945)	100%	—	—%
Costs not associated with ongoing operations (1)	13,283	13,766	—	(483)	(4)%	13,766	100%
Sales tax recovery - prior years - energy and infrastructure and G&A expenses (2)	—	(16,063)	9,281	16,063	100%	(25,344)	(273)%
Other expense (income) (3)	8,620	7,604	2,775	1,016	13%	4,829	174%
<b>Adjusted EBITDA</b>	<b>28,938</b>	31,313	26,513	(2,375)	(8)%	4,800	18%
<b>Adjusted EBITDA margin</b>	<b>13%</b>	23%	22%				

*nm: not meaningful*

1 Costs not associated with ongoing operations for the year ended December 31, 2025 includes \$9.2 million of customs duties following a determination by the U.S. Customs and Border Protection regarding Miners imported by us in 2021, \$1.6 million of professional fees related to the acquisition of Stronghold, \$1.4 million of professional fees related to the U.S. re-domiciliation and \$0.8 million related to the U.S. GAAP conversion, \$0.2 million of professional fees related to exit strategies for our South America operations, and \$0.1 million of professional fees related to the sale of Yguazu. Costs not associated with ongoing operations for the year ended December 31, 2024 include \$12.4 million of professional fees incurred in relation to the dispute with Riot Platforms Inc. and \$1.3 million of professional fees related to the acquisition of Stronghold.

2 Sales tax recovery relating to energy and infrastructure and general and administrative expenses have been allocated to their respective periods; refer to Note 25- *Additional Details to the Statement of Operations* to the Financial Statements.

3 Other expense for the year ended December 31, 2025 includes \$3.4 million of other financial expense included in Other expenses (income) of the Statement of Operations, \$3.1 million related to the amortization of the credit facility transaction costs, the \$1.6 million loss on disposal of PPE and the \$0.4 million loss on exchange rates. Other income for the year ended December 31, 2024 includes \$4.1 million of termination payments, \$1.5 million of Washington sales and property taxes, \$0.9 million loss on initial recognition of refundable hosting deposit, \$0.9 million loss on exchange rates, \$0.3 million of other financial expense included in Other expenses (income) of the Statement of Operations and \$0.2 million gain on disposal of PPE. Other income for the year ended December 31, 2023 includes the \$2.1 million loss on disposal of PPE, \$0.9 million of other financial expense included in Other expenses (income) of the Statement of Operations, \$0.8 million Washington tax reversal and \$0.6 million loss on exchange rates.

### III. LIQUIDITY AND CAPITAL RESOURCES

#### 1. Overview

As discussed below, our current financing strategy involves (a) strategically selling the Bitcoin we earn and the Bitcoin we hold in treasury and (b) utilizing short-term debt, long-term debt and equity instruments (including the 2024 at-the-market equity offering program (“2024 ATM Program”) to fund our expansion activities, operating expenses and debt service requirements. We may require additional funds to complete our 2026 growth plans as the cash flows generated from Mining activities are expected to decrease as sites are transitioned to HPC/AI.

#### 2. Cash Flows

The following discussion on cash flows include the discontinued operations in Rio Cuarto, Argentina and in Paraguay. On May 12, 2025, our energy provider Generación Mediterránea S.A (“GMSA”), halted the supply of electricity to our 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 Bitcoin data center met the criteria to be classified as “held for sale”, and all operations in Paraguay were designated as discontinued operations as we make a strategic shift towards HPC infrastructure in North America.

##### *Cash Flows used in Operating Activities*

##### *FY 2025 v. FY 2024*

Cash flows used in operating activities increased by \$84.9 million during FY 2025 compared to FY 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 a higher cash G&A expenses from continuing operations, net of sales tax refund, of \$13.7 million. We incurred higher cash energy costs of \$36.9 million from continuing operations, including the sales tax recovery of \$17.0 million recognized during FY 2024 for energy costs, and higher infrastructure expenses from continuing operations of \$50.2 million. Our working capital increased by \$8.6 million as explained in *Working Capital* Section of this MD&A.

The increase was partially offset by net proceeds of \$13.3 million received from the disposition of RECs and WTCs in FY 2025, compared to nil in FY 2024.

### III. LIQUIDITY AND CAPITAL RESOURCES (Continued)

#### 2. Cash Flows (Continued)

##### *Cash Flows used in Operating Activities* (Continued)

###### *FY 2024 v. FY 2023*

Cash flows used in operating activities increased by \$34.8 million during FY 2024 compared to FY 2023. The increase in cash flow used in operating activities is driven primarily by higher cash G&A expenses, net of sales tax refund, of \$26.6 million, and higher cash energy cost from discontinued operations of \$24.7 million. Our working capital decreased by \$10.2 million as explained in the *Working Capital* section of this MD&A. In addition, there was an increase in income taxes paid, with \$1.5 million paid during FY 2024, compared to \$11.6 million refunded during FY 2023.

The increase was partially offset by interest income received of \$5.6 million in FY 2024 compared to \$1.8 million in FY 2023, mainly due to interest collected from the sales tax refund and from the higher average cash balance during 2024. We incurred lower cash energy cost from continuing operations of \$25.4 million, net of sales tax refund. In addition, there was a decrease in interest expenses paid, with \$1.7 million during FY 2024, compared to \$13.9 million paid during FY 2023, mainly due to eliminating the remaining NYDIG loan balance in February 2024.

##### *Cash Flows from Investing Activities*

###### *FY 2025 v. FY 2024*

Cash flows from investing activities increased by \$282.1 million during FY 2025 compared to FY 2024. The increase in cash flows from investing activities is driven primarily by the net addition of \$65.7 million of PPE during FY 2025, compared to \$281.5 million for the same period in 2024, and lower equipment prepayments of \$32.8 million in FY 2025, primarily due to the acquisition of Miners and infrastructure build-out. In addition, we received proceeds of \$63.0 million from the sale of the Yguazu Bitcoin data center. Proceeds earned from sale of digital assets increased by \$19.0 million as a result of higher Bitcoin prices when selling 1,765 Bitcoin in FY 2025 compared to lower Bitcoin prices when selling 2,419 Bitcoin in FY 2024. Lastly, we paid refundable deposits of \$15.6 million in FY 2024, compared to nil in FY 2025.

The increase was partially offset by net payments for derivative assets and liabilities that amounted to \$18.5 million in FY 2025, compared to \$17.2 million of net proceeds in FY 2024, and the acquisition of Stronghold which included \$48.1 million of cash payment in FY 2025.

### III. LIQUIDITY AND CAPITAL RESOURCES (Continued)

#### 2. Cash Flows (Continued)

##### *Cash Flows from Investing Activities* (Continued)

###### **FY 2024 v. FY 2023**

Cash flows used in investing activities decreased by \$249.4 million during FY 2024 compared to FY 2023. The decrease in cash flows used in investing activities is driven primarily by \$281.5 million of net additions of PPE during FY 2024, compared to \$45.3 million for the same period in 2023. We paid \$15.6 million in Refundable Hosting Deposits in FY 2024, compared to nil during FY 2023. In addition, we received \$2.3 million of net proceeds in FY 2024 from the purchase and disposition of marketable securities to fund the Argentina expansion activities, compared to \$12.2 million of net proceeds for the same period in 2023.

The decrease was partially offset by \$30.1 million more in equipment prepayments in FY 2024 compared to FY 2023, primarily due to the acquisition of Miners and infrastructure build-out. We had an increase in proceeds from sale of digital assets earned of \$22.8 million as a result of selling Bitcoin in FY 2024 with significantly higher prices compared to FY 2023. Net proceeds from the disposition of derivative assets and liabilities amounted to \$17.2 million in FY 2024 as we capitalized on near all-time highs on the Bitcoin price to close out all Synthetic HODL positions compared to nil in FY 2023.

##### *Cash Flows from Financing Activities*

Cash flows from financing activities increased by \$398.7 million from \$295.6 million for FY 2024 to \$694.3 million for FY 2025. Cash flows from financing activities increased by \$206.6 million from \$89.1 million for FY 2023 to \$295.6 million for FY 2024.

###### **FY 2025**

We raised \$588.0 million through the issuance of convertible notes, \$100.0 million through the Macquarie credit facility, partially offset by \$22.1 million of transaction costs, and \$72.7 million of net proceeds from our 2024 ATM Program as discussed below. Through the exercise of stock options and warrants, we raised \$35.7 million of net proceeds.

The amounts raised were partially offset by \$10.0 million related to the repurchase and cancellation of shares.

###### **FY 2024**

We raised \$289.5 million of net proceeds from our 2024 ATM Program as discussed below, and \$8.9 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.

### III. LIQUIDITY AND CAPITAL RESOURCES (Continued)

#### 2. Cash Flows (Continued)

##### *Cash Flows from Financing Activities* (Continued)

##### **FY 2023**

We raised \$68.5 million of net proceeds from an at-the-market equity offering program, which was initiated on August 16, 2021 and expired on September 12, 2023 (“2021 ATM program”), \$43.8 million of net proceeds from the private placement completed in November 2023, and \$13.0 million of net proceeds from the exercise of stock options and warrants. The amounts raised were partially offset by repayments towards the long-term debt of \$30.5 million.

The long-term debt repayments included the settlement of the remaining \$20.4 million principal balance of the BlockFi Loan on February 8, 2023 for cash consideration of \$7.8 million, as discussed below. We made principal repayments of \$22.2 million towards the NYDIG Loan, and fully repaid the principal amount of the remaining equipment financing (the “Foundry Loans”) before maturity and without prepayment penalty for \$0.8 million.

##### *Macquarie Loan*

In April 2025, we signed a credit facility for up to \$300.0 million (the “Credit Facility”) with Macquarie. In October 2025, we converted the entirety of the Credit Facility into a \$300.0 million project debt facility for the development of the Panther Creek property and secured at the project level with a parent company guarantee. During the year ended December 31, 2025, we drew the initial tranche of \$50.0 million and the second tranche of \$50.0 million for a total of \$100.0 million drawn. In February 2026, the Credit Facility was fully repaid.

##### *Convertible Notes*

In October 2025, we 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. Transaction costs of \$18.9 million relating to agent fees and legal fees were capitalized and deducted from the carrying amount of the Convertible Notes. Net proceeds from the offering of the Convertible Notes were \$569.1 million.

##### *At-The-Market Equity Offering Program*

We commenced the 2024 ATM Program on March 11, 2024, by means of a prospectus supplement dated March 8, 2024 (“March Supplement”), to our 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. We capitalized \$0.9 million of professional fees and registration expenses to initiate the 2024 ATM Program.

### III. LIQUIDITY AND CAPITAL RESOURCES (Continued)

#### 2. Cash Flows (Continued)

##### *Cash Flows from Financing Activities* (Continued)

##### *At-The-Market Equity Offering Program* (Continued)

We filed amended and restated prospectus supplements dated October 4, 2024, and December 17, 2024, providing disclosure regarding the Stronghold Transaction and amending and restating the March Supplement, to our existing \$375.0 million Base Shelf, with both the Base Shelf and amended and restated prospectus supplement forming a part of our registration statement on Form F-10.

On October 7, 2025, the 2024 ATM Program was completed, as we 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.

During FY 2025, we issued 29,616,939 common shares in the 2024 ATM Program in exchange for gross proceeds of \$75.1 million at an average share price of approximately \$2.54. We received net proceeds of \$72.7 million after paying commissions of \$2.3 million to the sales agent.

During FY 2024, we issued 135,474,160 common shares in the 2024 ATM program in exchange for gross proceeds of \$299.9 million at an average share price of approximately \$2.21. We received net proceeds of \$290.5 million after paying commissions of \$9.0 million to the sales agent, in addition to \$0.4 million of other transaction fees. We capitalized \$0.9 million of professional fees and registration expenses to initiate the 2024 ATM Program.

During FY 2023, we issued 52,120,899 common shares in the 2021 ATM program in exchange for gross proceeds of \$70.8 million at an average share price of approximately \$1.36. We received net proceeds of \$68.5 million after paying commissions of \$2.2 million to the sales agent, in addition to \$0.1 million of other transaction fees.

### III. LIQUIDITY AND CAPITAL RESOURCES (Continued)

#### 2. Cash Flows (Continued)

##### *Cash Flows from Financing Activities* (Continued)

###### *Use of Proceeds*

We used the proceeds from the 2024 ATM Program prudently to support the growth and development of our major Mining capital expenditure program, as described in Section 5 - *HPC data center and Bitcoin Mining Expansion Projects* of this MD&A, as well as for working capital and general corporate purposes. We do not intend to make significant further capital investments in Mining in the near future as we focus on our HPC data center development. Described below are the actual use of proceeds from the commencement of the 2024 ATM Program on March 11, 2024 through December 31, 2025:

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

<b>Categories</b>	<b>Use of proceeds</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
Acquisition of Stronghold	48,084
United States expansion	25,772
Used proceeds	364,329
Commissions to sales agents and other transaction costs	10,671
Total proceeds raised	375,000
Maximum proceeds available	375,000
Remaining proceeds available	—

<sup>1</sup> Cash flows include the discontinued operations in Rio Cuarto, Argentina and in Paraguay. On May 12, 2025, our energy provider GMSA, halted the supply of electricity to our 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 we made a strategic shift towards HPC/AI infrastructure in North America.

<sup>2</sup> During the first quarter of 2025, the Company finalized the sale of its Yguazu Bitcoin data center in Paraguay.

###### *BlockFi Loan*

On February 18, 2022, our subsidiary, Backbone Mining Solutions Inc. (“Backbone Mining”), entered into a \$32.0 million equipment financing facility with BlockFi. On February 8, 2023, we negotiated with BlockFi a settlement of the loan in its entirety for cash consideration of \$7.8 million, discharging Backbone Mining of all further obligations and resulting in a gain on extinguishment of long-term debt of \$12.6 million. Upon settlement, all of Backbone Mining’s assets, including 6,100 Miners collateralizing the loan, became unencumbered.

### III. LIQUIDITY AND CAPITAL RESOURCES (Continued)

#### 2. Cash Flows (Continued)

##### *Cash Flows from Financing Activities* (Continued)

###### *Private Placements*

##### ***FY 2025 v. FY 2024 v. FY 2023***

During FY 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 FY 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 FY 2023, we received total net proceeds of \$51.6 million from the 2023 private placement and 6,962,693 warrants and 2,306,667 broker warrants were exercised.

#### 3. Capital Resources

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

Based on our current plans and business conditions, we believe that our existing cash and Bitcoin, together with cash generated from operations and our future investing and financing activities, will be sufficient to satisfy our anticipated cash requirements for the next 12 months and beyond. Our expansion into HPC/AI infrastructure development is expected to increase capital intensity and shift the timing of cash inflows relative to capital outlays.

In October 2025, we drew an additional \$50.0 million from the Macquarie Credit Facility, bringing the total drawn to \$100.0 million 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 \$569.1 million after transaction fees and approximately \$69.1 million was used to fund a 125% capped call transaction. In February 2026, the Credit Facility was fully repaid and the cash balance of \$57.5 million is no longer restricted.

### III. LIQUIDITY AND CAPITAL RESOURCES (Continued)

#### 3. Capital Resources (Continued)

On July 22, 2025, we announced that the TSX had approved a normal course issuer bid (“NCIB”), under which we may repurchase up to 49,943,031 of our common shares, representing approximately 10% of our 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. We 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 year ended December 31, 2025, we repurchased 7,807,141 common shares for cancellation through the Corporate Share Buyback Program under the NCIB in exchange for \$9.9 million at an average share price of approximately \$1.27 and paid \$0.1 million of commissions to the purchasing agent.

Developing and constructing data centers requires substantial up-front capital expenditures for land, substations, interconnection and specialized cooling systems, which may temporarily reduce liquidity. Although we expect to fund a portion of these expenditures through the strategic use of Bitcoin holdings and cash available, we may also supplement these sources with external financing depending on market conditions and project timing.

We are likely to require additional capital to respond to technological advancements, competitive dynamics or technologies, business opportunities, challenges, acquisitions or unforeseen circumstances and, in either the short-term or long-term, may determine to engage in equity or debt financings. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to grow or support our business and to respond to business challenges could be significantly limited. In particular, the ongoing impacts of inflation and fluctuations in interest rates, global conflicts and other macroeconomic factors, including the imposition and enforceability of tariffs or other changes in trade policies and related uncertainties, have resulted in, and may continue to result in, significant disruption and volatility in the global financial markets, reducing our ability to access capital. If we are unable to raise additional funds when or on the terms desired, our business, financial condition and results of operations could be adversely affected.

### III. LIQUIDITY AND CAPITAL RESOURCES (Continued)

#### 3. Capital Resources (Continued)

##### *Digital Asset Management Program*

We operate a digital asset management program under which we hold Bitcoin for its intrinsic value and as a source of liquidity. We maintain internal controls over the management of our digital assets and evaluate and enhance these controls as appropriate, on a quarterly basis.

Under this program, Management is authorized to sell daily Bitcoin production, and, if warranted by market conditions and projected financing requirements, to sell up to 1,000 Bitcoin from treasury at its discretion.

The following table presents the total Bitcoin sold and proceeds in FY 2025, which was used to fund operations and expansion plans:

(U.S. \$ in thousands except where indicated)	Three months ended			
	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025
Quantity of Bitcoin sold	428	1,052	185	100
Total proceeds	37,263	100,471	21,561	11,796

The sale of Bitcoin as described above, while we continued to earn Bitcoin, resulted in total holdings of 2,060 BTC as of December 31, 2025, of which 64 BTC are restricted, valued at approximately \$180.3 million based on a Bitcoin price of approximately \$87,500, as of December 31, 2025.

##### *Bitcoin 2.1 program for digital assets management*

During Q3 2025, we 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 Board authorized the risk management committee to deploy up to (i) 100% of our 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 year ended December 31, 2025, we recognized a net gain of \$18.0 million, which consisted of unrealized gains on open positions of \$1.3 million and realized gains on closed positions of \$16.6 million.

During the year ended December 31, 2025, total cash cost per Bitcoin would be reduced to \$75,400 after considering the realized and unrealized gain on Bitcoin option contracts.

### **III. LIQUIDITY AND CAPITAL RESOURCES (Continued)**

#### **4. Contractual Obligations**

Our contractual obligations are summarized in Note 22 (*Financial instruments - b. Risk management policy - Liquidity risks*) to the Financial Statements.

#### **5. Lawsuits**

Our lawsuits are summarized in Note 27 (*Commitments and Contingencies*) to the Financial Statements.

#### **6. Commitments**

Our commitments are summarized in Note 27 (*Commitments and Contingencies*) to the Financial Statements.

#### **7. Contingent liability**

Our contingent liability is summarized in Note 27 (*Commitments and Contingencies*) to the Financial Statements.

### III. LIQUIDITY AND CAPITAL RESOURCES (Continued)

#### 8. Working Capital

(U.S. \$ in thousands except where indicated)	As of December 31, 2025	As of December 31, 2024	\$ Change	% Change
Total Current Assets	826,465	213,735	612,730	287%
Total Current Liabilities	148,112	28,155	119,957	426%
<b>Working Capital</b>	<b>678,353</b>	<b>185,580</b>	<b>492,773</b>	<b>266%</b>

We continue to place importance on maintaining sufficient liquidity to fund our HPC/AI development activities. We also anticipate requiring additional funds to complete our 2026 growth plans. As of December 31, 2025, we had working capital of \$678.4 million, compared to \$185.6 million as of December 31, 2024.

The increase in working capital was largely due to our cash increasing by \$513.9 million as explained in the “Liquidity and Capital Resources” section above. Our digital assets increased by \$60.2 million, mainly due to our Bitcoin balance increasing by 775, partially offset by a lower Bitcoin price as of December 31, 2025.

We had a \$19.2 million increase in assets “held for sale” mainly due to the reclassification of the assets of the Paso Pe Bitcoin data center as “held for sale” for \$25.3 million. Inventories increased by \$7.5 million mainly attributable to (i) the acquisition of Stronghold, (ii) the acquisition of Mining repairs equipment, and (iii) the accelerated purchase of inventories. We had an \$18.5 million increase in RECs and WTCs derived from Stronghold’s refuse operations. In addition, accounts receivables increased by \$4.2 million due to the Stronghold acquisition and its plant-related energy sales.

The increase was partially offset by a \$20.7 million increase in accounts payable and accrued expenses, largely due to (i) \$11.8 million attributable to Stronghold, and (ii) the accrued liability of \$9.2 million related to custom duties. Our short-term prepaid deposits decreased by \$8.2 million mainly relating to the usage up to May 2025 of the prepayment of electricity to our energy supplier in Argentina during FY 2024, and the subsequent write-down of the remaining portion of the prepayment. Lastly, there was a \$2.8 million increase in derivative liabilities due to higher open position of Bitcoin options and selling contracts as of December 31, 2025.

## VI. CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We describe our most significant accounting policies in detail in Note 2 (Significant Accounting Policies) to our consolidated financial statements, included elsewhere in this Annual Report. Management regularly evaluates its estimates and their underlying assumptions using historical experience and other factors it believes to be reasonable under the circumstances. The following select accounting policies and estimates are believed to be critical to understanding this MD&A, but are not limited to:

### **Estimation of useful lives of property, plant, and equipment**

Property, plant and equipment are carried at cost, including directly attributable costs, less accumulated depreciation, accumulated impairment losses and any related investment grants, and include the initial estimate of the costs of dismantling and removing the item and restoring the site on which the item is located when a legal obligation exists at the time the asset is placed in service. We determine the estimated useful lives, residual values and related depreciation expense based on historical experience, anticipated usage, technological changes and replacements schedules. Determining useful lives requires judgment regarding the expected period over which the assets will provide economic benefits, and is subject to uncertainty, particularly in industries where assets may become obsolete due to technological innovation or changes in business strategy. Management periodically reviews these estimates and adjusts them when events or changes in circumstances indicate that the current estimated useful lives may no longer be appropriate, which would affect the timing and amount of depreciation expense, resulting in changes that could have a material impact on our financial results in future periods.

### **Impairment of long-lived assets**

Our long-lived assets (including property, plant, and equipment, right-of-use assets and intangible assets with finite useful lives) are assessed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When indicators of potential impairment are present, we prepare a projected undiscounted cash flow analysis for the respective asset or asset group, and if the sum of the undiscounted cash flow is less than the carrying amount of the asset or asset group, an impairment loss is recognized equal to the excess of the carrying amount over the fair value of the asset or asset group. Impairment losses are recognized in the consolidated statements of operations in the period in which the impairment is identified and are not reversed in subsequent periods.

Indicators of impairment may include significant declines in market demand, adverse changes in business or economic conditions, technological obsolescence, or a decision to significantly modify or dispose of an asset. These estimates require significant judgment and are sensitive to changes in assumptions regarding future revenues, operating costs and market conditions. Actual future outcomes could result in different conclusions that could materially affect the consolidated financial statements.

### **Measurement of financial instruments**

We measure certain derivative financial instruments and assets at fair value either on a recurring or non-recurring basis depending on their nature. Derivative financial instruments reflect the estimated amounts that we would receive or pay, taking into consideration counterparty risk or our credit risk, and in the case of embedded derivatives, are determined using a combination of the Monte Carlo simulation model to simulate future prices based on probability factors and the Black-Scholes Model. Derivative financial instruments include, but are not limited, to Bitcoin option and selling contracts, Bitcoin redemption options and capped calls. Changes in fair value are recognized in (Loss) gain on derivative assets and liabilities, and may have a material impact on the amounts reported in our financial statements.

## VII. RECENT AND SUBSEQUENT EVENTS

Our recent and subsequent events are summarized in Note 28 to the Financial Statements.

### ITEM 7A - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

#### Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates.

#### Market value and price risk of Bitcoin

We hold a significant amount of Bitcoin, and therefore are exposed to the impact of market price changes in Bitcoin. The price of Bitcoin is volatile, and is impacted by factors such as global economic conditions, regulatory developments affecting digital assets, technological changes in the blockchain ecosystem, market liquidity and shifts in investor demand. Further, the rewards for each Bitcoin mined are subject to “halving” adjustments at predetermined intervals.

As of December 31, 2025, we held 1,996 Bitcoin with a fair market value of \$174.7 million, reflecting a fair value of a single Bitcoin of approximately \$87,500. A decline in the fair market value of Bitcoin could reduce the value of our digital asset holdings and negatively affect our revenue and profitability and could also reduce the amount of cash available to the Company upon disposition of these holdings, which may adversely affect our liquidity. A 10% increase or decrease in the market value of Bitcoin over the course of the year ended December 31, 2025, would have increased or decreased our revenue by \$20.6 million for the year and would have had a material effect on our total revenue as at that date.

#### Impact of tariffs

Changes in government and economic policies, incentives, trade regulations, or tariffs may have a material adverse impact on hardware and equipment that we import, our business, prospects, operations and financial performance. In addition to those tariffs which have already come into effect, additional tariffs and trade restrictions may be suggested in the future, which, if they were to be enacted, could further impact our business. While the final scope, timing, and application of recently announced or proposed changes in U.S. trade policy remain uncertain, increases in tariffs on imported equipment, as well as the potential imposition of retaliatory tariffs by foreign jurisdictions, could materially increase our equipment and infrastructure costs or limit the availability of certain components, our ability to procure equipment on a timely basis or at cost-effective levels, which in turn may impact project timelines, capital expenditures, and operating margins. We continuously monitor developments in trade policy and may adjust our procurement strategies, sourcing arrangements, or deployment plans in response to such changes. Any such developments could negatively affect our overall financial performance.

#### Interest rate risk

We have limited exposure to interest rate risk, which is the risk that a financial instrument’s value will fluctuate as a result of changes in the market interest rates on variable interest-bearing financial instruments. As of December 31, 2025, we do not use derivatives to mitigate interest rate exposures. We only hold cash and maintain our cash balance with major financial institutions that are insured by the Federal Deposit Insurance Corporation.



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<a href="#">Report of Independent Registered Public Accounting Firm (PCAOB identification #271)</a>	F-3
<b>Financial Statements</b>	
<a href="#">Consolidated Balance Sheets as of December 31, 2025 and 2024</a>	F-6
<a href="#">Consolidated Statements of Operations for the years ended December 31, 2025, 2024 and 2023</a>	F-7
<a href="#">Consolidated Statements of Stockholders' Equity for the years ended December 31, 2025, 2024 and 2023</a>	F-8
<a href="#">Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024 and 2023</a>	F-9
<b>Notes to the Consolidated Financial Statements</b>	F-10
1. <a href="#">Organization</a>	F-10
2. <a href="#">Significant Accounting Policies</a>	F-11
3. <a href="#">Business Combination</a>	F-26
4. <a href="#">Acquisition of Assets</a>	F-29
5. <a href="#">Rights to renewable energy credits and Waste tax credits</a>	F-30
6. <a href="#">Accounts Receivable, Net</a>	F-30
7. <a href="#">Other Assets</a>	F-30
8. <a href="#">Digital Assets</a>	F-31
9. <a href="#">Inventories</a>	F-31
10. <a href="#">Derivative Assets and Liabilities</a>	F-32
11. <a href="#">Assets Held for Sale and Discontinued Operations</a>	F-34
12. <a href="#">Impairment from Continuing Operations</a>	F-39
13. <a href="#">Property, Plant and Equipment, Net</a>	F-40
14. <a href="#">Long-term Deposits, Equipment Prepayments and Other</a>	F-41
15. <a href="#">Refundable Deposits</a>	F-42
16. <a href="#">Accounts payable and Accrued expenses</a>	F-42
17. <a href="#">Long-term Debt</a>	F-43
18. <a href="#">Leases</a>	F-46
19. <a href="#">Income Taxes</a>	F-49
20. <a href="#">Share Capital</a>	F-52
21. <a href="#">Stock-based Compensation</a>	F-57
22. <a href="#">Financial Instruments</a>	F-62
23. <a href="#">Loss Per Share</a>	F-68
24. <a href="#">Segment and Geographical Information</a>	F-70
25. <a href="#">Additional Details to the Statements of Operations</a>	F-71
26. <a href="#">Additional Details to the Statements of Cash Flow</a>	F-74
27. <a href="#">Commitments and Contingencies</a>	F-75
28. <a href="#">Subsequent Events</a>	F-77



## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Bitfarms Ltd.

### *Opinions on the Financial Statements and Internal Control over Financial Reporting*

We have audited the accompanying consolidated balance sheets of Bitfarms Ltd. and its subsidiaries (the Company) as of December 31, 2025 and 2024, and the related consolidated statements of operations, of stockholders' equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the COSO.

### *Basis for Opinions*

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 9A of the Company's Annual Report on Form 10-K. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As described in Management's Annual Report on Internal Control over Financial Reporting, management has excluded Stronghold Digital Mining, Inc. from its assessment of internal control over financial reporting as of December 31, 2025, because it was acquired by the Company in a purchase business combination during 2025. We have also excluded Stronghold Digital Mining, Inc. from our audit of internal control over financial reporting. Stronghold Digital Mining, Inc. is a wholly-owned subsidiary whose total assets and total revenues excluded from management's assessment and our audit of internal control over financial reporting represent 12.2% and 27%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2025.

#### ***Definition and Limitations of Internal Control over Financial Reporting***

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### ***Critical Audit Matters***

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

*Revenues from sale of computational power used for hashing calculations*

As described in Notes 2, 11 and 25 to the consolidated financial statements, the Company recorded \$264.9 million of revenues from sale of computational power used for hashing calculations to mining pool operators for the year ended December 31, 2025, of which \$58.7 million are included within discontinued operations. A significant portion of this revenue was sold to one mining pool operator (the Mining Pool Operator). In exchange for providing computational power to mining pool operators, the Company receives non-cash consideration in the form of Bitcoin based on a prescribed formula, and accounts for the Bitcoin to be received as variable consideration.

The principal considerations for our determination that performing procedures relating to revenues from sale of computational power used for hashing calculations is a critical audit matter are the significant judgment used by the auditor in determining the procedures to be performed over the revenue balance and a high degree of auditor effort required to perform the procedures to test (i) the computational power provided to the Mining Pool Operator; (ii) the associated contractual amounts the Company is entitled to receive in return for providing the computational power; and (iii) the quantity of the Bitcoin received from the Mining Pool Operator.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of certain controls relating to the revenues from the sale of computational power used for hashing calculations. These procedures also included, among others, (i) testing the computational power provided to the Mining Pool Operator by confirming directly with the Mining Pool Operator; (ii) testing the associated contractual amounts the Company is entitled to receive by recalculating the amount based on the prescribed formula; (iii) agreeing all the Bitcoin received directly to the blockchain and tracing all receipts during the year to the Company's wallet addresses by using our proprietary software; and (iv) testing the settlement and ending balances of Bitcoin or cash by agreeing to third-party custodian data and the Company's bank statements.

**/s/ PricewaterhouseCoopers LLP**

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada  
March 31, 2026

We have served as the Company's auditor since 2020.

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

	As of December 31, 2025	As of December 31, 2024
<b>Assets</b>		
Current		
Cash	573,462	59,542
Accounts receivable, net	5,471	1,259
Digital assets	174,726	87,298
Digital assets - restricted	5,559	32,826
Other assets	2,825	4,282
Rights to renewable energy credits and waste tax credits	18,478	—
Assets held for sale	28,664	9,419
Short-term prepaid deposits	6,317	14,554
Inventories	8,676	1,137
Derivative assets	2,287	3,418
<b>Total current assets</b>	<b>826,465</b>	<b>213,735</b>
Non-current		
Restricted cash	57,500	—
Property, plant and equipment, net	358,333	237,255
Operating lease right-of-use assets, net	11,103	21,299
Finance lease right-of-use assets, net	2,127	2,281
Long-term deposits and equipment prepayments	31,033	44,572
Refundable deposits	350	14,216
Intangible assets, net	2,983	4,636
Assets held for sale	—	125,138
Investment in equity securities	1,250	—
Long-term derivative assets	5,200	—
<b>Total assets</b>	<b>1,296,344</b>	<b>663,132</b>
<b>Liabilities</b>		
Current		
Accounts payable and accrued expenses	46,443	25,792
Current portion of long-term debt	97,022	146
Current portion of operating lease liabilities	1,490	1,959
Current portion of finance lease liabilities	235	130
Derivative liabilities	2,922	128
<b>Total current liabilities</b>	<b>148,112</b>	<b>28,155</b>
Non-current		
Long-term debt	572,447	1,430
Operating lease liabilities	10,606	17,440
Finance lease liabilities	1,978	2,310
Deferred tax liability	65	65
Other non-current liabilities	2,761	2,586
<b>Total liabilities</b>	<b>735,969</b>	<b>51,986</b>
<b>Commitments and contingencies (Note 27)</b>		
<b>Stockholders' equity</b>		
Common stock - no par value; Authorized – unlimited number of shares; Issued and outstanding – 601,579,999 and 479,332,885 shares	1,064,572	837,764
Additional paid-in capital	108,284	101,319
Accumulated deficit	(612,481)	(327,937)
<b>Total stockholders' equity</b>	<b>560,375</b>	<b>611,146</b>
<b>Total liabilities and stockholders' equity</b>	<b>1,296,344</b>	<b>663,132</b>

See accompanying notes to the consolidated financial statements

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

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

	Year ended December 31,		
	2025	2024	2023
<b>Revenues</b>	<b>229,276</b>	133,274	120,400
Cost of revenues	<b>(248,180)</b>	(149,186)	(144,142)
<b>Gross loss</b>	<b>(18,904)</b>	(15,912)	(23,742)
<b>Operating expenses</b>			
General and administrative expenses	<b>(78,339)</b>	(61,925)	(33,867)
Change in fair value of digital assets	<b>(50,522)</b>	26,015	7,558
Realized gain on sale of digital assets	<b>28,219</b>	27,209	7,713
(Loss) gain on disposition of property, plant and equipment and deposits	<b>(1,612)</b>	227	(2,055)
Impairment of long-lived assets and deposits	<b>(28,442)</b>	(3,628)	(5,604)
<b>Operating loss</b>	<b>(149,600)</b>	(28,014)	(49,997)
Interest income	<b>6,288</b>	6,037	1,420
Interest expense	<b>(8,623)</b>	(745)	(2,865)
(Loss) gain on derivative assets and liabilities	<b>(50,415)</b>	17,819	48
Gain on extinguishment of long-term debt	—	—	12,835
Other expense	<b>(6,063)</b>	(2,110)	(1,528)
<b>Total other (expense) income</b>	<b>(58,813)</b>	21,001	9,910
<b>Loss before taxes from continuing operations</b>	<b>(208,413)</b>	(7,013)	(40,087)
Income tax (expense) recovery	<b>(101)</b>	(346)	154
<b>Loss from continuing operations</b>	<b>(208,514)</b>	(7,359)	(39,933)
<b>Loss from discontinued operations</b>	<b>(76,030)</b>	(21,006)	(15,578)
<b>Net loss</b>	<b>(284,544)</b>	(28,365)	(55,511)
<b>Loss per common share</b>			
Basic and diluted loss per share from continuing operations	<b>(0.38)</b>	(0.02)	(0.15)
Basic and diluted loss per share from discontinued operations	<b>(0.14)</b>	(0.05)	(0.06)
Basic and diluted loss per share	<b>(0.52)</b>	(0.07)	(0.21)
<b>Weighted average number of common shares outstanding</b>			
Basic and diluted	<b>551,676,757</b>	414,669,947	262,237,117

See accompanying notes to the consolidated financial statements

**BITFARMS LTD.**
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

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

	Number of shares	Common stock	Additional paid-in capital	Accumulated deficit	Total stockholders' equity
<b>Balance as of January 1, 2023</b>	<b>224,200,170</b>	<b>412,233</b>	<b>78,370</b>	<b>(244,061)</b>	<b>246,542</b>
Net loss	—	—	—	(55,511)	(55,511)
Stock-based compensation	—	—	10,915	—	10,915
Issuance of common shares	97,386,182	99,973	—	—	99,973
Issuance of equity warrants	—	—	10,457	—	10,457
Settlement of restricted share units	250,002	692	(692)	—	—
Exercise of stock options and warrants	12,316,976	18,503	(5,521)	—	12,982
<b>Balance as of December 31, 2023</b>	<b>334,153,330</b>	<b>531,401</b>	<b>93,529</b>	<b>(299,572)</b>	<b>325,358</b>
Net loss	—	—	—	(28,365)	(28,365)
Stock-based compensation	—	—	12,681	—	12,681
Issuance of common shares	137,006,905	292,534	—	—	292,534
Settlement of restricted share units	416,666	1,116	(1,116)	—	—
Exercise of stock options and warrants	7,755,984	12,713	(3,775)	—	8,938
<b>Balance as of December 31, 2024</b>	<b>479,332,885</b>	<b>837,764</b>	<b>101,319</b>	<b>(327,937)</b>	<b>611,146</b>
Net loss	—	—	—	(284,544)	(284,544)
Stock-based compensation	—	—	14,984	—	14,984
Issuance of replacement stock-based compensation	—	—	232	—	232
Issuance of common shares	97,983,548	172,794	—	—	172,794
Issuance of equity warrants	—	—	20,088	—	20,088
Settlement of restricted share units	2,744,083	4,430	(4,430)	—	—
Exercise of stock options and warrants	27,783,304	60,849	(25,220)	—	35,629
Settlement of share awards	1,543,320	1,558	(1,558)	—	—
Repurchase and cancellation of common shares	(7,807,141)	(12,823)	2,869	—	(9,954)
<b>Balance as of December 31, 2025</b>	<b>601,579,999</b>	<b>1,064,572</b>	<b>108,284</b>	<b>(612,481)</b>	<b>560,375</b>

See accompanying notes to the consolidated financial statements

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

	<b>Year ended December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>Cash flows from (used in) operating activities</b>			
Net loss	(284,544)	(28,365)	(55,511)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	122,630	135,424	84,323
Impairment of long-lived assets and deposits	101,843	3,628	12,586
Total other expense (income)	58,969	(21,102)	(8,846)
Digital assets earned and hosting revenue received in Bitcoin	(262,931)	(186,527)	(141,306)
Stock-based compensation	14,984	12,681	10,915
Income tax expense (recovery)	833	(186)	2,232
Renewable energy credits earned	(22,763)	—	—
(Gain) loss on disposition of assets and other	(5,457)	(691)	1,598
Digital assets exchanged for services	9,992	1,463	—
Realized gain on disposition of digital assets	(28,219)	(27,209)	(7,713)
Asset retirement obligation accretion expense	222	270	214
Change in fair value of digital assets	50,522	(26,015)	(7,558)
Interest income received	4,626	5,649	1,787
Interest expenses paid	(1,259)	(1,738)	(13,923)
Income taxes (paid) received	(427)	(1,510)	11,590
Proceeds from disposition of renewable energy and waste tax credits	13,274	—	—
Changes in non-cash working capital components	1,111	(7,479)	2,725
<b>Net change in cash related to operating activities</b>	<b>(226,594)</b>	<b>(141,707)</b>	<b>(106,887)</b>
<b>Cash flows from (used in) investing activities</b>			
Proceeds from sale of digital assets	171,091	152,135	129,309
Purchase of property, plant and equipment and intangible assets	(100,297)	(286,919)	(48,436)
Proceeds from sale of property, plant and equipment and assets held for sale	34,565	5,460	3,111
Costs related to purchase and sale of assets held for sale	(7,988)	—	—
Purchase of marketable securities	(33,975)	(22,375)	(36,262)
Proceeds from disposition of marketable securities	33,962	24,688	48,507
Refundable Hosting Deposit	—	(15,600)	—
Purchase of derivative assets and liabilities	(154,443)	(13,961)	—
Settlement of derivative assets and liabilities	172,915	31,120	—
Equipment and construction prepayments	(20,164)	(52,935)	(22,869)
Proceeds from disposal of business	63,038	—	—
Acquisition of business	(48,084)	—	—
Investment in equity securities	(1,250)	—	—
Acquisition of assets	(5,626)	—	(2,394)
<b>Net change in cash related to investing activities</b>	<b>103,744</b>	<b>(178,387)</b>	<b>70,966</b>
<b>Cash flows from (used in) financing activities</b>			
Repayment of long-term debt	(785)	(4,141)	(30,545)
Proceeds from long-term debt, net of transaction costs	666,469	1,695	—
Repayment of finance lease liabilities	(820)	(1,079)	(2,458)
Lease incentive received	—	714	—
Issuance of common shares and warrants	72,747	289,534	109,074
Exercise of stock options and warrants	35,711	8,883	12,983
Purchase of capped calls	(69,090)	—	—
Repurchase and cancellation of common shares	(9,954)	—	—
<b>Net change in cash related to financing activities</b>	<b>694,278</b>	<b>295,606</b>	<b>89,054</b>
<b>Net increase (decrease) in cash and restricted cash</b>	<b>571,428</b>	<b>(24,488)</b>	<b>53,133</b>
Cash, beginning of the year	59,542	84,038	30,887
Exchange rates differences on currency translation	(8)	(8)	18
<b>Cash and restricted cash, end of the year</b>	<b>630,962</b>	<b>59,542</b>	<b>84,038</b>
<b>Cash flows from (used in) discontinued operations</b>	<b>13,147</b>	<b>2,131</b>	<b>(1,114)</b>

See accompanying notes to the consolidated financial statements

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

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

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**NOTE 1: ORGANIZATION**

Bitfarms Ltd. (the “Company” or “Bitfarms”) is a North American digital and energy infrastructure company in transition to developing, owning, and operating data center facilities and energy infrastructure for high-performance computing (“HPC”) and artificial intelligence (“AI”) workloads. The Company currently maintains its legacy North American Bitcoin Mining operations to help fund its development efforts. These activities are comprised mainly of selling its computational power used for hashing calculations for the purpose of cryptocurrency mining in multiple jurisdictions that include Canada, the United States and Paraguay. Refer to Note 11 for disclosures related to discontinued operations in Paraguay and Argentina. 9159-9290 Québec Inc. (“Volta”), a wholly-owned subsidiary of the Company, assists the Company in building and maintaining its Canadian data centers and provides electrician services to both commercial and residential customers in Québec, Canada.

Bitfarms 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. dollar, or another currency. However, the fees are paid to Bitfarms on a daily basis in Bitcoin (as defined below). Bitfarms accumulates the cryptocurrency and transaction fees it receives or exchanges them for U.S. dollar through reputable and established cryptocurrency trading platforms.

**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 Mining	Backbone Mining Solutions LLC
4	Backbone Paso Pe	D&N Ingenieria SA
5	Backbone Paraguay	Backbone Hosting Solutions Paraguay SA
6	Backbone Sharon	Backbone Sharon LLC
7	Backbone Yguazu	Zunz SA
8	Volta	9159-9290 Québec Inc.
9	BVVE	Blockchain Verification and Validation Equipment (primarily Miners and Mining-related equipment)
10	MW	Megawatt
11	ARS	Argentine pesos
12	BTC	Bitcoin
13	CAD	Canadian dollars
14	USD	United States dollars

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

These 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. All intercompany balances and transactions have been eliminated in consolidation. The consolidated financial statements also include the Company’s discontinued operations, consisting of the Company’s Paraguay and Argentina operations.

The 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”) including the applicable rules and regulations of the Securities and Exchange Commission (“SEC”) regarding financial reporting.

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 consolidated financial statements.

***Nature of variable interest entities (VIEs)***

Certain of the Company’s wholly-owned subsidiaries are considered VIEs primarily because their equity investment at risk isn’t sufficient to permit the entities to finance their activities without additional subordinated financial support. The Company has determined that it is the primary beneficiary of each of its consolidated VIEs because it has the power to direct the activities that most significantly affect the economic performance of the VIEs and the obligation to absorb losses or the right to receive benefits that could potentially be significant. Accordingly, the assets, liabilities, revenues and expenses of these VIEs are included in the Company’s consolidated financial statements. The consolidated VIEs do not have assets that are restricted to settling the obligations of the VIEs, and creditors of the VIEs do not have recourse solely to the assets of the VIEs. As a result, separate presentation of VIE assets and liabilities on the consolidated balance sheets is not required. The Company’s maximum exposure to loss as a result of its involvement with the consolidated VIEs is reflected in the carrying amounts of the assets and liabilities included in the consolidated financial statements. The Company did not provide financial or other support to its consolidated VIEs during the periods presented that it was not previously contractually required to provide.

**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.

*Foreign currencies*

The Company's functional currency is the USD as all of its cryptocurrency Mining revenues, most of its capital expenditures and most of its financing are measured or transacted in USD. In addition, the Company's reporting currency is USD. Transactions in foreign currencies are initially recorded at the exchange rate in effect on the transaction date. Monetary assets and liabilities in foreign currencies are subsequently translated into the functional currency at the exchange rate in effect at each reporting date. Exchange rate differences, other than those capitalized to qualifying assets or carried to equity in hedging transactions, are included in profit or loss. Non-monetary assets and liabilities in foreign currencies stated at cost are translated at the exchange rate in effect at the transaction date. Non-monetary assets and liabilities in foreign currencies carried at fair value are translated at the exchange rate at the date on which the fair value was determined.

*Business combinations*

The Company first evaluates whether an acquired set of activities and assets meets the definition of a business in accordance with ASC 805, Business Combinations. If the acquired set does not meet the definition of a business, the transaction is accounted for as an asset acquisition. In an asset acquisition, the cost of the acquisition, including transaction costs, is allocated to the identifiable assets acquired and liabilities assumed based on their relative fair values at the acquisition date. No goodwill is recognized in an asset acquisition.

The Company accounts for business combinations using the acquisition method when it has obtained control. The Company measures goodwill as the fair value of the consideration transferred including the fair value of any non-controlling interest recognized, less the net recognized amount of the identifiable assets acquired and liabilities assumed, all measured at their fair value as of the acquisition date. Transaction costs, other than those associated with the issuance of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

When the initial accounting for a business combination has not been finalized by the end of the reporting period in which the transaction occurs, the Company reports provisional amounts. Provisional amounts are adjusted during the measurement period, which does not exceed one year from the acquisition date. These measurement period adjustments, or recognition of additional assets or liabilities, reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. The cumulative impact of measurement period adjustments to the provisional amounts are recognized in the period that the adjustment is determined.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)*****Revenue recognition***

The Company recognizes revenue under ASC 606, Revenue from Contracts with Customers (“ASC 606”). The core principle of the revenue standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The following five steps are applied to achieve that core principle:

- 1) Identify the contract with the customer
- 2) Identify the performance obligations in the contract
- 3) Determine the transaction price
- 4) Allocate the transaction price to the performance obligations in the contract, and
- 5) Recognize revenue when the company satisfies a performance obligation

In order to identify the performance obligations in a contract with a customer, a company must assess the promised goods or services in the contract and identify each promised good or service that is distinct. A performance obligation meets ASC 606’s definition of a “distinct” good or service (or bundle of goods or services) if both of the following criteria are met:

- The customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e., the good or service is capable of being distinct), and
- The entity’s promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e., the promise to transfer the good or service is distinct within the context of the contract).

If a good or service is not distinct, the good or service is combined with other promised goods or services until a bundle of goods or services is identified that is distinct.

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. When determining the transaction price, an entity must consider the effects of all of the following:

- Variable consideration
- Constraining estimates of variable consideration
- The existence of a significant financing component
- Non-cash consideration
- Consideration payable to a customer

Variable consideration is included in the transaction price only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The transaction price is allocated to each performance obligation on a relative standalone selling price basis. The transaction price allocated to each performance obligation is recognized when that performance obligation is satisfied, at a point in time or over time, as appropriate.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)*****Revenue recognition*** (Continued)

The Company has four revenue streams: i) sale of computational power used for hashing calculations, ii) energy sales, iii) hosting agreements and iv) electrical services.

*i. Revenues from the sale of computational power used for hashing calculations*

The Company has entered into arrangements with Mining pool operators, which are the Company's customers in accordance with ASC 606, and has undertaken the single performance obligation of providing a service to perform hash calculation services in exchange for non-cash consideration in the form of Bitcoin, which is variable consideration. Providing hash calculation services to the Mining pool operators is an output of the Company's ordinary business activities.

Bitcoin are calculated based on a formula which, in turn, is based on the hashrate contributed by the Company's provided computing power used for hashing calculations allocated to the Mining pool operators, assessed over a 24-hour period, and distributed daily based on the FPPS formula. The Company assesses the estimated amount of the variable non-cash consideration to which it expects to be entitled for providing computational power used for hashing calculations at contract inception and subsequently determines whether it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The uncertainties regarding the daily variable consideration to which the Company is entitled for providing its computational power used for hashing calculations are no longer constrained at 23:59:59 UTC regardless of the timing of the Bitcoin received.

The amount earned is calculated based on the Company's computing power used for hashing calculations provided to the Mining pool operators and the estimated (a) block subsidies and (b) daily average transaction fees which the Mining pool operators expect to earn, less (c) a Mining pool discount.

(a) Block subsidies refer to the block rewards that are expected to be generated on the Bitcoin network as a whole. The fee earned by the Company is first calculated by dividing (1) the total amount of hashrate the Company provides to the Mining pool operator, by (2) the total Bitcoin network's implied hashrate (as determined by the Bitcoin network difficulty), multiplied by (3) the total amount of block subsidies that are expected to be generated on the Bitcoin network as a whole.

(b) Transaction fees refer to the total fees paid by users of the network to execute transactions. The fee paid by the Mining pool operator to the Company is calculated by dividing (1) the total amount of transaction fees that are actually generated on the Bitcoin network as a whole less the 3 largest and 3 smallest blocks, divided by (2) the total amount of block subsidies that are actually generated on the Bitcoin network as a whole less the 3 largest and 3 smallest blocks, multiplied by (3) the Company's fee earned as calculated in (a) above. The Company is entitled to its relative share of consideration even if a block is not successfully added to the blockchain by the Mining pool.

(c) Mining pool discount refers to the discount applied to the total amount earned based on the FPPS formula otherwise attributed to computing power service providers for their sale of computing power used for hashing calculations as defined in the rate schedule of the agreement with the Mining pool operator.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)*****Revenue recognition (Continued)****i. Revenues from the sale of computational power used for hashing calculations (Continued)*

The Company is entitled to the fee from the Mining pool operators as calculated above regardless of the actual performance of the Mining pool operators. Therefore, even if the Mining pool operators do not successfully add any block to the blockchain in a given contract period, the fee remains payable by the Mining pool operators to the Company. Accordingly, the Company is not sharing in the earnings of the Mining pool operators. The Company's enforceable right to compensation begins when, and continues as long as, the Company provides its services to the Mining pool operators, and the Company decides when to provide these services under the contracts.

The Company's agreements with the Mining pool operators provide the Mining pool operators and the Company with the enforceable right to terminate the contract at any time without substantively compensating the other party for the termination. Upon termination, the Mining pool operators are required to pay the Company the amount due related to previously satisfied performance obligations. As a result, the Company has determined that the duration of the contract is less than 24 hours and the contract is continuously renewed throughout the day. Each contract period concludes at 23:59:59 UTC. The Company has also determined that the Mining pool operators' renewal right is not a material right as the terms, conditions, and compensation amounts are at then-current market rates.

Bitcoin earned is received in full and can be paid in fractions of cryptocurrency. Revenues from providing a service to perform hash calculations for the Mining pool operators are recognized upon delivery of the service (i.e., when the Mining pool operators obtain control of the hash calculations) over a 24-hour period. The Company updates the estimated transaction price of the non-cash consideration received at its fair market value. Management estimates fair value daily based on the quantity of Bitcoin received multiplied by the price quoted from Coinbase Inc. ("Coinbase Prime") on the day it was received. Management considers the prices quoted on Coinbase Prime to be a Level 1 input for fair value measurement purposes.

*ii. Revenue from electrical services*

The Company sells electrical components and provides electrician installation of those components as well as repair and maintenance services. Revenues are recognized according to the stage of completion of the transaction as of the balance sheet date. The stage of completion is estimated based on the costs incurred for the transaction compared to the total estimated cost of completion for the project. Under this input-based measure, revenues are recognized in the reporting period in which the services are provided. In the event that the outcome of the contract cannot be measured reliably, the revenues are recognized to the extent of the recoverable expenses incurred.

*iii. Revenue from hosting services*

The Company has entered into hosting agreements under which it operates Mining-related equipment on behalf of third parties within its facilities. Revenue from hosting agreements is recognized as the Company satisfies its performance obligation of operating the hosting equipment over time.

The consideration for the Company's hosting agreement comprises (a) the variable cost-of-power fee, denominated in cash, and (b) a portion of the Bitcoin mined by the customer's Mining-related equipment that the Company hosts, denominated in Bitcoin. The amount of consideration does not include a significant financing component and, therefore, is not adjusted for the effects of the time value of money in determining the transaction price.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)*****Revenue recognition*** (Continued)*iii. Revenue from hosting services* (Continued)

Estimates for variable cost-of-power fees and variable Bitcoin consideration are fully constrained. The Company includes these amounts in the transaction price only when it is probable that no significant revenue reversal will occur once the uncertainty is resolved. Each quarter, when uncertainty is resolved, the Company includes in the transaction price (a) the actual amount of the variable cost-of-power fee and (b) the noncash Bitcoin consideration equal to the product of (1) the Company's share of Bitcoin Mined by customers' hosted equipment during the period and (2) the quoted Bitcoin price in the Company's principal market at contract inception. At the end of each reporting period, the Company also reassesses the estimated transaction price to determine whether an estimate of the variable consideration over the remaining contract term is fully constrained.

Because there is only one performance obligation to provide an integrated hosting service to the Company's hosting customers, the entire transaction price described above is allocated to the single performance obligation and recognized over time as the integrated hosting service is provided. Since the variable consideration is fully constrained, the Company recognizes revenue based on the actual cost-of-power and Bitcoin Mining components of the transaction price each reporting period when uncertainty regarding the amount of variable consideration is resolved.

*iv. Energy revenue*

The Company operates as a market participant through the Pennsylvania, New Jersey, Maryland Interconnection ("PJM"), a Regional Transmission Organization ("RTO") that coordinates the movement of wholesale electricity. The Company sells energy from its Panther Creek and Scrubgrass generating plants in the open market in the PJM RTO in the real-time, location marginal pricing market. Revenues from the sale of energy are recognized as the energy is delivered as a series of distinct units that are substantially the same and have the same pattern of transfer to the customer over time and are, therefore, accounted for as a distinct performance obligation. Revenue from the sale of energy is recognized over time as energy volumes are generated and delivered to the RTO (which is contemporaneous with generation), using the output method based on megawatt hours for measuring progress. The Company applies the right to invoice practical expedient in recognizing revenue from the sale of energy. Under this practical expedient, revenue from the sale of energy is recognized based on the invoiced amount which corresponds directly with the value provided to the customer for the Company's performance obligation completed to date.

***Cost of revenues***

Cost of revenues include costs directly attributable to the Company's revenue-generating activities. These costs primarily consist of electricity and energy costs used in cryptocurrency mining operations, depreciation and amortization of mining equipment and related infrastructure, hosting expenses, infrastructure operating costs, and electrical components and related salaries.

Cost of revenues may also include inventory consumption, customs duties, and other costs directly associated with the operation and maintenance of Bitcoin data centers. Certain government incentives, including renewable energy credits ("RECs"), waste tax credits ("WTCs"), and sales tax recoveries are recognized as reductions of the related expenses when earned.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)*****Cash and cash equivalents***

Cash and cash equivalents consist of deposits and short-term, highly-liquid investments with original maturities of three months or less. The Company only holds cash and maintains its cash in accounts at high-quality financial institutions that are insured by the Federal Deposit Insurance Corporation.

***Rights to renewable energy credits and waste tax credits***

The Company uses refuse, which is classified as a Tier II Alternative Energy Source under Pennsylvania law, to produce energy for sale. RECs are generated from renewable sources (i.e., refuse) and may be sold or traded. Government grants related to WTCs are issued by the Commonwealth of Pennsylvania.

The Company recognizes rights to RECs and WTCs as intangible assets when the underlying energy generation or waste coal consumption occurs. The quantity of RECs recognized is based on net megawatt-hour (“MWh”) generation during the period and estimated conversion rates derived from recent historical experience, while WTCs are recognized based on actual waste coal consumption multiplied by the applicable statutory credit rate.

The value of RECs recognized incorporates estimates of market prices based on recent transactions or pricing information obtained from third party brokers. RECs are generally certified by PJM approximately two months after the related generation, at which time estimates are updated as necessary. WTCs are typically certified by the Commonwealth of Pennsylvania in the year following the related waste coal consumption.

Simultaneously, as the rights to RECs and WTCs are recognized as intangible assets, a corresponding contra expense within cost of revenues is recognized to offset the fuel expenses incurred to produce energy. The Company is permitted and does sell these intangibles, recognizing a gain or loss on disposal in the consolidated statement of operations.

***Income tax***

Income taxes are comprised of current and deferred taxes. These taxes are accounted for using the asset and liability method. Current tax is recognized in connection with income for tax purposes, unrealized tax benefits and the recovery of tax paid in a prior period and measured using the enacted tax rates and laws applicable to the taxation period during which the income for tax purposes arose. Deferred tax is recognized on the difference between the carrying amount of an asset or a liability, as reflected in the financial statements, and the corresponding tax base used in the computation of income for tax purposes and measured using the enacted tax rates and laws as at the balance sheet date that are expected to apply to the income that the Company expects to arise for tax purposes in the period during which the difference is expected to reverse. Management assesses the likelihood that a deferred tax asset will be realized, and a valuation allowance is provided to the extent that it is more likely than not that all or a portion of a deferred tax asset will not be realized. The determination of both current and deferred taxes reflects the Company’s interpretation of the relevant tax rules and judgment.

Income taxes are recognized in the consolidated statements of operations, except when they relate to an item that is recognized in other comprehensive loss or directly in equity, in which case, the taxes are also recognized in other comprehensive loss or directly in equity respectively. Where income taxes arise from the initial accounting for a business combination, these are included in the accounting for the business combination.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)*****Income tax*** (Continued)

In December 2023, the Financial Accounting Standards Board (“FASB”) issued ASU 2023-09, *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures* (“ASU 2023-09”), to enhance the transparency and decision usefulness of income tax disclosures by requiring disaggregated information about a reporting entity’s effective tax rate reconciliation and information on income taxes paid. The Company retrospectively adopted ASU 2023-09 in the year ended December 31, 2025. Refer to Note 19 for the required disclosures.

***Digital assets***

Digital assets are received as non-cash consideration for providing computational power used for hashing calculations and hosting services, in accordance with the Company’s revenue recognition policy under ASC 606. Digital assets are classified as current assets in the consolidated balance sheets as they are highly liquid, and the Company expects to realize them in cash within twelve months.

The Company adopted ASU 2023-08, *Intangibles-Goodwill and Other-Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets* (“ASU 2023-08”) as of January 1, 2023. As a result, digital assets are measured at fair value each reporting period, with changes in fair value recognized in the consolidated statements of operations. The fair value of digital assets is measured using the period-end closing price from the Company’s principal market, which is Coinbase Prime. When the Company sells digital assets, gains or losses from the disposal are measured as the difference between the cash proceeds and the cost basis, determined using a weighted average cost method.

***Inventories***

Electronic and networking components, waste coal, limestone, and fuel oil are valued at the lower of average cost or net realizable value and include all related transportation and handling costs. The Company performs periodic assessments to determine the existence of obsolete, slow-moving and unusable inventory and recognizes an allowance to reduce such inventories to net realizable value as necessary.

***Assets held for sale***

The Company classifies long-lived assets or an asset group to be sold as “held for sale” in the period in which all of the following criteria are met: (i) the Company is committed to their sale, (ii) the assets are available for immediate sale in their present condition, (iii) there is a program to locate a buyer, (iv) it is probable that a sale will be completed within one year from the date of classification, (v) the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value, and (vi) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. From the date of such initial classification, the assets are no longer depreciated and are presented separately as current assets at the lower of their carrying amount and fair value less costs to sell, and any related liabilities (in the asset group) are separately classified as current liabilities.

***Discontinued operations***

A discontinued operation is a component of the Company that has either been abandoned, sold or classified as “held for sale” and represents a strategic shift that has (or will have) a major effect on the Company’s operations and financial results.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES** (Continued)***Property, Plant and Equipment, Net***

Property, plant and equipment are carried at cost, including directly attributable costs, less accumulated depreciation, accumulated impairment losses and any related investment grants, and excluding day-to-day servicing expenses. Cost includes spare parts and auxiliary equipment used in connection with plant and equipment. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which the item is located when a legal obligation exists at the time the asset is placed in service.

Interest related to construction of assets is capitalized when the financial statement effect of capitalization is material, construction of the asset has begun, and interest is being incurred. Interest capitalization ends at the earlier of the asset being substantially complete and ready for its intended use or when interest costs are no longer being incurred.

Property, plant and equipment are depreciated as follows:

<b>Asset Class</b>	<b>Depreciation Method</b>	<b>Depreciation period</b>
BVVE		
Miners	Straight-line	3 years
Mining-related equipment	Straight-line	5 years
Leasehold improvements	Straight-line	Shorter of the lease term and the expected life of the improvement
Machinery and equipment	Straight-line	5 to 30 years
Buildings	Declining balance	4%
Power Plants	Declining balance	4%
Vehicles	Declining balance	30%

The useful life, depreciation method and residual value of an asset are reviewed at least each year-end and any changes are accounted for prospectively as a change in accounting estimate. Depreciation of an asset ceases at the earlier of the date that the asset is classified as "held for sale" and the date that the asset is derecognized.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Leases*

Right-of-use (“ROU”) assets represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent the Company’s obligation to make lease payments arising from the lease. The Company determines whether an arrangement contains a lease at the inception of the arrangement in accordance with ASC 842, *Leases*.

The Company determines lease classification at lease commencement as either operating or finance. The Company recognizes a ROU asset and a corresponding lease liability at lease commencement for leases with a term greater than 12 months. Lease liabilities are measured at the present value of lease payments over the lease term.

The Company has elected not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less that do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. The Company continues to recognize the lease payments associated with these leases as expenses as incurred over the lease term.

The Company generally uses its incremental borrowing rate to determine the present value of lease payments as the rate implicit in the lease is not readily determinable.

Additional quantitative information regarding the Company’s leases, including lease costs and maturity analyses of lease liabilities are disclosed in Note 18.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES** (Continued)*Leases* (Continued)

For finance leases, lease liabilities are increased to reflect the accretion of interest and reduced for the lease payments made. ROU assets are depreciated over the shorter of the lease term and the estimated useful lives of the assets, as follows:

<b>Asset Class</b>	<b>Depreciation Method</b>	<b>Depreciation period</b>
Leased premises	Straight-line	4-10 years
Machinery and equipment	Straight-line	3-4 years
Vehicles and other	Straight-line	3-5 years
BVVE	Straight-line	3 years

For operating leases, the lease expense is recognized on a straight-line basis over the lease term and is included in cost of revenues and general and administrative expenses in the consolidated statements of operations, depending on the nature of the asset.

Variable lease payments are generally expensed as incurred and include certain index-based changes in rent, certain performance or usage-based payments, and other charges included in the lease.

*Intangible assets*

Intangible assets consist of acquired software and access rights to electricity with finite useful lives. Intangible assets acquired separately are initially measured at cost plus direct acquisition costs. Intangible assets acquired in business combinations are measured at their fair value as of the acquisition date.

Intangible assets are amortized as follows:

<b>Asset Class</b>	<b>Amortization Method</b>	<b>Amortization period</b>
Systems software	Sum of years	5 years
Access rights to electricity	Straight-line	Lease term of the data center or the access rights period

The amortization period and the amortization method for an intangible asset are reviewed at least each year end and any changes are accounted for prospectively as a change in accounting estimate.

*Impairment of long-lived assets*

The Company's long-lived assets (including property, plant and equipment, right-of-use assets and intangible assets with finite useful lives) are assessed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

In order to determine if assets have been impaired, assets are grouped and tested at the lowest level for which identifiable independent cash flows are available ("asset group"). When indicators of potential impairment are present, the Company prepares a projected undiscounted cash flow analysis for the respective asset or asset group over the remaining useful life of the asset or asset group. If the sum of the undiscounted cash flow is less than the carrying amount of the asset or asset group, an impairment loss is recognized equal to the excess of the carrying amount over the fair value of the asset or asset group, if any. Fair value is generally determined using discounted cash flow techniques or other valuation methods consistent with the market participant assumptions, as applicable. Impairment losses are recognized in the consolidated statements of operations in the period in which the impairment is identified and are not reversed in subsequent periods.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)*****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.

***Non-hedge derivative instruments***

The Company enters into Bitcoin option contracts to reduce the risk of variability of cash flows resulting from the fluctuations in the Bitcoin price that impact future sales of digital assets. In addition, the Company entered into contracts and earned premiums by agreeing to sell Bitcoin if the price reached specific targets (“Bitcoin call option”) to reduce the risk of variability of cash flows. These derivatives are not designated for hedge accounting under ASC 815, *Derivatives and Hedging* and are accounted for at fair value upon initial recognition and at each balance sheet date with changes in fair value recognized as gain or loss on derivative assets and liabilities within other income (expense) in the consolidated statement of operations.

***Convertible debt***

Upon issuance, the Company assesses the various terms and features of the convertible debt instruments to determine whether there are any embedded derivatives that are required to be accounted for separately from the host contract that do not qualify for a scope exception under ASC 815, *Derivatives and Hedging* (“ASC 815”) and recognized on the consolidated balance sheets at fair value. The fair value of bifurcated derivative liabilities, if any, are required to be revalued at each balance sheet date, with corresponding changes in fair value recognized in the consolidated statements of operations.

Convertible debt instruments that do not require bifurcation are accounted for as a single liability measured at amortized cost. The Convertible debt instruments are initially recorded at principal amount, net of issuance costs. Debt issuance costs are presented as a direct deduction from the carrying amount of the debt and are amortized to interest expense over the contractual term using the effective interest method. Interest expense includes the contractual coupon and amortization of issuance costs.

The fair value of the Convertible debt instruments is disclosed in accordance with ASC 825, *Financial Instruments*. Fair value is estimated using a discounted cash flow model based on the Company’s current borrowing rate for similar instruments and is classified within Level 2 of the fair value hierarchy under ASC 820, *Fair Value Measurement*.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Capped Call Transactions***

Capped call transactions entered into in connection with convertible debt issuances are evaluated under ASC 815-40 to determine whether they qualify for equity classification. Instruments that do not qualify for equity classification are recognized as derivative assets or liabilities and measured at fair value at each reporting date, with changes in fair value recognized in the consolidated statements of operations.

Fair value is determined using a monte carlo option pricing model that incorporates relevant market-based inputs, including the Company’s share price, expected volatility, risk-free interest rate, expected term and contractual terms of the instruments. The fair value measurement is classified within the appropriate level of the fair value hierarchy under ASC 820 based on the nature of the inputs used.

***Fair value measurement***

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement assumes that the transaction to sell the asset occurs in the principal market or, in the absence of a principal market, in the most advantageous market. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. For liabilities, fair value measurement reflects the effect of nonperformance risk, including the Company’s own credit risk.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Fair value measurement of long-lived assets takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair values are measured using the cost, market or income approaches. Assets and liabilities measured at fair value, or whose fair value is disclosed, are classified into categories within the fair value hierarchy based on the lowest level input that is significant to the overall fair value measurement. The determination of the level in the fair value hierarchy requires judgment, including the assessment of the significance of a particular input to the overall fair value measurement.

<b>Level</b>	<b>Fair Value Hierarchy Level definitions</b>
Level 1	Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2	Observable, market-based inputs, other than quoted prices included in Level 1, for similar assets or liabilities that are directly or indirectly observable in the marketplace
Level 3	Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)*****Stock-based compensation***

Compensation expense for stock-based awards granted to employees and board members is measured at the grant-date fair value of the equity instruments. The fair value of stock options (“Options”) is determined using the Black-Scholes option pricing model. Restricted share units (“RSUs”) are measured based on the grant-date fair value of the Company’s common shares. The fair value of performance share units (“PSUs”) is determined using a Monte Carlo valuation model. Stock-based awards granted to non-employees are measured based on the fair value of the equity instruments expected to be issued in exchange for goods or services received.

Stock-based compensation expense is recognized within general and administrative expenses in the consolidated statement of operations, with a corresponding increase in additional paid-in capital, over the requisite service period. The Company has elected to account for forfeitures of awards as they occur.

Options and RSUs are service-based awards that vest in installments. The Company recognizes stock-based compensation expense using the graded vesting attribution method over the requisite service period.

PSUs are performance-based awards granted to senior management as part of the Company’s long-term incentive plan. PSUs entitle participants to receive a specified number of common shares of the Company, subject to the achievement of predetermined market and service conditions over a defined vesting period. PSUs vest in a single tranche at the end of the performance cycle, contingent upon the attainment of certain corporate performance objectives. The number of common shares issued upon vesting is subject to a performance multiplier based on the level of achievement of the performance objectives and may range from 0% to 200% of the target award. The likelihood of achieving the market condition is incorporated into the fair value of the PSUs and compensation expense will be recognized if the requisite service period is fulfilled even if the market condition is never satisfied.

***Warrants***

The Company accounts for warrants issued by the Company by first assessing whether the warrants meet all of the requirements for equity classification, including whether the warrants are indexed to the Company’s own shares of common stock and whether the warrant holders could require “net cash settlement” in a circumstance outside of the Company’s control, among other conditions for equity classification. This assessment is conducted at the time of issuance of the warrants and reassessed as of each subsequent balance sheet date while the warrants are outstanding. For issued warrants that do not meet all the criteria for equity classification, such warrants are required to be classified as liabilities initially at their fair value on the date of issuance and subsequently remeasured to fair value on each balance sheet date thereafter. Changes in the estimated fair value of liability-classified warrants are recognized in Other (expense) income within the consolidated statements of operations.

***Earnings per share***

Earnings per share is computed by dividing net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the period. Potential common shares are included in the calculation of diluted earnings per share if their effect dilutes earnings per share from continuing operations. Potential common shares that were converted during the period are included in diluted earnings per share only up to the conversion date, and from that date are included in basic earnings per share.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)*****Segment reporting***

Operating segments are identified based on the manner in which the Company's Chief Executive Officer ("CEO") as its chief operating decision maker ("CODM") reviews financial information, evaluates operating performance, and allocates resources. Operating segments are defined as components of the Company that engage in business activities from which they may earn revenues and incur expenses, whose operating results are regularly reviewed by the CODM, and for which discrete financial information is available. The Company operates multiple Bitcoin data centers, each of which constitutes an operating segment. The Company aggregates operating segments into a single operating segment when the segments have similar economic characteristics and meet the aggregation criteria prescribed by ASC 280, Segment Reporting. The Company has aggregated all of its mining operating segments into a single operating segment, which is the Company's only reportable segment, Cryptocurrency Mining, as the operating segments have similar economic characteristics. The CODM evaluates segment performance based on net income (loss). Refer to Note 24 for the Company's segment and geographical disclosures.

***Recently issued accounting pronouncements***

In September 2025, the 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.

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 Consolidated Financial Statements.

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

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 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 15 and Note 22 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.

**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	1,095
Short-term prepaid deposits	1,732
Other assets (current)	118
Rights to renewable energy credits and waste tax credits	8,989
Inventories	3,269
Property, plant and equipment	152,264
Intangible assets, net	51
Operating and finance lease right-of-use assets	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>

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

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 expensed during the year ended December 31, 2024. These amounts were included in general and administrative expenses in the consolidated statements of operations.

From the acquisition date through December 31, 2025, Stronghold's total revenue and net income (net of tax) included in the consolidated statements of operations was \$77,748 and \$2,196, respectively.

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)	Year ended December 31,	
	2025	2024
Revenue from continuing operations	231,342	198,048
Net loss from continuing operations	(216,012)	(63,055)

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:

	Year ended December 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>

**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, adjustment to recognize additional accrued liabilities and rights to energy credits of \$1,500 and \$3,104, respectively, were recognized with a corresponding net decrease of \$1,602 in property, plant and equipment.

During the third quarter of 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 final purchase price allocation table above.

**NOTE 4: ACQUISITION OF ASSETS****Acquisition of leased property and energy agreements**

On October 24, 2025, the Company acquired the previously leased site in Sharon, Pennsylvania, United States (“Sharon Property”), the energy rights and energy construction agreements for \$5,000 and 8,500,000 common shares. The lease agreement for the site was terminated. Refer to Note 18 for details regarding the lease.

The acquisition of the Sharon Property does not meet the definition of a business combination as its primary assets consist mainly of land, building and contractual energy rights for up to 120 MW of power capacity and electrical construction contracts. Therefore, the transaction has been recorded as an acquisition of a group of assets.

The purchase price is as follows:

**Purchase price**

Cash consideration	5,000
Value of 8,500,000 common shares transferred at closing	33,745
Derecognition of lease liability	(9,014)
Right-of-use asset surrendered	10,055
Transaction costs	626
	<b>40,412</b>

**Assets acquired**

Land	39,710
Building	702
	<b>40,412</b>

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

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

**NOTE 5: RIGHTS TO RENEWABLE ENERGY CREDITS AND WASTE TAX CREDITS**

	As of December 31,		
	2025		
	Rights to renewable energy credits	Rights to waste tax credits	Total
Balance as of January 1,	—	—	—
Additions related to business combination	3,104	5,885	8,989
Additions during the period	17,076	5,687	22,763
Less: sale of credits to third parties	(13,274)	—	(13,274)
Balance as of period end	6,906	11,572	18,478

**NOTE 6: ACCOUNTS RECEIVABLE, NET**

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

	As of December 31, 2025	As of December 31, 2024	As of December 31, 2023
Balance as of January 1,	(63)	(51)	(37)
Current period allowance	—	(17)	(28)
Write offs charged against allowance	—	—	16
Recoveries collected	—	—	(1)
Allowance for credit losses	(3)	5	(1)
Balance as of December 31,	(66)	(63)	(51)

**NOTE 7: OTHER ASSETS**

	As of December 31, 2025	As of December 31, 2024
Sales taxes receivable	1,065	2,681
Income taxes receivable	355	424
Other receivables	1,405	1,177
	2,825	4,282

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

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

**NOTE 8: DIGITAL ASSETS**

Bitcoin transactions and the corresponding values for the years ended December 31, 2025 and 2024 were as follows:

	<b>Year ended December 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 as of January 1,	1,285	120,124	804	33,971
Bitcoin earned*	2,008	202,691	1,992	126,920
Bitcoin earned from discontinued operations	579	58,713	922	59,607
Hosting revenue received in Bitcoin	46	1,527	—	—
Bitcoin received in exchange for goods	10	1,128	—	—
Change in Bitcoin earned, not received	(6)	(512)	—	—
Bitcoin exchanged for cash	(1,765)	(171,091)	(2,419)	(152,135)
Bitcoin exchanged for goods and services	(97)	(9,992)	(14)	(1,463)
Realized gain on disposition of digital assets	—	28,219	—	27,209
Change in fair value of digital assets	—	(50,522)	—	26,015
<b>Balance of digital assets including restricted digital assets as of December 31,*</b>	<b>2,060</b>	<b>180,285</b>	<b>1,285</b>	<b>120,124</b>
Less: Restricted digital assets as of December 31,**	(64)	(5,559)	(351)	(32,826)
<b>Balance of digital assets excluding restricted digital assets as of December 31,</b>	<b>1,996</b>	<b>174,726</b>	<b>934</b>	<b>87,298</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.

\*\* As of December 31, 2025, Restricted digital assets comprise Bitcoin held by a third party in connection with Bitcoin selling contracts.

As of December 31, 2024, Restricted digital assets comprise Bitcoin payments (“Bitcoin Pledged”) to a third party as deposits for Miners. As the Company retains the contractual right to redeem the Bitcoin Pledged, the third party does not obtain control of the underlying asset and the arrangement does not meet the definition of a sale. Refer to Note 10, 14 and 22 for additional details.

**NOTE 9: INVENTORIES**

	<b>As of December 31, 2025</b>	<b>As of December 31, 2024</b>
Waste, limestone and fuel oil*	5,805	—
Electronic and networking components	2,871	1,137
	<b>8,676</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 10: DERIVATIVE ASSETS AND LIABILITIES****Bitcoin option and selling contracts**

The Company purchased Bitcoin option contracts that provide it with 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**

Starting 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 8) either in full or partially, 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.

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 December 31, 2025, the redemption obligation was nil since the Company exercised its option to redeem 393 Bitcoin for \$37,097 and forfeited its remaining options to redeem 41 Bitcoin totaling \$4,352 during the year ended December 31, 2025. 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.

**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). The capped call transactions do not meet the scope exception from derivative accounting, as they fail the equity classification requirements as the Company cannot settle these transactions by means other than cash and are therefore treated as a derivative asset, which are measured at fair value.

**NOTE 10: DERIVATIVE ASSETS AND LIABILITIES** (Continued)

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 December 31,				As of December 31,		
	2025				2024		
	Capped call transactions	Bitcoin redemption options	Bitcoin option and selling contracts		Bitcoin redemption options	Bitcoin option and selling contracts	
	Derivative Assets	Derivative Assets	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Assets	Derivative Liabilities
Balance as of January 1,	—	3,418	—	(128)	—	1,281	—
Initial recognition	69,090	1,072	—	—	1,349	—	—
Purchases	—	—	89,478	64,965	—	13,610	351
Settlement	—	—	(73,659)	(99,256)	—	(30,762)	(358)
Remeasurement recognized in statement of operations	(63,890)	(4,490)	(13,532)	31,497	2,069	15,871	(121)
Balance as of period end	5,200	—	2,287	(2,922)	3,418	—	(128)
Total derivative assets	2,287				3,418		
Total long-term derivative assets	5,200				—		
Total derivative liabilities	(2,922)				(128)		

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

	Year ended December 31,		
	2025	2024	2023
<b>Gain (loss) on Bitcoin options and selling contracts</b>			
Unrealized change in fair value of outstanding contracts	1,323	(179)	409
Realized gain (loss) on settled contracts	16,642	15,929	(361)
	17,965	15,750	48
<b>Gain (loss) on Bitcoin redemption options</b>			
Unrealized change in fair value	(2,069)	2,069	—
Realized loss on settled options	(2,421)	—	—
	(4,490)	2,069	—
<b>Loss on Capped call transactions</b>			
Unrealized change in fair value	(63,890)	—	—
<b>(Loss) gain on derivative assets and liabilities</b>	<b>(50,415)</b>	17,819	48

Refer to Note 22 for more details of derivative instruments.

**NOTE 11: ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

As of December 31, 2025 and 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 year ended December 31, 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 third quarter of 2025 and the Yguazu Bitcoin data center which met the criteria and was sold in the first quarter of 2025. The comparative balance sheet amounts as at December 31, 2024 for the Paso Pe and the Yguazu Bitcoin data centers are classified as held for sale.

The following table provides the components of the assets or disposal groups that either met the criteria of “assets held for sale” as of December 31, 2025 or December 31, 2024. Certain of the prior period comparative balance sheet amounts of December 31, 2024 are reclassified to conform to the current-period presentation as of December 31, 2025. The separate presentation of certain assets as “non-current” as of December 31, 2024 is to distinguish when certain assets are classified as “held for sale” for comparative presentation purposes only.

	As of December 31, 2025	As of December 31, 2024
Miners	166	4,832
Mining electrical components	3,198	1,117
Assets of disposal group classified as held for sale:		
Other assets	1,404	3,428
Inventories - electronic and networking components	426	42
Property, plant and equipment	17,168	105,297
Finance lease right-of-use assets, net	—	306
Long-term deposits and equipment prepayments	1,145	11,795
Refundable deposits - security deposits for energy	5,157	7,740
	<b>28,664</b>	134,557
<b>Current portion of assets “held for sale”</b>	<b>(28,664)</b>	<b>(9,419)</b>
<b>Non-current portion of assets “held for sale”</b>	<b>—</b>	<b>125,138</b>

**NOTE 11: ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)****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 markets. As a result of these strategic decisions, the Company classified certain of its Latin American asset groups as “held for sale” and its operations as discontinued operations. As discussed below, the Argentina asset group was abandoned, and therefore its assets were not classified as “held for sale”.

The combined results of the Company’s Argentina and Paraguay operations for the years ended December 31, 2025, 2024 and 2023 are presented below:

	Year ended December 31,								
	2025			2024			2023		
	Argentina	Paraguay	Total	Argentina	Paraguay	Total	Argentina	Paraguay	Total
<b>Revenues*</b>	<b>10,612</b>	<b>48,101</b>	<b>58,713</b>	33,647	25,960	59,607	19,050	6,916	25,966
Cost of revenues	(14,331)	(43,337)	(57,668)	(41,014)	(32,508)	(73,522)	(18,336)	(7,380)	(25,716)
Gross (loss) profit	(3,719)	4,764	1,045	(7,367)	(6,548)	(13,915)	714	(464)	250
<b>Operating expenses</b>									
General and administrative expenses	(5,902)	(3,953)	(9,855)	(6,465)	(1,723)	(8,188)	(5,758)	(95)	(5,853)
Gain (loss) on disposition of property, plant and equipment and deposits	1,728	116	1,844	(507)	971	464	945	(488)	457
Impairment of long-lived assets	(35,294)	(38,107)	(73,401)	—	—	—	(6,982)	—	(6,982)
<b>Operating (loss) gain</b>	<b>(43,187)</b>	<b>(37,180)</b>	<b>(80,367)</b>	(14,339)	(7,300)	(21,639)	(11,081)	(1,047)	(12,128)
Interest expense	—	—	—	—	(51)	(51)	(7)	(60)	(67)
Other (expense) income	(525)	369	(156)	1,835	(1,683)	152	(991)	(6)	(997)
Total other (expense) income	(525)	369	(156)	1,835	(1,734)	101	(998)	(66)	(1,064)
<b>Loss before income taxes</b>	<b>(43,712)</b>	<b>(36,811)</b>	<b>(80,523)</b>	(12,504)	(9,034)	(21,538)	(12,079)	(1,113)	(13,192)
Income tax (expense) recovery	(1)	(731)	(732)	751	(219)	532	(2,347)	(39)	(2,386)
<b>Loss after income tax</b>	<b>(43,713)</b>	<b>(37,542)</b>	<b>(81,255)</b>	(11,753)	(9,253)	(21,006)	(14,426)	(1,152)	(15,578)
<b>Gain on disposition of Yguazu Bitcoin data center</b>	<b>—</b>	<b>5,225</b>	<b>5,225</b>	—	—	—	—	—	—
<b>Loss from discontinued operations</b>	<b>(43,713)</b>	<b>(32,317)</b>	<b>(76,030)</b>	(11,753)	(9,253)	(21,006)	(14,426)	(1,152)	(15,578)

\* Revenues are presented based on the geographical contribution of computational power used for hashing calculations (measured by hashrate) or sales to external customers.

**NOTE 11: ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS** (Continued)**Discontinued operations** (Continued)

The net cash flows incurred by Argentina's and Paraguay's operations are, as follows:

	<b>Year ended December 31,</b>		
	<b>2025</b>	2024	2023
Net change in cash related to operating activities	<b>(12,773)</b>	(25,188)	13,522
Net change in cash related to investing activities	<b>26,194</b>	27,615	(14,349)
Net change in cash related to financing activities	<b>(274)</b>	(296)	(287)
<b>Net change in cash generated by the discontinued operations</b>	<b>13,147</b>	2,131	(1,114)

**i. Argentina's operations as discontinued operations**

During 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 Company's Argentina 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" of a disposal group. Notwithstanding, commencing in the second quarter of 2025, the Company also identified certain electrical equipment and BVVE that could be sold separately and not abandoned.

*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.

**NOTE 11: ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)****Discontinued operations (Continued)****i. Argentina's operations as discontinued operations (Continued)***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.

As the Argentina operations represent an asset group that was abandoned, it is not classified as held for sale of a disposal group. Notwithstanding, commencing in the second quarter of 2025, the Company also identified certain electrical equipment and BVVE that could be sold separately and not abandoned. As of December 31, 2025, the Company had \$2,703 assets held for sale and were measured at the lower of their carrying amount and fair value less costs 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.

*Impairment on short-term prepaid deposits during the second quarter of 2023*

In 2022, the Company entered into agreements with external brokers to be able to proceed with the importation of its Miners into Argentina. Under the agreements, the Company was required to make advance deposits to the external brokers, which were classified as short-term prepaid deposits on the consolidated balance sheets. During the second quarter of 2023, the Company decided to terminate the importation agreements with the external brokers as of June 30, 2023.

The Company assumed the cost of terminating the importation agreements with external brokers as part of a revised importation strategy and, as a result, impaired \$6,982 of short-term prepaid deposits. This impairment is presented in the consolidated statements of operations under loss from discontinued operations.

**NOTE 11: ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)****Discontinued operations (Continued)****ii. 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. Subsequently, during the third quarter of 2025, the Company determined that the Paso Pe Bitcoin data center met the criteria to be classified as "held for sale", and that all operations in Paraguay should be classified as discontinued operations as the Company makes a strategic shift towards HPC data center projects in North America. For comparability, as at December 31, 2024, the Company reclassified the assets related to Paso Pe and Yguazu Bitcoin data centers in Paraguay as assets "held for sale".

*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 received</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>
<b>Gain on disposal of subsidiary</b>	<b>5,225</b>

\* As of December 31, 2025, the \$31,000 interest-free receivable was fully collected.

*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.

*Impairment of Paraguay asset group in the fourth quarter of 2025*

During the fourth quarter of 2025, the Company reassessed the fair value less costs to sell of the Paso Pe operations, which were classified as "held for sale" and reported as discontinued operations. Based on this reassessment, the Company recognized a further impairment loss of \$11,145 related to the Paraguay asset group, reflecting the write-down to fair value less costs to sell as of December 31, 2025. This impairment loss is presented within loss from discontinued operations in the consolidated statements of operations.

Subsequent to December 31, 2025, in January 2026, a definitive purchase agreement was signed for the sale of the Paso Pe operations for total consideration of approximately \$25,300, which is expected to close in the second quarter of 2026. In February 2026, the definitive purchase agreement was amended to extend the exclusivity period from 60 days to 105 days. As of the date these financial statements were issued, the sale transaction had not been completed.

**NOTE 12: IMPAIRMENT FROM CONTINUING OPERATIONS**

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

	Year ended December 31,		
	2025	2024	2023
Impairment of assets held for sale*	\$ 9,893	\$ 3,628	\$ 504
Short-term prepaid deposits	—	—	—
Property, plant and equipment	18,549	—	5,100
Impairment from continuing operations	28,442	3,628	5,604

\* Upon classification as “held for sale”, the assets were measured at the lower of carrying amount or fair value less cost to sell.

**2025 impairment loss from continuing operations**

During the year ended December 31, 2025, as a result of the significant decrease in the market price of a long-lived asset (Miners), and significant adverse change in the extent or manner in which certain asset groups are being used, the Company performed evaluations of the recoverable amount of the assets for the asset groups at the Company’s Bitcoin data centers in Québec, Washington state, and Sharon, Pennsylvania separately. Following the Company’s market approach analysis to determine the fair value of the asset groups, the Company recognized an impairment loss of \$16,690 related to the Miners and buildings of the Bitcoin data center in Sharon, Pennsylvania. The total impairment loss is included in “Impairment of long-lived assets and deposits” with the loss from continuing operations. In addition, an impairment charge of \$1,859 was recognized related to the obsolescence of electrical components.

During the year ended December 31, 2025, the Company recognized \$9,893 of impairment on Miners “held for sale” as a result of the reassessment of the fair value less costs to sell.

**2024 impairment loss**

During the year ended December 31, 2024, the Company recognized \$3,628 of impairment on Miners “held for sale” as a result of the reassessment of the fair value less costs to sell.

**2023 impairment loss***Impairment on mineral assets during the second quarter of 2023*

The Suni mineral asset was acquired in connection with the reverse acquisition of Bitfarms Ltd (Israel) on April 12, 2018, and its value at the time was estimated at \$9,000 based on an independent appraiser’s valuation. Suni is an iron ore deposit located in Canada that was held by the acquiree. Since its acquisition, following the presence of impairment indicators, the Suni mineral asset was written down to a carrying amount of \$3,250 as of December 31, 2022. During the second quarter of 2023, the planned disposal of the Suni mineral asset resulted in the recognition of an impairment charge of \$3,250, reducing the carrying amount to nil. This impairment charge is presented in the consolidated statements of operation under Impairment of long-lived assets and deposits. On July 27, 2023, the Company sold the Suni mineral asset for a nominal amount to a third party.

*Impairment on electrical components during the fourth quarter of 2023*

During the third quarter of 2023, the Company de-energized its 2 MW immersion cooling pilot project in Washington state as the equipment did not perform to the Company’s expectations of performance and costs. With the de-energization of the immersion cooling pilot project, the 2 MW of hydroelectricity remains available to the Company to use in the future. During the fourth quarter of 2023, in connection with the planned disposal of the de-energized immersion cooling electrical components, Management tested those assets for impairment, resulting in an impairment charge of \$1,882 before being reclassified to assets “held for sale”. This impairment charge is presented within loss from continuing operations under Impairment of long-lived assets and deposits.

**NOTE 13: PROPERTY, PLANT AND EQUIPMENT, NET**

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

	As of December 31, 2025	As of December 31, 2024
BVVE	354,011	335,349
Land and buildings	63,888	5,039
Power plants	102,133	—
Machinery and Equipment	11,989	—
Leasehold improvements	14,538	59,449
Vehicles	1,544	1,754
	548,103	401,591
Accumulated Depreciation	(189,770)	(164,336)
Carrying amount	358,333	237,255

**Assets not subject to depreciation**

As of December 31, 2025, property, plant and equipment that are not yet placed into service amounted to \$12,169 and are not yet subject to depreciation.

**March 2025 Miner exchange**

In March 2025, an exchange agreement (“March 2025 Swap Order”) was entered into to exchange Miners. 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). Refer to Note 10 for more details. As of December 31, 2025, all Miners on the March 2025 Swap Order were received.

**Changes in the useful life, residual value and depreciation method**

During the fourth quarter of 2025, the Company initiated a strategic transition from Bitcoin Mining operations to HPC/AI. This change in operations caused management to evaluate estimated useful lives of certain long-lived assets with a carrying value of \$78,340. This constitutes a change in accounting estimate under ASC 250-10-45-17. Management revised the useful lives and residual value of affected assets to align with the decommissioning dates, which resulted in accelerated depreciation to ensure the carrying value is reduced to residual value by the end of each asset’s service period. This change in estimate was applied prospectively effective November 1, 2025. As a result, the Company recognized additional depreciation expense of \$1,282 for the year ended December 31, 2025. The impact on basic and diluted loss per share was non-significant.

In addition, during the year end December 31, 2024, as part of the Company’s annual review of its estimates used to account for property, plant and equipment, the Company reassessed the depreciation method, the useful life and the residual values of all BVVE and accordingly, revised their specific useful life, residual value and depreciation methods. The Company modified the useful life of the Miners and Mining-related equipment from 5 to 3 years and the depreciation method from sum-of-years to the straight-line method as this method better reflected the pattern of consumption. The residual values of the Miners and Mining-related equipment remained nil. These modifications represent changes in accounting estimates and were applied prospectively, starting December 1, 2024, resulting in an additional depreciation expense of \$2,061 during the year ended December 31, 2024. These changes in estimates result in a non-significant increase in basic and diluted loss per share.

**NOTE 13: PROPERTY, PLANT AND EQUIPMENT, NET****Applicable to specific Miners - Changes in the useful life, residual value and depreciation method**

During the year ended December 31, 2024, the Company revised its planned use of certain older Miners as they are expected to be replaced by newer equipment. The older Miners continued to be operated until replacement. As a result, the Company revised its accounting estimates for these assets, including reducing their remaining useful lives from five years to two years, updating estimated residual values to reflect expected proceeds upon disposition, and changing the depreciation method to straight-line to better reflect the pattern of consumption of economic benefits. These changes were accounted for prospectively as a change in estimate and resulted in higher depreciation expense of \$58,163 for the year ended December 31, 2024. The Company determined that the carrying amounts of the older Miners remained recoverable and no impairment was recorded.

**NOTE 14: LONG-TERM DEPOSITS, EQUIPMENT PREPAYMENTS AND OTHER**

	As of December 31, 2025	As of December 31, 2024
Miner purchase order deposits	—	34,791
Other BVVE and electrical components	18	2,738
Cash deposits on construction work and materials*	20,146	2,530
Equipment and construction prepayments	20,164	40,059
Insurance prepaids, security deposits for energy and rent	9,199	4,513
Deferred transaction fees - undrawn tranche of the credit facility	1,670	—
	<b>31,033</b>	<b>44,572</b>

\* Deposits for construction work and materials mainly related to the HPC/AI 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 11 for more details.

**March 2024 Miner purchase order deposits**

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. As of December 31, 2025, all Miners on the March 2024 Purchase Order were received and the equipment prepayment amount was nil.

**NOTE 15: REFUNDABLE DEPOSITS**

	As of December 31, 2025	As of December 31, 2024
Refundable Hosting Deposits	—	14,216
Other	350	—
	<b>350</b>	<b>14,216</b>

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 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 Annual Interest Rate is lower than the rate used in determining the fair value, resulting in the Panther Creek Refundable Deposit and the Scrubgrass Refundable Deposit being recognized at a fair value of \$7,125 and \$7,542, respectively, upon initial recognition. Subsequently, the Refundable Deposits are recognized at amortized cost.

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 22 for more details on the financial instrument details.

**NOTE 16: ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

	As of December 31, 2025	As of December 31, 2024
Accounts payable	16,271	8,231
Accrued expenses	18,703	13,825
Government remittances payable	11,469	3,736
	<b>46,443</b>	<b>25,792</b>

**NOTE 17: LONG-TERM DEBT**

The Company's long-term debt is as follows:

	As of December 31, 2025	As of December 31, 2024
Building financing	1,704	1,576
Equipment financing	1,642	—
Credit Facility	104,857	—
Unamortized transaction costs - Credit Facility	(10,049)	—
Convertible Notes	589,565	—
Unamortized debt discount - Convertible Notes	(18,250)	—
<b>Total long-term debt, net of transaction cost and debt discount</b>	<b>669,469</b>	<b>1,576</b>
Current portion of long-term debt	(97,022)	(146)
<b>Non-current portion of long-term debt</b>	<b>572,447</b>	<b>1,430</b>

Movement in long-term debt is as follows:

	As of December 31, 2025	As of December 31, 2024
Balance as of January 1,	1,576	4,022
Issuance of long-term debt	689,306	1,695
Addition from business combination	880	—
Repayments	(1,930)	(4,435)
Interest on long-term debt	7,841	294
Transaction costs and debt discount	(31,447)	—
Amortization of transaction costs and debt discount	3,148	—
Foreign exchange	95	—
Balance as of period end	669,469	1,576

**Building financing**

In March 2024, the Company sold its Garlock building in Sherbrooke, Québec, Canada for \$1,695 and immediately leased it back for 10 years. Since the lease agreement included a substantive repurchase option of the building in the form of a call option, the Company has not transferred the control of the asset to the buyer, and the transaction does not qualify as a sale. Accordingly, it is accounted for as a financing arrangement for the proceeds received from the buyer, and the building continues to be recognized as property, plant and equipment of the Company.

**NOTE 17: 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. 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 effective interest rate of the Credit Facility as of December 31, 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 equity warrants convertible for common shares of the Company with an initial fair value of \$2,900. Refer to Note 20 for more details. The \$50,000 proceeds from the Initial Tranche were allocated to the equity warrants and debt based on relative fair value. 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.

*Second Tranche*

An additional \$250,000 (“Second Tranche”) was made available to the Company as it achieves specific development milestones at the Panther Creek, Pennsylvania, United States location and as it contributes \$50,000 in kind or in cash to Macquarie as collateral.

*Conversion of the Credit Facility*

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. 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 equity warrants convertible for common shares of the Company with an initial fair value of \$7,093. Refer to Note 20 for more details. The \$50,000 proceeds from the Second Tranche were allocated to the equity warrants and debt based on relative fair values. Therefore, a discount on debt of \$5,899 is deducted from the carrying amount of the debt and is amortized over the term of the Second tranche. The amendment also included a demand feature whereby the lender could demand repayment for a 60-day period beginning on February 1, 2026. The facility has therefore been classified as a current liability.

**NOTE 17: LONG-TERM DEBT** (Continued)**Credit Facility** (Continued)*Transaction costs*

Transaction costs of \$3,900 relating to agent fees and legal fees were capitalized and deducted from the carrying amount of the debt.

*Covenants and restrictions*

The Credit Facility 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 the Company's business activities, related party transactions and investments. The Company is also required to maintain a restricted cash balance of at least \$50,000 in a designated account. As of January 31, 2026, the most recently completed calendar month prior to the extinguishment of the debt, the Company was in compliance with the covenants of its Credit Facility. During February 2026, the Credit Facility was fully repaid and the cash balance of \$57,500 is no longer restricted. Refer to Note 28 for more details.

**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 principal 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, unless earlier converted, redeemed or repurchased. The Company purchased capped calls to reduce the potential dilution to its common stock (or reduce the Company's cash payment obligation if the Convertible Notes are settled in cash) if the trading price of the Company's common stock price exceeds the conversion price of the Convertible Notes at the time of conversion. The capped calls are a legally separate derivative instrument which is accounted for separately from the Convertible Notes. Refer to Notes 10 and 22 for more details.

Prior to October 15, 2030, the Convertible Notes may be converted only upon the occurrence of certain events, including: (i) during specified periods when the market price of the Company's common shares exceeds 130% of the applicable conversion price, (ii) during specified periods when the trading price of the Convertible Notes is less than 98% of the product of the last reported sale price of the Company's common shares and the applicable conversion rate, (iii) following a notice of redemption by the Company, or (iv) upon the occurrence of specified corporate events. On or after October 15, 2030 and until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their Convertible Notes at any time, regardless of these conditions.

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, which is equivalent to an initial conversion price of approximately \$6.86 per share, representing a 30% premium over the \$5.28 reference price. The \$5.28 reference price is the last reported sale price of the Company's common share on Nasdaq on October 16, 2025. The conversion rate is subject to customary anti-dilution adjustments and, in certain circumstances, may be increased for conversions in connection with a make-whole fundamental change or following a notice of redemption.

The Convertible Notes are not redeemable prior to October 20, 2028, except upon the occurrence of certain changes in laws governing Canadian withholding taxes. On or after October 20, 2028, the Company may redeem the Convertible Notes, in whole or in part, for cash if the last reported sale price of its common shares has been at least 130% of the conversion price for at least 20 trading days, whether or not consecutive, during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption. In the event of a fundamental change, holders may require the Company to repurchase their Convertible Notes for cash at 100% of the principal amount thereof, plus accrued and unpaid interest, if any, up to, but excluding, the repurchase date.

As at December 31, 2025, none of the conditions permitting the holders of the Convertible Notes to convert their notes early or to require the Company to repurchase the Convertible Notes for cash have been met. Accordingly, the Convertible Notes are classified as long-term debt.

Transaction costs of \$18,937 relating to agent fees and legal fees were capitalized and deducted from the carrying amount of the Convertible Notes. Net proceeds from the offering were \$569,063.

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

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

**NOTE 18: LEASES**

The components of lease expense are as follows:

	Year ended December 31,		
	2025	2024	2023
<b>Finance lease expense</b>			
Amortization of ROU assets	829	1,170	1,381
Interest on lease obligations	93	88	217
<b>Operating lease expense</b>	<b>4,202</b>	<b>2,925</b>	<b>2,162</b>
<b>Amortization of initial direct costs</b>	<b>278</b>	<b>139</b>	<b>—</b>
	<b>5,402</b>	<b>4,322</b>	<b>3,760</b>

Based on the nature of the ROU asset, amortization of finance ROU assets, operating lease expense, short-term lease expense, and variable lease expense are recognized in either cost of revenues or general and administrative expenses and interest on finance lease obligations is recognized in other income (expense) on the consolidated statement of operations. Refer to Note 25 for more details.

Other information related to leases is as follows:

	As of December 31, 2025	As of December 31, 2024
<b>ROU assets</b>		
Operating lease ROU assets	11,103	21,299
Finance lease ROU assets	2,127	2,281
<b>Total ROU assets</b>	<b>13,230</b>	<b>23,580</b>
<b>Current portion of lease liabilities</b>		
Operating lease liabilities	1,490	1,959
Finance lease liabilities	235	130
<b>Long-term portion of lease liabilities</b>		
Operating lease liabilities	10,606	17,440
Finance lease liabilities	1,978	2,310
<b>Total lease liabilities</b>	<b>14,309</b>	<b>21,839</b>
<b>Weighted-average remaining lease term (in years)</b>		
Operating lease	6 years	7 years
Finance lease	5 years	5 years
<b>Weighted-average discount rate</b>		
Operating lease	9%	9%
Finance lease	7%	8%

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

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

**NOTE 18: LEASES** (Continued)

Cash flow information related to leases is as follows:

	Year ended December 31,		
	2025	2024	2023
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>			
Operating cash flows used in operating leases	3,336	2,456	2,284
Operating cash flows used in finance leases	114	131	283
Financing cash flows used in finance leases	820	1,079	2,458
<b>ROU assets obtained in exchange for lease liabilities:</b>			
Operating leases	3,276	8,960	986
Finance leases	603	968	567

Future minimum lease payments required under non-cancellable leases as of December 31, 2025, were as follows:

	Operating leases	Finance leases	Total
2026	2,728	631	3,359
2027	3,182	576	3,758
2028	3,274	495	3,769
2029	3,222	451	3,673
2030 and thereafter	12,131	1,206	13,337
Total minimum lease payments	24,537	3,359	27,896
Less: payments related to leases not yet commenced	(7,848)	—	(7,848)
Less: imputed interest	(4,593)	(1,146)	(5,739)
Total lease liabilities	12,096	2,213	14,309

**NOTE 18: LEASES** (Continued)**Sharon lease agreement**

On August 27, 2024, the Company entered into an agreement to lease a site in Sharon, Pennsylvania, United States, providing the Company immediate capacity of 12 MW of electricity and potential for up to an additional 98 MW for a total 110 MW of development capacity by 2026.

Upon signing the lease agreement, the Company issued common shares with a total value of \$3,000 as a non-refundable deposit which was capitalized as part of the ROU asset. The initial lease term is five years with options to renew for a total of seventeen years along with an option to purchase the site at fair market value through the lease term or upon a change of control, as defined therein. The lease has variable minimum monthly payments increasing over the term of the lease from \$33 to \$138, with annual adjustments beginning after the third year. Prior to June 30, 2026, monthly lease payments can fluctuate based on the energized MW. On initial recognition, the Company recognized \$11,390 of ROU asset and \$8,240 of lease liability with the difference of \$3,000 recognized in share capital as explained above and in Note 20.

In October 2025, the Company acquired the leased property. Refer to Note 4 for more details.

**Magog lease agreement**

In November 2024, the Company agreed to terminate its lease for the Bitcoin data center in Magog, Québec, Canada, and forfeit its fixed price purchase option in exchange for \$714 (CAD\$1,000) from the landlord. Concurrently, the Company signed a new lease with the same party with an initial term of 10 years with monthly payments totaling \$17 (CAD\$24) which took effect on December 1, 2024 and maintain an option to purchase the site at fair market value for the duration of the lease.

The new lease agreement is considered a lease modification that resulted in the remeasurement of the lease liability by discounting the revised lease payments in addition with a corresponding adjustment made to the ROU asset of \$708. The \$714 payment from the landlord is considered a lease incentive which reduced the ROU asset carrying amount.

**NOTE 19: INCOME TAXES**

Loss from continuing operations before income taxes is composed of the following:

	Year ended December 31,		
	2025	2024	2023
<b>Loss before income taxes from continuing operations:</b>			
Canada	(174,611)	(1,135)	(42,161)
Foreign - United States	(33,802)	(5,878)	2,074
	<b>(208,413)</b>	<b>(7,013)</b>	<b>(40,087)</b>

Current and deferred income tax (expense) recovery from continuing operations is composed of the following:

	Year ended December 31,		
	2025	2024	2023
<b>Current tax expense (recovery):</b>			
Canada - Federal	59	21	216
Canada - Provincial	(126)	34	70
Foreign - United States	168	226	258
	<b>101</b>	<b>281</b>	<b>544</b>
<b>Deferred tax expense (recovery):</b>			
Canada - Federal	—	—	(698)
Foreign - United States	—	65	—
	<b>—</b>	<b>65</b>	<b>(698)</b>
<b>Total income tax expense (recovery)</b>	<b>101</b>	<b>346</b>	<b>(154)</b>

The following table summarizes the amount of income taxes paid (net of refunds received) from continuing operations:

	Year ended December 31,		
	2025	2024	2023
<b>Income taxes paid (net of refunds received):</b>			
Canada - Federal	9	61	—
Canada - Provincial	(40)	47	—
Foreign - United States	458	458	295
<b>Total income taxes paid (received)</b>	<b>427</b>	<b>566</b>	<b>295</b>

**NOTE 19: INCOME TAXES** (Continued)

The following table reconciles the Canadian Federal statutory tax rate to the Company's effective tax rate:

	Year ended December 31,					
		2025		2024		2023
Income tax recovery at federal statutory tax rate	(31,262)	15.0%	(1,052)	15.0%	(6,013)	15.0%
Increase (decrease) in taxes resulting from:						
Provincial taxes*, net of federal effect	(126)	0.1%	34	(0.5)%	(1,946)	4.9%
Foreign tax effects - United States						
Tax rate differential	(2,028)	1.0%	(353)	5.0%	124	(0.3)%
Change in valuation allowance	6,339	(3.0)%	490	(7.0)%	(281)	0.7%
Other	940	(0.5)%	1,036	(14.8)%	56	(0.1)%
Non-taxable or non-deductible items						
Stock based compensation	2,244	(1.1)%	1,888	(26.9)%	1,591	(4.0)%
Non-deductible loss on derivatives	4,792	(2.3)%	—	—%	—	—%
Prior year true-up non capital loss	(2,232)	1.1%	—	—%	—	—%
Other	557	(0.3)%	(304)	4.3%	663	(1.7)%
Change in valuation allowance	20,877	(10.0)%	(1,393)	19.9%	5,652	(14.1)%
Other	—	—%	—	—%	—	—%
Income tax expense (recovery)	101	—%	346	(5.0)%	(154)	0.4%

\* The Company is subject to Canadian federal income tax and Québec makes up the majority (>50%) of the provincial taxes.

**Deferred tax assets and liabilities**

Deferred taxes are computed based on enacted tax rates expected to apply at the time of realization. Deferred taxes relate primarily to temporary timing differences arising from the recognition of expenses relating to the depreciation of fixed assets, loss carryforwards and professional fees relating to the Company's equity activity that are recognized as a reduction of equity.

As at December 31, 2025, the Company has analyzed the recoverability of its deferred tax assets and has concluded that it is not more likely than not that sufficient taxable profit is expected to utilize these deferred tax assets.

**NOTE 19: INCOME TAXES** (Continued)**Deferred tax assets and liabilities** (Continued)

The components of deferred tax assets and liabilities arising from temporary differences are summarized below:

	As of December 31, 2025	As of December 31, 2024
<b>Deferred tax assets:</b>		
Operating losses and interest limitation	111,611	52,724
Change in fair value of digital assets	8,998	—
Goodwill and intangibles	3,984	—
Stock-based compensation	2,852	—
Long-term debt	4,120	—
Financing fees	2,185	4,439
Investment in discontinued operations	18,252	9,038
Reserves and other	11,688	5,215
<b>Total deferred tax assets</b>	<b>163,690</b>	<b>71,416</b>
Less: valuation allowance	(160,201)	(53,302)
<b>Net deferred tax assets</b>	<b>3,489</b>	<b>18,114</b>
<b>Deferred tax liabilities:</b>		
Property, plant and equipment	(3,554)	(3,271)
Change in fair value of digital assets	—	(14,001)
Reserves and other	—	(907)
<b>Total deferred tax liabilities</b>	<b>(3,554)</b>	<b>(18,179)</b>
<b>Net deferred tax assets (liabilities)</b>	<b>(65)</b>	<b>(65)</b>

The following table summarizes the Company's valuation allowance movement:

	As of December 31, 2025	As of December 31, 2024	As of December 31, 2023
<b>Balance as of January 1,</b>	<b>53,302</b>	<b>50,857</b>	<b>30,324</b>
Charged to income tax (expense) recovery	47,850	5,956	10,567
Charged to equity	(1,878)	(717)	1,448
Investment in discontinued operations	9,214	519	8,518
Business combination	64,716	—	—
Deductions	(4,197)	(3,313)	—
Property, plant and equipment	(8,806)	—	—
<b>Balance as of December 31,</b>	<b>160,201</b>	<b>53,302</b>	<b>50,857</b>

**NOTE 19: INCOME TAXES** (Continued)**Deferred tax assets and liabilities** (Continued)

The Company's loss carryforward balances and expiration for continuing operations are summarized below:

	<b>2031+</b>
<b>Non-capital loss carryforward</b>	
Canada	215,980
Foreign - United States	206,013
	<b>421,993</b>

The Company has not identified any uncertain tax positions requiring a reserve as of December 31, 2025 and 2024.

**NOTE 20: 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 in number of common shares:

	<b>Year ended December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Outstanding, January 1,	479,332,885	334,153,330	224,200,170
Issuance through at-the market equity offering program	29,616,939	135,474,160	52,120,899
Issuance through business combination	59,866,609	—	—
Share buyback and cancellation	(7,807,141)	—	—
Exercise of Options	12,591,449	2,644,873	3,047,346
Settlement of share awards	1,543,320	—	—
Issuance of common shares related to right-of-use asset	—	1,532,745	—
Exercise of warrants	15,191,855	5,111,111	9,269,630
Settlement of restricted share units	2,744,083	416,666	250,002
2023 private placement	—	—	44,444,446
Issuance through acquisition of assets	8,500,000	—	820,837
Outstanding, December 31,	<b>601,579,999</b>	479,332,885	334,153,330

**NOTE 20: SHARE CAPITAL** (Continued)**Common shares** (Continued)*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 year ended December 31, 2025, the Company issued 29,616,939 common shares in exchange for gross proceeds of \$75,094 at an average share price of approximately \$2.54. The Company received net proceeds of \$72,747 after paying commissions of \$2,253 to the sales agent and \$94 in other transaction costs.

During the year ended December 31, 2024, the Company issued 135,474,160 common shares in the 2024 ATM Program in exchange for gross proceeds of \$299,905 at an average share price of approximately \$2.21. The Company received net proceeds of \$290,473 after paying commissions of \$8,997 to the sales agent for the 2024 ATM Program and \$435 in other transaction costs. The Company capitalized \$939 of professional fees and registration expenses in common shares to initiate the 2024 ATM Program.

During the year ended December 31, 2023, the Company issued 52,120,899 common shares in its at-the-market equity offering program that commenced on August 16, 2021 (“the 2021 ATM Program”) in exchange for gross proceeds of \$70,770 at an average share price of approximately \$1.36. The Company received net proceeds of \$68,504 after paying commissions of \$2,187 to the sales agent for the 2021 ATM Program and \$79 in other transaction costs.

**NOTE 20: SHARE CAPITAL** (Continued)**Common shares** (Continued)*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 year ended December 31, 2025, the Company repurchased 7,807,141 common shares for cancellation through the Corporate Share Buyback Program under the NCIB in exchange for \$9,877 at an average share price of approximately \$1.27 and paid \$77 of commissions to the purchasing agent.

*Sharon Lease Agreement*

On August 27, 2024, the Company entered into an agreement to lease a site in Sharon, Pennsylvania, United States, and issued 1,532,745 common shares with a total value of \$3,000 as a non-refundable deposit.

*2023 private placement*

In November 2023, the Company completed a private placement for total gross proceeds of \$43,799 (CAD \$60,001) in exchange for 44,444,446 common shares and 22,222,223 warrants and 3,000,000 broker warrants to purchase common shares.

*Shareholder rights plan*

On June 10, 2024, the Board approved a shareholder rights plan (the “June 2024 Rights Plan”). On July 24, 2024, the Capital Markets Tribunal of the Ontario Securities Commission issued an order to cease trading any securities issued, or that may be issued, in connection with or pursuant to the June 2024 Rights plan. Also on July 24, 2024, the Board approved the adoption of a new shareholder rights plan (the “July 2024 Rights Plan”), pursuant to which one right (a “Right”) will be issued and attached to each common share outstanding as at August 6, 2024 (the “Record Time”). A Right will also be attached to each common share issued after the Record Time. Subject to the terms of the July 2024 Rights Plan, the Rights become exercisable if a person (the “Acquiring Person”), along with certain related persons (including persons “acting jointly or in concert” as defined in the July 2024 Rights Plan), acquires or announces its intention to acquire 20% or more of the common shares without complying with the “Permitted Bid” provisions of the July 2024 Rights Plan. Following a transaction that results in a person becoming an Acquiring Person, the Rights entitle the holder thereof to purchase common shares at a significant discount to the market price. The July 2024 Rights Plan was subject to the acceptance of the TSX and shareholder ratification within six months of its adoption. The TSX notified the Company that the TSX would defer its consideration of the acceptance of the July 2024 Rights Plan until (a) such time as it was satisfied that the appropriate securities commission will not intervene pursuant to National Policy 62-202 and (b) the July 2024 Rights Plan was ratified by the shareholders of the Company by no later than January 24, 2025. A deferral of acceptance of the July 2024 Rights Plan by the TSX did not affect the adoption or operation of the July 2024 Rights Plan. The Board recommended that shareholders of the Company ratify the July 2024 Rights Plan, which was approved at the Company’s special meeting of shareholders on November 20, 2024.

## NOTE 20: SHARE CAPITAL (Continued)

## Equity warrants

Details of the outstanding number of warrants are as follows:

	Year ended December 31,					
	2025		2024		2023	
	Number of Warrants	Weighted Average Exercise Price (USD)	Number of Warrants	Weighted Average Exercise Price (USD)	Number of Warrants	Weighted Average Exercise Price (USD)
<b>Outstanding, January 1,</b>	<b>10,841,482</b>	<b>1.17</b>	<b>35,105,390</b>	<b>2.83</b>	<b>19,152,797</b>	<b>4.21</b>
Granted	20,421,723	1.74	—	—	25,222,223	1.18
Exercised	(17,355,910)	1.20	(5,111,111)	1.17	(9,269,630)	1.18
Expired	—	—	(19,152,797)	4.21	—	—
<b>Outstanding, December 31,</b>	<b>13,907,295</b>	<b>1.97</b>	<b>10,841,482</b>	<b>1.17</b>	<b>35,105,390</b>	<b>2.83</b>

The weighted average contractual life of the warrants as of December 31, 2025, was 2.2 years (December 31, 2024 and 2023: 1.9 years and 1.6 years, respectively).

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 for more details. The warrants are convertible into 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.

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

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

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**NOTE 20: SHARE CAPITAL** (Continued)**Equity warrants** (Continued)

In October 2025, in connection with the Credit Facility with Macquarie (see Note 17 for more details), the Company granted Macquarie 2,197,127 warrants with a strike price of \$5.69 and a term of 5 years. 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 October 2025, a total of 10,802,742 warrants related to the consideration paid to acquire Stronghold were exercised resulting in the issuance of 10,802,742 common shares for proceeds of approximately \$13,153. In December 2025, a total of 5,330,946 warrants related to the Credit Facility were exercised on a cashless basis, in exchange for 3,212,330 common shares.

The Black-Scholes option-pricing model utilized the following weighted-average inputs to determine the fair values of the warrants granted during the year ended December 31, 2025:

Dividend yield (%)	—%
Expected share price volatility (%)*	98%
Risk-free interest rate (%)	4.03%
Expected life of warrants (years)	5.60
Share price (CAD)	\$ 1.88
Exercise price (USD)	\$ 1.74
Fair value of warrants (USD)	\$ 1.05
Number of warrants issued	20,421,723

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

**NOTE 21: 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 (i) Options, RSUs, and (ii) PSUs for employees, directors, consultants and former employees and share awards for a former executive of Stronghold were as follows:

	Year ended December 31,		
	2025	2024	2023
Options	8,102	10,045	10,012
RSUs	4,140	2,034	594
PSUs	969	—	—
Share awards	1,557	—	—
	<b>14,768</b>	12,079	10,606

**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 year ended December 31, 2025, the Board approved Options grants to purchase 1,822,500 common shares in accordance with the 2025 LTIP (for the years ended December 31, 2024 and 2023: 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.

Under 2021 LTIP

During the year ended December 31, 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 (the years ended December 31, 2024 and 2023: 9,010,000 and 13,156,250 common shares, respectively). 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 year ended December 31, 2025, the Company granted 302 Options to certain employees of Stronghold as part of the business combination described in Note 3.

On March 31, 2023, upon the voluntary surrender by Option holders, the Company cancelled outstanding Options exercisable for 10,535,000 common shares. The Company intended, but had no obligation, to grant new Options no less than 90 days after the cancellation date of the original Options to the persons who formerly held the cancelled Options. As the Options were cancelled without the concurrent grant of a replacement award, the cancellation was treated as a settlement for no consideration, and all remaining unrecognized stock-based compensation expense associated with the cancelled Options was accelerated for an amount of \$914 during the first quarter of 2023.

## NOTE 21: STOCK-BASED COMPENSATION (Continued)

## Options (Continued)

Details of the outstanding Options are as follows:

	Year ended December 31,					
	2025		2024		2023	
	Number of Options	Weighted Average Exercise Price (\$CAD)	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	21,804,233	3.47
Granted	4,358,727	1.92	9,010,000	2.96	13,156,250	2.58
Exercised	(12,591,449)	2.36	(2,644,873)	1.50	(3,047,346)	0.85
Cancelled	—	—	—	—	(10,633,750)	5.15
Forfeited	(565,625)	2.30	(142,500)	2.97	—	—
Expired	(1,370,752)	2.70	(296,250)	5.90	(340,000)	5.47
<b>Outstanding, December 31,</b>	<b>16,696,665</b>	<b>2.67</b>	26,865,764	2.64	20,939,387	2.41
<b>Exercisable, December 31,</b>	<b>9,687,377</b>	<b>1.58</b>	9,515,764	1.58	11,112,519	2.01

Additional information on Options are as follows:

	Year ended December 31,		
	2025	2024	2023
Weighted-average grant date fair value of Options granted	<b>0.72 per share</b>	1.12 per share	1.12 per share
Weighted-average grant date fair values of Options vested	<b>1.08 per share</b>	1.03 per share	1.19 per share
Weighted-average grant date fair value of non-vested Options	<b>0.93 per share</b>	1.19 per share	1.08 per share
Total intrinsic values of the Options exercised	<b>21,021</b>	5,544	6,442
Total fair value of Options vested	<b>2,722</b>	10,318	12,932

	Year ended December 31,
	2025
Total intrinsic values of the Options outstanding	<b>12,757</b>
Total intrinsic values of the Options exercisable	<b>9,156</b>

	As at December 31,
	2025
Weighted-average remaining contractual life of the outstanding Options	<b>3.3 years</b>
Weighted average remaining contractual life of the exercisable Options	<b>3.1 years</b>
Unrecognized compensation cost related to the non-vested Options	<b>1,452</b>
Remaining weighted-average vesting period	<b>0.7 years</b>

**NOTE 21: STOCK-BASED COMPENSATION** (Continued)**Options** (Continued)

The weighted-average inputs used to value the Options grants using the Black-Scholes model are as follows:

	Year ended December 31,		
	2025	2024	2023
Dividend yield (%)	—	—	—
Expected share price volatility (%)*	78%	82%	96%
Risk-free interest rate (%)	3.70%	3.68%	4.33%
Expected life of Options (years)	<b>3.0 years</b>	3.0 years	3.0 years

\* 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:

	Year ended December 31,					
	2025		2024		2023	
	Number of RSUs	Weighted Average Grant Price (\$CAD)	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	400,000	3.73
Granted	6,767,857	1.57	706,000	3.27	475,000	3.83
Settled	(2,744,083)	2.25	(416,666)	3.64	(250,002)	3.13
Forfeited	(73,865)	1.45	(16,666)	5.01	—	—
<b>Outstanding, December 31,</b>	<b>4,847,575</b>	<b>1.56</b>	897,666	3.61	624,998	4.05

Under the 2025 LTIP

During the year ended December 31, 2025, the Board approved the grant of 3,984,432 RSUs to certain members of Management which vest 1/3 annually over three years.

Under the 2021 LTIP

During the year ended December 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. In addition, the Company granted 893,425 RSUs to 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 year ended December 31, 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.

During the year ended December 31, 2023, the Board approved the grant of 475,000 RSUs to certain members of senior Management and Directors which vest 25% at the time of grant and an additional 25% every 6 months.

**NOTE 21: STOCK-BASED COMPENSATION (Continued)**
**RSUs (Continued)**

Additional information on RSUs are as follows:

	<b>Year ended December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Total fair value of RSUs vested	4,427	1,160	691
			<b>As at December 31, 2025</b>
Unrecognized compensation cost related to the unvested RSUs			2,908
Remaining weighted-average vesting period			1.8 years

**PSUs**

Details of the PSUs are as follows:

	<b>Year ended December 31,</b>	
	<b>2025</b>	
	<b>Number of PSUs</b>	<b>Weighted Average Grant Price (\$CAD)</b>
<b>Outstanding, January 1,</b>	—	—
Granted	4,349,985	1.41
Cancelled	(841,710)	1.41
<b>Outstanding, December 31,</b>	<b>3,508,275</b>	<b>1.41</b>

During the year ended December 31, 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. PSUs entitle participants to receive a specified number of common shares of the Company, subject to the achievement of predetermined market and service conditions over a defined vesting period.

PSUs vest in a single tranche at the end of the performance cycle, contingent upon the attainment of certain corporate objectives. Upon vesting, each PSU converts into one common share of the Company, subject to a multiplier based on the level of achievement. The actual number of shares awarded may be 0%, 50%, 100% or 200% of the target award.

In October 2025, in connection with the former Chief Financial Officer's departure, the Company accelerated the vesting of certain unvested stock options and RSUs. Additionally, 841,710 outstanding PSUs were exchanged for 380,000 RSUs. The modification resulted in incremental stock-based compensation expense recognized during the year ended December 31, 2025.

**NOTE 21: STOCK-BASED COMPENSATION** (Continued)**PSUs** (Continued)

Additional information on PSUs are as follows:

	<b>Year ended December 31, 2025</b>
Total fair value of PSUs vested	—
	<b>As at December 31, 2025</b>
Unrecognized compensation cost related to the unvested PSUs	<b>5,135</b>
Remaining weighted-average vesting period	<b>2.5 years</b>

The fair value of PSUs is determined at the grant date using a Monte Carlo simulation model, which incorporates the probability of achieving market-based performance conditions. The assumptions used to value the PSUs grants using the Monte Carlo simulation model are as follows:

	<b>Year ended December 31, 2025</b>
Dividend yield (%)	—%
Expected share price volatility (%)	98%
Risk-free interest rate (%)	3.85%
Expected life of PSU (years)	<b>3.0 years</b>

**Share awards**

During the year ended December 31, 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 with a grant-date fair value of \$1.11 per award. The share awards fully vested 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 22: 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 December 31, 2025	As of December 31, 2024
<b>Financial assets at amortized cost</b>			
Cash	Level 1	573,462	59,542
Restricted cash	Level 1	57,500	—
Accounts receivable, net	Level 2	5,471	1,259
Other receivables	Level 2	1,405	1,177
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	7,487	3,418
<b>Total fair value of financial assets</b>		<b>650,832</b>	<b>87,352</b>
<b>Financial liabilities at amortized cost</b>			
Accounts payable and accrued expenses	Level 2	34,974	22,056
Long-term debt*	Level 2	699,657	1,576
<b>Financial liabilities at fair value through profit and loss</b>			
Derivative liabilities	Level 2	2,922	128
<b>Total fair value of financial liabilities</b>		<b>737,553</b>	<b>23,760</b>
<b>Net fair value</b>		<b>(86,721)</b>	<b>63,592</b>

\* The Credit Facility and the Convertible Notes are recognized at amortized cost using the effective interest rate method. Their carrying amounts amounted to \$94,808 and \$571,315, respectively, as of December 31, 2025, whereas their fair values, which are based on discounted cash flows using a current borrowing rate, amounted to \$106,060 and \$590,252, respectively.

There were no transfers between Level 1, 2 or 3 of the fair value hierarchy during the years ended December 31, 2025 and 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 and accounts payable and accrued expenses 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 22: 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 consolidated balance sheets when there is an outstanding contract at period end. The derivatives are measured at fair values on a recurring basis. Refer to Note 10 for more details.

*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 10 for more details.

*ii. Bitcoin Redemption Options (embedded derivatives)*

The purchase order agreements explained in Note 10 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 expense.

*iii. Capped call transactions (derivatives assets)*

In October 2025, the Company entered into capped call transactions in connection with the issuance of Convertible Notes. The fair value of the capped call transactions is determined using an option pricing model that incorporates observable market inputs, including the Company's share price, expected volatility, risk-free interest rate, expected term and contractual terms of the instruments. As the valuation primarily incorporates observable inputs, the fair value measurement is classified within Level 2 of the fair value hierarchy. The most significant input in the model is the Company's share price and expected volatility. Due to the decline in the share price from the inception date to December 31st, there was a loss of \$63,890 during the year ended December 31, 2025, presented within (loss) gain from derivative assets and liabilities in the statement of operations.

**NOTE 22: 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 15 for more details.

*i. Refundable Hosting Deposits*

Prior to the Stronghold Transaction completed on March 14, 2025, the Refundable Hosting Deposits were accounted for as financial assets and measured at fair value on initial recognition based on the contractual right to receive the principal amount of each refundable hosting deposit plus interest at the end of the contractual term.

The valuation technique used is the income approach (discounted future cash flows) with an initial EIR higher than the SOFR + 1% rate specified in the Hosting Agreements. As a result, the Panther Creek Refundable Deposit and the Scrubgrass Refundable Deposit were initially recognized at a fair value of \$7,125 and \$7,542, respectively, which were lower than the \$7,800 principal amount of each deposit. Upon initial recognition of the Refundable Deposits, the difference between the fair value and principal of \$675 and \$258, respectively, were recognized as a loss in Other expense during the year ended December 31, 2024. The EIR applicable as of December 31, 2024 was 12% and 9%, respectively.

The total interest income of \$364 was recognized in Other expense during the year ended December 31, 2024. In addition, the Company recognized a total CECL of \$815 in Other expense. Refer to Note 15 for more details.

Following the acquisition of Stronghold on March 14, 2025, the Panther Creek and the Scrubgrass Hosting Agreements were terminated, resulting in the settlement of the Refundable Hosting Deposits.

*ii. Security deposits for energy*

The security deposits for energy consumption is related to the operational Paso Pe and in-construction Yguazu Bitcoin data centers in Paraguay. The valuation technique used was the income approach (discounted future cash flows) with an EIR of 6% over an estimated term of 3 years.

Following the disposal of the Yguazu Bitcoin data center on March 17, 2025 and the classification of the Paso Pe Bitcoin data center operation in Paraguay as assets “held for sale”, the security deposits for energy were derecognized and amounted to nil as of December 31, 2025.

## NOTE 22: FINANCIAL INSTRUMENTS (Continued)

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

## Refundable deposits (Continued)

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
CECLs	(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
Balance as of December 31, 2024 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 December 31, 2025 before reclassification to assets “held for sale”	—	—	—	5,157	350	5,507
Balance as of December 31, 2025 presented as non-current assets “held for sale”	—	—	—	(5,157)	—	(5,157)
<b>Balance as of December 31, 2025</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>350</b>	<b>350</b>

## b. Risk management policy

The Company is exposed to foreign currency risk, credit risk, counterparty risk, liquidity risk and concentration risk. The Company’s senior Management monitors these risks.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company’s functional currency is the USD as all of its cryptocurrency Mining revenues, most of its capital expenditures and most of its financing are primarily measured or transacted in USD. The Company is exposed to variability in the CAD and ARS to USD exchange rates when making expenditures payable in CAD and ARS. The Company funds foreign currency transactions by buying the foreign currencies at the spot rate when required. A 5% increase or decrease in the USD/CAD and USD/ARS exchange rates may have an impact of an increase or decrease of \$1,095 on retained earnings at December 31, 2025 (December 31, 2024: \$15).

## NOTE 22: FINANCIAL INSTRUMENTS (Continued)

## b. Risk management policy (Continued)

Amounts denominated in CAD and ARS included in the consolidated balance sheets, presented in thousands of USD, are as follows:

	As of December 31,		As of December 31,	
	2025		2024	
	CAD	ARS	CAD	ARS
Cash	9,278	14,203	5,362	1,983
Accounts receivable, net	127	—	1,259	—
Accounts payable and accrued expenses	—	—	(5,341)	(1,391)
Long-term debt	(1,704)	—	(1,576)	—
	7,701	14,203	(296)	592

*Credit risk and counterparty risk*

Credit risk is the risk of an unexpected loss if a third party fails to meet its contractual obligations, including those related to cash and cash equivalents. The Company mitigates credit risk related to cash by holding the majority of its cash with a Canadian chartered bank.

The Company is exposed to counterparty risk primarily through the significant deposits placed with suppliers of Mining hardware to secure orders and delivery dates, deposits made in relation with HPC/AI expansion plans, as well as deposits placed with construction companies and suppliers of electrical components and construction materials. A failure by a supplier to meet its contractual obligations may result in delayed deliveries or long-term deposits and equipment and construction prepayments that are not realized. The Company seeks to mitigate this risk by procuring Mining hardware from larger and more established suppliers and by transacting with counterparties with whom the Company has established relationships and knowledge of their reputation in the market as well as by insuring deposits placed for construction work and materials.

Credit risk related to accounts receivable arises from Stronghold energy sales and sales to Volta's third-party customers. The Company performs ongoing credit evaluations of its customers and maintains an allowance for expected credit losses to cover the estimated amount of receivables that may be uncollectible. The allowance for expected credit losses is based on Management's assessment of a customer's credit quality as well as subjective factors and trends, including the aging of receivable balances.

**NOTE 22: FINANCIAL INSTRUMENTS (Continued)****b. Risk management policy (Continued)****Liquidity risk**

Liquidity risk is a risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by monitoring its cash balances and forecasted cash flows generated from operations to ensure that sufficient liquidity is maintained to meet projected financial liabilities.

The Company's operations are capital-intensive, and its liquidity is affected by a combination of factors, including the market price of Bitcoin, network difficulty rates, energy costs, and the timing of capital expenditures related to the Company's planned strategic transition toward HPC infrastructure development. As of December 31, 2025, the Company had cash of \$573,462 and Bitcoin of \$180,285. Management has evaluated the Company's liquidity position, including forecasted cash flows from Bitcoin Mining operations, anticipated expenditures associated with HPC infrastructure development, and contractual obligations due within 12 months from the date the financial statements are issued.

Based on this evaluation, the Company believes that existing cash and Bitcoin, expected cash inflows from Mining operations, and the Company's ability to manage the timing of expenditures will be sufficient to meet its obligations as they become due for at least the next twelve months. The Company will require additional funds to complete expansion plans into HPC infrastructure development.

As of December 31, 2025, the Company is committed to purchase \$129,662 of property, plant and equipment in the next 12 months. Refer to Note 27 for more details.

The following table presents the future principal capital payment of long-term debt and the future minimum lease payments required under non-cancellable leases as of December 31, 2025:

	2026	2027	2028	2029	2030 +	Total
Long-term debt*	607	100,585	592	482	591,018	693,284
Lease liabilities	3,359	3,758	3,769	3,673	13,337	27,896
	3,966	104,343	4,361	4,155	604,355	721,180

\* The Credit Facility is due on demand and its undiscounted contractual maturities were \$1,658 as of December 31, 2025.

**Concentration risk**

Concentration risk arises from exposures that are concentrated within the same category, such as geographical location, product type, industry sector or counterparty type. The cryptocurrency Mining and hosting industry is highly volatile and subject to significant inherent risk. During the year ended December 31, 2025, the Company earned 88% (2024: 95% and 2023: 96%) of its revenues from one Mining pool operator. The Company has the ability to switch Mining Pools or to mine independently at any time. The Company also holds a portion of its working capital in Bitcoin.

A significant decline in the market prices of cryptocurrencies, an increase in the difficulty of cryptocurrency Mining, changes in the regulatory environment and adverse changes in other inherent risks can significantly negatively impact the Company's operations and the carrying value of its assets.

The Company purchased Bitcoin option contracts that provide it with the right, but not the obligation, to sell digital assets at a fixed price. Option contracts are used to mitigate the risk of Bitcoin price volatility and reduce the variability of cash flows associated with future sales of digital assets. Refer to Note 10 for more details.

**NOTE 23: LOSS PER SHARE**

The following table presents the computation of basic and diluted loss per share from continuing operations:

	Year ended December 31,		
	2025	2024	2023
<b>From continuing operations:</b>			
<b>Numerator:</b>			
Loss from continuing operations	(208,514)	(7,359)	(39,933)
Effect of Convertible Notes	—	—	—
Numerator for diluted loss per share	(208,514)	(7,359)	(39,933)
<b>Denominator:</b>			
Denominator for basic loss per share - weighted average shares outstanding	551,676,757	414,669,947	262,237,117
Dilutive impact of Convertible Notes	—	—	—
Denominator for diluted loss per share - weighted average shares outstanding	551,676,757	414,669,947	262,237,117
<b>Loss from continuing operations per common share attributable to common shareholders:</b>			
Basic	(0.38)	(0.02)	(0.15)
Diluted	(0.38)	(0.02)	(0.15)

The following table presents the computation of basic and diluted loss per share from discontinued operations:

	Year ended December 31,		
	2025	2024	2023
<b>From discontinued operations</b>			
<b>Numerator:</b>			
Loss from discontinued operations	(76,030)	(21,006)	(15,578)
Effect of Convertible Notes	—	—	—
Numerator for diluted loss per share	(76,030)	(21,006)	(15,578)
<b>Denominator:</b>			
Denominator for basis loss per share - weighted average shares outstanding	551,676,757	414,669,947	262,237,117
Dilutive impact of Convertible Notes	—	—	—
Denominator for diluted loss per share - weighted average shares outstanding	551,676,757	414,669,947	262,237,117
<b>Loss from discontinued operations per common share attributable to common shareholders:</b>			
Basic	(0.14)	(0.05)	(0.06)
Diluted	(0.14)	(0.05)	(0.06)

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

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

**NOTE 23: LOSS PER SHARE (Continued)****Earnings per share**

For the year ended December 31, 2025, 2024 and 2023 potentially dilutive securities were excluded from the calculation of diluted loss per share due to their anti-dilutive effect.

The following table presents additional potentially dilutive securities that were excluded from the calculation of diluted loss per share as their inclusion would be anti-dilutive:

	Year ended December 31,		
	2025	2024	2023
Options	8,995,839	6,046,226	3,864,150
Warrants	6,874,665	5,704,798	768,476
RSUs	4,776,810	859,942	331,735
PSUs	1,682,050	—	—
Share awards	486,252	—	—
Convertible note shares	16,663,468	—	—
	39,479,084	12,610,966	4,964,361

**NOTE 24: 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 25.

**Revenues**

Revenues by country are as follows:

	Year ended December 31,		
	2025	2024	2023
<b>North America</b>			
United States	116,386	16,500	11,466
Canada	112,890	116,774	108,934
<b>Total</b>	<b>229,276</b>	<b>133,274</b>	<b>120,400</b>

Revenues are presented based on the geographical contribution of computational power used for hashing calculations (measured by hashrate) or sales to external customers.

**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 December 31,			As of December 31,		
	2025			2024		
	PPE	Other	Total non-current assets	PPE	Other	Total non-current assets
<b>North America</b>						
United States	292,196	26,865	319,061	63,147	14,535	77,682
Canada	66,125	17,362	83,487	117,025	52,819	169,844
<b>Total</b>	<b>358,321</b>	<b>44,227</b>	<b>402,548</b>	<b>180,172</b>	<b>67,354</b>	<b>247,526</b>

**NOTE 25: ADDITIONAL DETAILS TO THE STATEMENTS OF OPERATIONS****Disaggregated revenues**

	Year ended December 31,		
	2025	2024	2023
Cryptocurrency Mining	206,209	128,172	115,340
Cryptocurrency Hosting	4,491	—	—
Electrical services	4,595	5,102	5,060
Energy sales	13,981	—	—
	<b>229,276</b>	<b>133,274</b>	<b>120,400</b>

**Cost of revenues**

	Year ended December 31,		
	2025	2024	2023
Energy expenses	(80,280)	(60,368)	(68,715)
Sales tax recovery - energy	—	17,017	—
Depreciation and amortization	(98,130)	(102,469)	(65,043)
Sales tax recovery - depreciation and amortization	—	8,760	—
Hosting expenses	(7,735)	—	—
Infrastructure expenses	(58,179)	(8,045)	(6,243)
Electrical components and salaries	(3,856)	(4,081)	(4,141)
	<b>(248,180)</b>	<b>(149,186)</b>	<b>(144,142)</b>

**Inventories**

During the year ended December 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 \$44,257 (years ended December 31, 2024 and 2023: \$3,392 and \$3,320, respectively).

**Energy costs are net of RECs and WTCs**

During the year ended December 31, 2025, RECs amounted to \$17,076, and the WTCs amounted to \$5,687, (years ended December 31, 2024 and 2023: RECs and WTCs were nil), all of which offset energy expenses in the cost of revenues.

**NOTE 25: ADDITIONAL DETAILS TO THE STATEMENTS OF OPERATIONS (Continued)****Cost of revenues (Continued)****Customs duties**

During the year ended December 31, 2025, infrastructure expenses included \$9,244 of customs duties in connection with the importation of Miners in 2021 (years ended December 31, 2024 and 2023: nil).

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 year ended December 31, 2025, the Company paid \$11,882 to the CBP with a corresponding expense of \$9,244 recognized as costs of revenues relating to the customs duties and \$2,658 recognized as other expense (income) relating to interest and penalties.

**Canadian sales tax recovery**

In April 2024, the Company received confirmation from the provincial tax authorities that Canadian sales taxes paid from February 5, 2022 onwards are refundable. Between February 5, 2022, the date on which the new cryptocurrency sales tax legislation came into effect, and April 2024, the Company filed monthly sales tax refund claims totaling approximately \$24,400 (CAD\$33,000) that were not paid to the Company, pending the finalization of the legislation. The refund relates to sales taxes incurred on various expenditures including, but not limited to, electricity costs, cost of property, plant and equipment, professional services, etc.

During the year ended December 31, 2024, the Company recognized sales tax recoveries of \$22,200 related to prior years (2022 and 2023) and \$2,200 related to the period from January to April 2024. The amounts were presented as direct adjustments to the related expenses and asset categories. During the year ended December 31, 2024, the full \$24,400 of sales tax claims were refunded by the Canadian tax authorities.

In addition to previously not receiving its Canadian sales tax refund claims, the Company was self-assessing sales taxes payable when appropriate. During the year ended December 31, 2024, the Company reversed \$9,560 of government remittances previously included in PPE and accrued in accounts payable and accrued expenses, as disclosed in Note 16. Of this amount, \$5,360 was recognized as a decrease to cost of revenues, \$520 was recognized as a decrease to general and administrative expense and \$3,680 was recognized as a decrease to PPE.

## NOTE 25: ADDITIONAL DETAILS TO THE STATEMENTS OF OPERATIONS (Continued)

## General and administrative expenses

	Year ended December 31,		
	2025	2024	2023
Salaries and wages	(28,234)	(20,243)	(11,370)
Stock-based compensation	(14,768)	(12,079)	(10,606)
Professional services	(20,624)	(22,874)	(6,238)
Sales tax recovery - professional services	—	1,389	—
Insurance, duties and other	(10,261)	(6,601)	(4,020)
Travel, motor vehicle and meals	(2,165)	(1,252)	(812)
Telecom hosting and telecommunications	(542)	(303)	(365)
Advertising and promotion	(1,745)	(697)	(456)
Sales tax recovery - other general and administrative expenses	—	735	—
	(78,339)	(61,925)	(33,867)

## Other expense

	Year ended December 31,		
	2025	2024	2023
Gain on derecognition of warrants	—	62	—
Gain on settlement of Refundable Hosting Deposits	945	—	—
Loss on initial recognition of refundable deposits	—	(933)	—
Amortization of transaction costs and debt discount	(3,148)	—	—
Gain (loss) on exchange rates	(422)	(896)	(590)
Other financial expenses	(3,438)	(343)	(938)
	(6,063)	(2,110)	(1,528)

## Gain on extinguishment of long-term debt

In February 2022, Backbone Mining entered into an equipment financing agreement for gross proceeds of \$32,000 collateralized by 6,100 Bitmain S19j Pro Miners referred to as the “BlockFi Loan”. The net proceeds received by the Company were \$30,994 after capitalizing origination, closing and other transaction fees of \$1,006. In December 2022, Backbone Mining ceased making installment payments, which constituted a default under the loan agreement, and the BlockFi Loan was classified as current.

In February 2023, the Company entered into a settlement agreement with BlockFi pursuant to which an outstanding equipment financing obligation with a carrying amount of \$20,330 was settled for cash consideration of \$7,750. As a result, the Company recognized a gain on extinguishment of long-term debt of \$12,580 recognized in Gain on extinguishment of long-term debt in the consolidated statements of operations during the year ended December 31, 2023. Upon settlement, all assets previously pledged as collateral were released.

## NOTE 26: ADDITIONAL DETAILS TO THE STATEMENTS OF CASH FLOW

	Year ended December 31,		
	2025	2024	2023
<b>Changes in non-cash working capital components:</b>			
Increase in accounts receivable, net	(1,503)	(545)	(13)
Decrease in other current assets	9,988	2,342	1,104
Increase in inventories	(4,985)	(475)	(117)
Decrease (increase) in deposits	(19)	5,467	420
Decrease in accounts payable and accrued expenses	(2,048)	(15,827)	(533)
Increase in operating lease liabilities	813	1,737	1,708
Decrease in taxes payable	(406)	(178)	156
Decrease in other non-current liabilities	(729)	—	—
	<b>1,111</b>	<b>(7,479)</b>	<b>2,725</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	8,610	—	—
Equipment prepayments realized as additions to PPE	41,045	32,433	7,372
Addition of ROU assets and related lease liabilities	3,879	9,928	1,553
Purchase of PPE financed by short-term credit	6,402	8,113	1,365
Issuance of common shares in connection with acquisitions of assets	33,745	—	1,354
Issuance of common shares in connection with acquisition of lease	—	3,000	—
Computational power revenue and its related service expense	3,516	1,023	—
<b>Depreciation and amortization*</b>			
Property, plant and equipment, net	120,929	133,428	82,566
Finance lease right-of-use assets	990	1,363	1,609
Intangible assets, net	711	633	148
	<b>122,630</b>	<b>135,424</b>	<b>84,323</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 11 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:

	Year ended December 31,		
	2025	2024	2023
Cash	573,462	59,542	84,038
Restricted cash	57,500	—	—
Total cash and restricted cash	<b>630,962</b>	<b>59,542</b>	<b>84,038</b>

Amounts included in restricted cash represent amounts pledged as collateral for long-term financing arrangements as contractually required by a lender.

**NOTE 27: COMMITMENTS AND CONTINGENCIES****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 25 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 34,179 Miners in the United States during 2025 (2024: 9,399) and had delivered asset values of \$130,698 (2024: \$25,782). Importation tariffs from China fluctuated between 22.4% and 150.5% in 2025 (2024: 22.4%). Any assessments made on previous importations by the CBP could also include penalties and interest.

Subsequent to period end, the U.S. Supreme Court IEEPA Tariff Ruling determined that certain tariffs previously imposed under the International Emergency Economic Powers Act were not lawful. Based on currently available guidance, the tariff rate for imports of Chinese origin is expected to be approximately 27.6%. However, the timing, scope, and implementation of such changes remain subject to regulatory interpretation and potential further governmental action.

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 27: COMMITMENTS AND CONTINGENCIES (Continued)**

**Lawsuits**

*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 December 31, 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 December 31, 2025:

	<b>2026</b>
Land	<b>4,935</b>
HPC infrastructure projects in Washington state, United States	<b>124,727</b>
	<b>129,662</b>

*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.

*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 is contracted to 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.

**NOTE 28: SUBSEQUENT EVENTS**

Management has evaluated subsequent events from January 1, 2026 to March 31, 2026.

**Full repayment of the Credit Facility with Macquarie**

On February 6, 2026, the Company reimbursed the Credit Facility with Macquarie in full for a total of \$116,855.

**Blockfills Bankruptcy**

On March 16, 2026, Reliz Ltd., the operating entity of BlockFills, a Chicago-based cryptocurrency brokerage, trading platform, and liquidity provider, filed voluntary petitions for relief under Chapter 11 restructuring proceedings of the United States Bankruptcy Code.

As of March 16, 2026, the Company had a net exposure of \$4,200 with BlockFills in connection with its Bitcoin option and selling contracts.

**Redomiciliation**

On February 6, 2026, Bitfarms announced that its board of directors (the “Board”) 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”). To effect the U.S. Redomiciliation, each outstanding common share of Bitfarms (a “Common Share”) will be exchanged for one share of common stock of Keel Infrastructure (“Keel Common Stock”), pursuant to the Arrangement. Following completion of the U.S. Redomiciliation, Bitfarms will become an indirect wholly owned subsidiary of Keel Infrastructure, which together with Bitfarms and its other subsidiaries will carry on the business currently conducted by Bitfarms and its subsidiaries.

The Arrangement was approved by Bitfarms’ shareholders at a special meeting held on March 20, 2026. The Ontario Superior Court of Justice (Commercial List) issued its final order approving the Arrangement on March 24, 2026.

## **Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.**

None.

### **Item 9A. Controls and Procedures**

#### *Evaluation of Disclosure Controls and Procedures*

Our Management is responsible for establishing and maintaining a system of disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) designed to ensure that information we are required to disclose in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the U.S. Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Management, under the supervision of and with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the design and effectiveness of our disclosure controls and procedures as of December 31, 2025. Based upon such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2025, our disclosure controls and procedures were effective.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluation of controls can provide absolute assurance that all control issues within a company have been detected. Accordingly, our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our disclosure control system are met.

#### ***Management’s Annual Report on Internal Control Over Financial Reporting:***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (“ICFR”) for the Company as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable, not absolute, assurance with respect to financial statement preparation and presentation.

Our internal control over financial reporting includes those policies and procedures that: pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Management, under the supervision of and with the participation of our Chief Executive Officer and Chief Financial Officer assessed the effectiveness of our internal control over financial reporting as of December 31, 2025 based on the criteria set forth in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). Based on this assessment, management has concluded that our internal control over financial reporting was effective as of December 31, 2025.

The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears in item 15 of this Annual Report on Form 10-K.

In March 2025, we acquired Stronghold in the Stronghold merger. Under SEC staff guidance and in accordance with National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings, 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 December 31, 2025.

Management has excluded Stronghold Digital Mining, Inc. from its assessment of internal control over financial reporting as of December 31, 2025, because it was acquired by us in a purchase business combination during 2025. Stronghold Digital Mining, Inc. is a wholly-owned subsidiary whose total assets and total revenues excluded from management’s assessment of internal control over financial reporting represent 12.2% and 27.0%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2025.

## **Remediation of Previously Reported Material Weakness**

Management had previously concluded that the control over accounting for complex transactions, such as the classification of financial instruments and certain cash flow items, did not operate effectively in certain instances, which constituted a material weakness in internal control over financial reporting as of December 31, 2024. Management concluded that our internal control over financial reporting as of December 31, 2024 was not effective because of the material weakness. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements may not be prevented or detected on a timely basis.

In response to the identified material weakness, remediation efforts comprised expanding the finance team to include more Chartered Professional Accountants and Certified Public Accountants with technical expertise and experience in evaluating more complex transactions, involving our 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 has concluded that the weakness did not result in any misstatements or adjustments in the Company's audited consolidated financial statements for the year ended December 31, 2025 nor for any unaudited interim consolidated financial statements for any of the reporting periods therein. Remediation measures were completed and, based on the results of testing performed over the remediated controls, management determined that our internal control over financial reporting was effective as of December 31, 2025.

## **Changes in Internal Control over Financial Reporting**

Other than the remediation of the material weakness mentioned above, and the controls related to the adoption of U.S. GAAP, we have not identified any changes in our internal control over financial reporting in connection with our evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended December 31, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **Item 9B. Other Information.**

During the three months ended December 31, 2025, no director or executive officer of the Company adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

## **Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.**

Not applicable.

PART III

**Item 10. Directors, Executive Officers and Corporate Governance.**

**Directors and Executive Officers**

The following table sets forth information on our executive officers and directors as of the filing of this Annual Report. All executive officers serve at the discretion of the Board. The term of office of each of our directors expires at our next Annual Meeting of Shareholders and until their successors are duly elected and qualified.

<b>Name</b>	<b>Age</b>	<b>Title</b>	<b>Director since</b>	<b>Officer since</b>
Benjamin Gagnon	37	Chief Executive Officer and Director	2024	2021
Jonathan Mir	54	Chief Financial Officer	N/A	2025
Liam Wilson	40	Chief Operating Officer	N/A	2024
Rachel Silverstein	42	General Counsel, Global	N/A	2024
Edith Hofmeister	60	Independent Director and Chair of the Board	2022	N/A
Brian Howlett	66	Independent Director	2020	N/A
Fanny Philip	38	Independent Director	2024	N/A
Amy Freedman	53	Independent Director	2024	N/A
Andrew J. Chang	43	Independent Director	2024	N/A
Wayne Duso	63	Independent Director	2025	N/A

**Family Relationships**

There are no family relationships between our executive officers and members of our Board.

**Business Experience of Directors and Executive Officers**

***Benjamin Gagnon, Chief Executive Officer and Director***

Ben Gagnon is Chief Executive Officer and Director of Bitfarms Ltd. Ben’s career began in 2015, focused on power, land acquisition, and data center development for Bitcoin mining in South East Asia. Long before AI infrastructure became a global investment thesis, Ben was doing the foundational work: originating power contracts, navigating grid interconnection, developing industrial sites, and deploying energy-intensive compute systems at scale. Before Bitfarms, Ben co-founded and led two computer infrastructure ventures, serving as CEO, CTO, and chief architect of full-stack operations across power, land, and technology. Mr. Gagnon started his career at Bitfarms Canada as Director of Business Development in 2019 and was promoted to the Director of Mining Operations in 2020 and Chief Mining Officer in 2021. Mr. Gagnon is a proven strategy and people focused executive in the Bitcoin Mining space. At Bitfarms, he has overseen the development and execution of the Bitfarms Canada’s growth strategy, which has driven organic growth, captured market share in Bitcoin Mining and diversified and strengthened the Bitfarms Canada’s energy assets. Mr. Gagnon brings in a deep familiarity with all aspects of operations at Bitfarms, having worked intimately with every department, as well as extensive leadership experience from previous executive roles with cryptocurrency Mining companies. His successful track record overseeing the growth of Bitfarms’ Mining operations and integration of new technologies amidst a rapidly evolving landscape has been critical to Bitfarms’ value creation strategy, which includes diversification into synergistic new areas like energy generation, heat recycling, energy trading and HPC (high performance computing) for artificial intelligence, as well as execution of strategies related to the 2028 halving event. Prior to joining Bitfarms Canada, Mr. Gagnon founded and operated two Bitcoin Mining companies, holding roles as Chief Executive Officer, Chief Mining Officer and Chief Technology Officer.

Mr. Gagnon earned his M.Sc. in Internet Computing from Hong Kong University and has a B.Sc. in Economic Consulting and International Business from the Kelley School of Business at Indiana University. In addition, Mr. Gagnon currently serves as co-chair of the Canadian Bitcoin Consortium’s Infrastructure Committee (formerly Mining Committee) and is a lead analyst for the Bitcoin Mining Council.

***Jonathan Mir, Chief Financial Officer***

Jonathan Mir is the Chief Financial Officer of Bitfarms, responsible for financial strategy, capital allocation, and growth initiatives. With over 25 years of experience advising boards, companies, and leading investors in the power, energy and infrastructure sectors, he has a proven track record in corporate finance, M&A, strategy, and risk management.

Before joining Bitfarms, Mr. Mir was a Managing Director in Bank of America's Natural Resources and Energy Transition Group from 2020, focusing particularly on matters in corporate finance and advising infrastructure funds from 2021 to 2024. Prior to Bank of America, Mr. Mir was at Lazard, where he served as Head of North American Power, Energy & Infrastructure until 2019.

Jonathan holds an M.B.A. from Columbia University and a B.A. from Lehigh University. He serves on the Board of Trustees of The Cooke School and Institute and was a founding parent of Manhattan STAR Academy, supporting education for neurodivergent students.

***Liam Wilson, Chief Operating Officer***

Liam Wilson is an operations executive with over 20 years of leadership and operational management experience. As Chief Operating Officer at Bitfarms, he oversees our business initiatives and daily operations. With deep expertise in the energy sector, he has successfully executed transactions totaling more than 900 MW of power across key U.S. markets, driving the development and operation of high-performance teams and facilities.

Before joining Bitfarms, Mr. Wilson served as Chief Operating Officer at Mawson Infrastructure Group Inc. from 2019-2023, where he led all global business activities focusing on the U.S. and PJM in particular. Liam has also held senior management roles at EVT Hospitality and Entertainment and The Whitehouse Group.

***Rachel Silverstein, General Counsel, Global***

Rachel Silverstein serves as Bitfarms' Global General Counsel, leading the Company's legal function and serving as a key strategic advisor to the Board of Directors and executive leadership team. In this capacity, Ms. Silverstein is responsible for developing and executing the Company's enterprise-wide legal strategy and overseeing all legal affairs across Bitfarms' multi-jurisdictional operations in the United States, Canada, and South America. She provides counsel on complex mergers and acquisitions, capital markets transactions, high-value commercial agreements, and transformative energy infrastructure and data center development deals. With over 17 years of experience as a practicing attorney, Ms. Silverstein advises the Board and senior management on SEC and Nasdaq compliance, corporate governance, securities law matters, risk management and mitigation, and strategic corporate transactions. She also manages the Company's relationships with outside counsel and is responsible for building and strengthening Bitfarms' internal legal capabilities to support the Company's continued growth as a leading publicly traded enterprise.

Prior to Bitfarms, Rachel co-founded a boutique law firm specializing in data center development and energy infrastructure transactions, leading transactions totaling more than a gigawatt across multiple states and countries. Before that, Rachel served as General Counsel at CleanSpark, Inc., a Nasdaq-listed company, from 2020 to 2023, where she oversaw public company compliance, corporate governance, SEC reporting, and enterprise risk management. Earlier in her career, she served as Corporate Counsel at Zappos and was a litigator at several multi-national law firms, among other roles.

Rachel earned a bachelor's degree from The George Washington University and a juris doctorate degree from William S. Boyd School of Law, University of Nevada-Las Vegas.

***Edith Hofmeister, Independent Director***

Edith Hofmeister is an independent director, the Chair of our Board and a member of the Audit Committee. Ms. Hofmeister brings over two decades of expertise in legal affairs, corporate governance, sustainable finance and business strategy. As an American business leader, she successfully guided multinational companies through large-scale infrastructure development, public and private offerings, NYSE and Nasdaq listings, intricate debt financings, joint ventures, complex litigation and multi-billion-dollar acquisitions. Drawing on her deep understanding of U.S. corporate and securities law, she played a pivotal role in shaping governance practices and risk management aligned with American standards. From 2010 to 2019 she served as EVP Corporate Affairs and General Counsel for Tahoe Resources Inc. where, as its first employee, she helped build the company from a start-up to a mid-cap precious metals producer with operations throughout the Americas. In this role, she helped lead capital raises and infrastructure projects, including EPCM contract oversight and mine construction. Ms. Hofmeister joined Bitfarms' Board in November 2022. She was a best Canadian General Counsel finalist in the category of ESG and led Tahoe's achievement of best governance award (for a mid-cap Mining company) by the Canadian Society of Corporate Secretaries. Ms. Hofmeister served as the Chair of the International Bar Association's Business and Human Rights Committee, a group dedicated to promoting high ESG standards in multi-national corporations. Ms. Hofmeister received a Bachelor of Arts degree in international relations from UCLA, a Master of Arts degree in international peace studies from the University of Notre Dame and a Juris Doctor degree from the University of San Francisco.

***Brian Howlett, Independent Director***

Brian Howlett is an independent director, the Chair of the Governance, Nomination, Safety, Sustainability and Technical Committee and a member of the Audit Committee. Mr. Howlett is a seasoned public company senior executive with more than thirty-five years of experience in operational and financial leadership. His extensive service as senior officer and director of public companies equips him with valuable insights to oversee our operations. As a Chartered Professional Accountant (CPA), he also contributes to our Board's oversight of financial reporting, internal controls and risk management. Mr. Howlett also serves on the board of one junior mining company and has formerly served as C-Suite Executive and board member in several publicly listed companies, including Dundee Sustainable Technologies Inc. and Nighthawk Gold Corp., among others. Mr. Howlett graduated in 1982 with a B. Comm. in Finance from Concordia University and received his CMA designation in 1989 which became a Chartered Professional Accountant (CPA) designation in 2022.

***Fanny Philip, Independent Director***

Fanny Philip is an independent director, the Chair of the Audit Committee and a member of the Governance, Nomination, Safety, Sustainability and Technical Committee and the Compensation Committee. Ms. Philip is a CPA auditor and recognized leader in Digital Assets, Energy and Infrastructure ecosystem since 2019, and contributes to our Board her deep expertise in finance, public accounting, audit, and strategic mergers and acquisitions. Her extensive knowledge of the North American and European energy sectors, Mining and AI provide valuable perspectives to our Board's oversight of our expansion strategies. She is the founder and president of MTI Conseils Inc., an accounting firm that provides outsourced accounting, advisory services and Chief Financial Officer services. Ms. Philip brings over 10 years of assurance and accounting expertise mainly in audit and public issues. Formerly, she was the Chief Operating Officer of SATO Technologies Corp. (TSXV: SATO, OTCQB: CCPU.F) and the Chief Financial Officer and VP Finance of Canada Computational Unlimited Inc. As a former C-Suite Executive at a publicly traded company and recognized leader, she engages extensively in education and industry representation, advocating for regulatory changes and fostering a deeper understanding of the sector's complexities among stakeholders, especially on reporting and financial matters. Since 2022 she has been a member of the Infrastructure Committee (formerly Mining Committee) of the Canadian Bitcoin Consortium (formerly Canadian Blockchain Consortium) and the President of its Québec Chapter. She was rewarded as one of the "Most Inspirational Women in Web3 & AI" (2024) by Forbes Web3, 100 Davos Women and World Leaders in Data and AI. She currently serves as General Director at SOVIAGO, where she oversees financial reporting and compliance, and she has been instrumental in various strategic acquisitions and in securing various public funding mainly from the European Regional Development Fund. Ms. Philip graduated in 2010 with a Trilingual Bachelor of Business Administration (B.B.A) (English, Spanish and French) and in 2013 with a Specialized Graduate Diploma (DESS) in public accounting – CA, both from HEC Montréal. She received her Chartered Accountant designation in 2014 which became a Chartered Professional Accountant (CPA) auditor designation in 2022.

***Amy Freedman, Independent Director***

Amy Freedman is an independent director and Chair of the Compensation Committee. Amy Freedman is a corporate governance and public capital markets expert with over 25 years of experience. Ms. Freedman is currently a Partner and Head of Canada at Longacre Square Partners, a leading North American strategic advisor in matters of shareholder activism, crisis communications and corporate governance. Prior to joining Longacre, Ms. Freedman was a Partner and Head of Engagement Fund Investing at Ewing Morris. Previously, Ms. Freedman was the Chief Executive Officer of Kingsdale Advisors, a leading shareholder services and corporate governance advisory firm. Prior to joining Kingsdale Advisors, Ms. Freedman spent over 15 years in capital markets as an investment banker with global firms including Stifel Financial Corp. (NYSE: SF) and Morgan Stanley (NYSE: MS). Ms. Freedman is a director of the following public companies: (a) Irish Residential Properties REIT plc (ISE: IRES) since May 2024; and (b) American Hotel Income Properties REIT LP (TSX: HOT.UN, HOT.U) since October 2023. Ms. Freedman was also a director on the board of (a) Mandalay Resources Corporation (TSX: MND, OTCQB: MNDJF) since May 2016 until July 2025; (b) Canaccord Genuity Group Inc. (TSX: CF) from March 2023 to August 2024; and (c) Park Lawn Corporation (TSX: PLC) from June 2020 to August 2022 (now private). Ms. Freedman holds an MBA and JD from the University of Toronto.

***Andrew J. Chang, Independent Director***

Andrew J. Chang is an independent director and a member of the Governance, Nomination, Safety, Sustainability and Technical Committee. Mr. Chang is a seasoned executive and entrepreneur with extensive experience in the cryptocurrency and blockchain industry. He served as the Chief Operating Officer at Paxos for over 7 years, where he played a pivotal role in growing the company from a small startup to a \$2.4 billion valuation. During his tenure, Mr. Chang oversaw the launch of the first regulated blockchain-focused trust company. His expertise lies in navigating complex regulatory environments, scaling operations, and creating effective communication frameworks. Prior to Paxos, Mr. Chang held operational and growth positions at Google, Techstars, WPP and several innovative startups. Mr. Chang is also an Adjunct Professor at NYU Stern School of Business, where he teaches courses focused on venture-scale startups and the venture capital ecosystem. He is currently a co-founder of Lynx Collective and regularly advises and invests in early-stage startups. Mr. Chang holds an MBA from NYU Stern School of Business and a BS from Boston College, bringing a blend of financial technology acumen and technological insight to his roles in the rapidly evolving digital asset space.

## ***Wayne Duso, Independent Director***

Wayne Duso is an independent director and a member of the Compensation Committee. Mr. Duso is a senior engineering and product executive with over 25 years of experience in enterprise and cloud infrastructure. He currently serves as Vice President, Engineering and Technology at 1Password, where he is innovating and delivering at the intersection of identity, security, and AI infrastructure. At AWS, he launched and scaled multiple data and storage services into multibillion-dollar businesses, while building AWS Boston into one of Amazon's largest development centers. At EMC, he defined strategy for a \$3B ARR product line and introduced EMC's first software-defined storage array. His advisory roles with Snyk, Anjuna Security, and Bedrock Security underscore his continued influence in shaping next-generation cloud, data, and cybersecurity solutions. His expertise lies in scaling global organizations, launching category-defining platforms, and aligning technology with customer and business outcomes. Mr. Duso holds a Master of Science in Systems Engineering from Boston University and a Bachelor of Science in Computer Science from the University of Massachusetts Amherst. He has also completed executive education programs at MIT and Babson College.

## **Committees of the Board**

Historically, the Board has had four committees: an Audit Committee, a Compensation Committee, an Environmental and Social Responsibility Committee and a Governance and Nominating Committee. Following the U.S. Redomiciliation, the Board will have three standing committees. In compliance with the listing rules of the Nasdaq and the TSX, each member of a committee is independent within the meaning of Nasdaq listing standards and applicable rules and regulations of the SEC.

### *Audit Committee*

The Audit Committee is responsible for assisting our Board in its oversight responsibilities relating to the integrity of our financial statements and our accounting and financial reporting processes and financial statement audits; the effectiveness of our internal controls over financial reporting and disclosure; the design, implementation and performance of our internal audit function; the independent auditor's qualifications, independence and performance; advising our Board on regulatory matters; our compliance with legal and regulatory requirements; risk assessment and risk management pertaining to our financial, accounting and tax matters; and the performance of our internal audit function and internal auditors. The Audit Committee is established in accordance with Section 3(a)(58)(A) of the Exchange Act in anticipation of the completion of our U.S. Redomiciliation. Each director on the Audit Committee has sufficient knowledge in financial and auditing matters to serve on the Audit Committee. The Audit Committee has three members: Fanny Philip (Chair), Edith Hofmeister and Brian Howlett. Fanny Philip and Brian Howlett are audit committee financial experts.

The Audit Committee oversees our corporate accounting and financial reporting process. Among other matters, the Audit Committee evaluates the independent registered public accounting firm's qualifications, independence and performance; oversees the work of the independent registered public accounting firm; determines the engagement of the independent registered public accounting firm; reviews and approves the scope of the annual audit and the audit fee; discusses with management and the independent registered public accounting firm the results of the annual audit and the review of our quarterly consolidated financial statements; approves the retention of the independent registered public accounting firm to perform any proposed permissible non-audit services; monitors the rotation of partners of the independent registered public accounting firm on our engagement team as required by law; reviews our critical accounting policies and estimates; reviews the adequacy and effectiveness of our accounting and internal control policies and procedures; oversees the internal audit function; establishes procedures for (i) the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters; and annually reviews the Audit Committee charter and the committee's performance. The Audit Committee operates under a written charter pursuant to applicable standards and rules of the SEC and Nasdaq, which is posted on our website at [investor.bitfarms.com](http://investor.bitfarms.com).

### *Compensation Committee*

The Compensation Committee is responsible for evaluating, recommending, approving and reviewing executive officer and director compensation arrangements, plans, policies and programs maintained by us, administering our incentive and equity-based compensation plans and overseeing the management of risks related to our executive compensation plans and arrangements, reviewing and discussing with management our compensation discussion and analysis to be included in our public filings. In anticipation of our U.S. Redomiciliation, the Compensation Committee operates under a written charter pursuant to applicable standards and rules of the SEC and Nasdaq, which is posted on our website at [investor.bitfarms.com](http://investor.bitfarms.com). The Compensation Committee has three members: Amy Freedman (Chair), Fanny Philip and Wayne Duso.

The Compensation Committee reviews and recommends to the Board for approval policies relating to the compensation and benefits of our executive officers and employees. The Compensation Committee reviews and approves corporate goals and objectives relevant to compensation of the chief executive officer and other executive officers, evaluates the performance of these executives in light of those goals and objectives and sets the compensation of these executives based on such evaluations. The Compensation Committee also administers our incentive and equity-based plans, including approving grants and other awards and making other decisions regarding the operation of such plans. The Compensation Committee reviews and evaluates, at least annually, its composition and performance and the Compensation Committee charter. In fulfilling its responsibilities, the Compensation Committee is permitted to delegate any or all of its responsibilities to a subcommittee of the Compensation Committee, but only to the extent consistent with our articles and bylaws, Nasdaq rules and other applicable law.

The Governance, Nomination, Safety, Sustainability and Technical Committee is responsible for identifying, considering and recommending to our Board individuals qualified to serve as directors and on committees of our Board, consistent with criteria approved by our Board, advising our Board with respect to our Board composition, procedures and committees, reviewing developments in corporate governance and developing and recommending to our Board a set of corporate governance guidelines applicable to us, evaluating the overall effectiveness of our Board, our Board's committees and our management, overseeing our programs, policies and practices relating to health and safety, environmental sustainability and corporate social responsibility. The Governance, Nomination, Safety, Sustainability and Technical Committee has three members: Brian Howlett (Chair), Fanny Philip and Andrew J. Chang.

The Governance, Nomination, Safety, Sustainability and Technical Committee is responsible for, among other things: (i) assisting management in developing responsible corporate governance policies and practices; (ii) overseeing adherence to corporate governance rules, policies and principles; (iii) identifying individuals qualified to be nominated as members of our Board; (iv) developing a board skills and competencies matrix for our Board as a whole and for existing members of our Board, as well as committee membership; (v) determining the structure and composition of our committees; (vi) evaluating the performance and effectiveness of our Board and its committees; (vii) succession planning; (viii) reviewing our directors and officers insurance coverage; (ix) reviewing our governance-related disclosure included in our public filings; (x) overseeing compliance with our Code of Business Conduct; (xi) overseeing our programs relating to director orientation, education and continuing development; (xii) developing and recommending to our Board policies regarding board refreshment and director tenure, including guidelines for director retirement, term limits if applicable, and succession planning; (xiii) reviewing and overseeing technical aspects of our data center operations, including capacity planning, infrastructure efficiency, power usage effectiveness (PUE) metrics, and compliance with applicable technical reporting standards and industry best practices; (xiv) monitoring and providing oversight for crisis management procedures and operational risk management; (xv) reviewing programs and practices that impact local communities and other key stakeholders; and (xvi) annually reviewing our sustainability report and ensuring we maintain a comprehensive sustainability program. In anticipation of the completion of our U.S. Redomiciliation, the Governance, Nomination, Safety, Sustainability and Technical Committee operates under a written charter that satisfies the applicable standards of the SEC and Nasdaq, which is posted on our website at [investor.bitfarms.com](http://investor.bitfarms.com).

### **Code of Ethics**

We have adopted a Code of Business Conduct and Ethics applicable to all of our directors, officers, employees, consultants, and contractors including our Chief Executive Officer, Chief Financial Officer, controller or principal accounting officer, or other persons performing similar functions, which is a "code" under NI 58-101 and a "code of ethics" as defined by applicable SEC rules in anticipation of the completion of our U.S. Redomiciliation. The Code of Conduct sets out our fundamental values and standards of behavior that are expected from our directors, officers, employees, consultants, and contractors with respect to all aspects of our business. The objective of the Code of Conduct is to provide guidelines for maintaining our integrity, reputation and honesty with a goal of honoring others' trust in the Company at all times. The full text of the Code of Conduct is posted on our website at [investor.bitfarms.com](http://investor.bitfarms.com) and is filed with Canadian securities regulators.

If we grant any waivers from any provision of the Code of Business Conduct and Ethics, including any implicit waiver, we will disclose the nature of such waiver on our website to the extent required by the rules and regulations of the SEC and the Canadian Securities Administrators. To date, no such waiver has been granted. We will post any amendments to the Bitfarms Code of Conduct required to be disclosed under the rules of the SEC or listing standards of the Nasdaq at that location.

### **Insider Trading Policies and Procedures**

We have insider trading policies and procedures (the "Insider Trading Policy") that govern the purchase, sale and other dispositions of our securities by directors, officers, employees and contractors, as well as by the Company itself. We believe these policies and procedures are reasonably designed to promote compliance with insider trading laws, rules and regulations and applicable listing standards. In anticipation of our U.S. Redomiciliation, we expect to adopt a new Insider Trading Policy. A copy of such Insider Trading Policy is filed as Exhibit 19.1 to this Annual Report.

## Item 11. Executive Compensation.

### COMPENSATION DISCUSSION AND ANALYSIS

This section discusses the compensation awarded to, earned by, or paid to the following executive officers, who we have determined to be our named executive officers (“NEOs”) for fiscal year 2025. For fiscal year 2025, our NEOs are our Chief Executive Officer (“CEO”), our Chief Financial Officer (“CFO”) and former CFO as well as the most highly compensated executive officers (other than our CEO and our CFOs) who were serving as executive officers as of December 31, 2025.

<b>Name</b>	<b>Position</b>
Benjamin Gagnon	Chief Executive Officer
Jonathan Mir	Chief Financial Officer
Liam Wilson	Chief Operating Officer
Rachel Silverstein	General Counsel, Global
Jeffrey Lucas	Former Chief Financial Officer

Mr. Lucas was replaced as CFO and Mr. Mir was appointed as our CFO effective as of October 27, 2025. Mr. Lucas’s employment officially terminated on December 31, 2025.

#### Compensation Overview

Bitfarms Ltd.’s executive compensation program is designed to attract, retain, and motivate the high-caliber leadership team required to execute our strategic transformation into a company converting its existing energy and data center infrastructure to HPC and AI uses.

For fiscal year 2025, our executive compensation program consists of three primary components: (i) base salary, providing a fixed, competitive level of compensation reflective of each NEOs role and market value; (ii) annual short-term incentive (“STIP”) payments, which are performance-based cash awards tied to the achievement of pre-established corporate financial and operational objectives and individual performance goals; and (iii) long-term incentive awards granted under the Long-Term Incentive Plan (“LTIP”) in the form of stock options, restricted share units (“RSUs”) and performance share units (“PSUs”), which align executive interests with long-term shareholder value creation and promote retention of key talent.

Commencing in fiscal year 2025, we implemented a revised compensation structure in which annual STIP opportunities are established as a defined percentage of each NEOs annual base salary and assessed against a structured annual performance scorecard. LTIP awards are granted on an annual basis and include a balanced mix of time-based and performance-based equity awards. This program design reflects the Compensation Committee’s ongoing commitment to ensuring that compensation is measurably linked to corporate objectives and the creation of sustainable shareholder value, consistent with our strategic priorities, including its advancement of high-performance computing and AI data center infrastructure.

The descriptions that follow reflect our compensation practices in 2025 as a Canadian Foreign Private Issuer.

#### Our Executive Compensation Program

##### 2025 Compensation Decisions

Fiscal year 2025 was a transformative year for us, marked by management and board transition, including the cessation of employment of our former CFO, the appointment of Mr. Mir in October 2025, the onboarding of multiple new independent directors, and the retention of Corporate Governance Partners, Inc. (“CGP”) as our first independent external compensation consultant. We also first established a formal STIP structure during FY 2025.

## Philosophy and Objectives of Our Executive Compensation Program

Our executive compensation philosophy is to attract, motivate and retain the leaders who drive the success of the Company. Our executive compensation programs are designed to:

- Pay-for-performance and align the interests of executives and shareholders
- Incentivize executives to work as a team to achieve our strategic objectives
- Ensure direct accountability for annual and long-term operating results
- Reflect both business strategy and market norms
- Adhere to the Company's risk profile

### Compensation Principles

Our executive compensation policies and decisions are guided by the following material principles:

**Pay-for-Performance:** A significant portion of each NEOs total direct compensation is variable and contingent upon the achievement of pre-established corporate and individual performance objectives. Fixed base salary is supplemented by performance-sensitive variable components—annual STIP payments and LTIP awards—ensuring that total realized compensation reflects our operating results, market performance, and strategic progress.

**Alignment with Shareholder Interests:** A meaningful portion of total direct NEO compensation is delivered in equity-based awards, the ultimate value of which is directly linked to the performance of our Common Shares over time. This structure aligns the financial interests of executives with those of shareholders and incentivizes a sustained focus on long-term value creation.

**Market Competitiveness:** We target total direct compensation packages competitive with those offered by companies of comparable size and operational profile in the technology, digital assets, data center, and energy infrastructure sectors, enabling us to attract and retain executives of the highest caliber in a competitive market for talent.

**Risk Mitigation:** Our compensation programs are structured to avoid incentivizing excessive or unnecessary risk-taking. Our balance of fixed and variable pay, use of multiple performance metrics, caps on incentive payouts, equity vesting requirements, and clawback and forfeiture provisions collectively support prudent risk management.

**Internal Equity:** Compensation levels reflect each NEOs role, scope of responsibilities, experience, and demonstrated contribution, calibrated to promote fairness and consistency across the executive leadership team.

### What Our Compensation Programs Are Designed to Reward

Our compensation programs are designed to reward:

- Achievement of financial and operational goals
- Individual performance and contribution to corporate success
- Long-term shareholder value creation
- Strategic leadership and execution
- Innovation and advancement of our strategic pivot into high-performance computing and AI data center infrastructure

## Process for Determining Executive Compensation

### Role of the Compensation Committee

The Compensation Committee is responsible for assisting the Board in fulfilling its oversight responsibilities with respect to (i) the establishment of key human resources and compensation policies, (ii) performance evaluation and compensation determination for our executive officers including our NEOs, (iii) identification and mitigation of risks associated with compensation policies, (iv) succession planning for senior management, and (v) compensation of our non-employee directors. The Compensation Committee consists of three independent directors: Amy Freedman (Chair), Fanny Philip, and Wayne Duso, each of whom meets applicable independence requirements and has working familiarity with compensation and human resources matters. The Compensation Committee discharges its responsibilities as follows:

- **Executive Officer Performance Evaluation:** The Compensation Committee evaluates the performance of the CEO and CFO annually against corporate goals and objectives established at the beginning of the fiscal year and reviews the CEO's recommendations regarding the performance of all other executive officers. The results of these evaluations form the basis for the Compensation Committee's recommendations to the Board regarding total direct compensation for each executive officer. No executive officer participates in deliberations or decisions regarding his or her own compensation.
- **Compensation Governance and Program Oversight:** The Compensation Committee: (i) at least annually reviews and approves NEO personal performance objectives and corporate performance objectives, and recommends them to the Board for consideration; (ii) reviews and approves our compensation policies periodically to assess their competitiveness and alignment with shareholder interests; (iii) considers the risks associated with our compensation policies and practices to confirm they do not incentivize inappropriate or excessive risk-taking; (iv) administers the LTIP and other equity-based compensation plans, and determines grants of stock options, RSUs, PSUs, and Deferred Share Units ("DSUs") to be recommended to the Board; (v) reviews and recommends to the Board the approval of employment agreements, severance arrangements, change in control provisions, and any special or supplemental benefits or perquisites for executive officers; and (vi) reviews all annual executive compensation disclosure before it is publicly released.
- **Succession Planning and Non-Executive Director Compensation:** The Compensation Committee at least annually reviews our succession plan for our CEO and other NEOs, including matters of appointment, training and evaluation of senior management. The Compensation Committee also at least annually reviews and recommends to the Board adjustments to our non-employee director compensation program to ensure it is competitive and properly reflects the responsibilities of Board service. The Compensation Committee meets no less than twice per year and held ten (10) formal meetings during fiscal year 2025. The Committee also holds in camera sessions without management present, as appropriate, to facilitate candid deliberation.
- **Independent Advisor Authority:** The Compensation Committee has full authority to retain independent compensation consultants, legal counsel, and other advisors at the Company's expense to assist it in fulfilling its mandate, with sole authority to determine the compensation and retention terms of such advisors. In fiscal year 2025, the Compensation Committee has exercised this authority by retaining CGP, to provide independent advice on executive and non-employee director compensation levels and program design. In selecting advisors, the Committee considers factors bearing on independence, including other services provided to the Company, fees paid, and any personal or business relationships between the advisor and members of the Committee or executive officers. The Compensation Committee engaged Compensia in November 2025 to conduct a peer group review for 2026 compensation.

### Role of Management

The CEO reviews the performance evaluations of all other NEOs and provides compensation recommendations to the Compensation Committee. The Committee considers these recommendations, reviews an analysis of competitive market compensation information, consults with its compensation consultants, and exercises its independent judgment to determine if any adjustments are required prior to Board approval.

In addition to the CEO's role described above, other members of management participate in the compensation process in a supporting capacity. Our head of People and Culture provides competitive market data, analytical support, and operational assistance to the Compensation Committee. Other executive officers may be invited to attend portions of Compensation Committee meetings to provide relevant information regarding program design, company performance, or market practices; however, no executive officer participates in deliberations or decisions concerning his or her own compensation. The CFO, the Global General Counsel and the COO may provide technical analysis and advice to support the compensation process as requested by the Compensation Committee. Final compensation determinations for all NEOs are made exclusively by the Compensation Committee and the Board, without the involvement of the relevant NEO in such determinations.

## Role of the Compensation Consultant

CGP served as the Compensation Committee's independent executive compensation consultant. CGP was retained by the Compensation Committee effective January 10, 2025, and its engagement encompassed the following:

- CGP was retained to review our compensation philosophy and the compensation levels of our non-employee directors and executive offers to assess alignment with industry standards and competitive market practices, and to advise the Compensation Committee on executive and director compensation program design.
- CGP has not provided any other services to the Company beyond the executive and director compensation consulting services described herein.
- The aggregate fees paid to CGP for executive and director compensation consulting services in fiscal year 2025 were \$39,000. No fees were paid to CGP in any prior year.
- The Compensation Committee has assessed the independence of CGP pursuant to applicable SEC and Nasdaq standards and has concluded that CGP's engagement did not raise any conflict-of-interest concerns. This determination was based on: (i) CGP's services being limited solely to executive and director compensation consulting for the Compensation Committee; (ii) the absence of any other business, financial, or personal relationships between CGP and the Company, its affiliates, executive officers, or Board members; and (iii) the engagement having been authorized directly by the Compensation Committee, independent of management.

## Benchmarking and Peer Group Information

The Compensation Committee engages in periodic benchmarking of total direct compensation and its principal and related elements to assess the competitiveness of our executive compensation program. The Compensation Committee, together with our head of People and Culture, reviews a competitive market analysis drawn from compensation data for companies similar in size to the Company that operate in the technology, digital assets, data center, and energy infrastructure sectors. For fiscal year 2025, CGP provided a competitive market compensation analysis to inform the Compensation Committee's review of executive officer and non-employee director compensation levels. In November 2025, the Compensation Committee retained Compensia to conduct a formal peer group review to inform fiscal year 2026 compensation decisions.

- **Benchmarking Scope:** The Compensation Committee engages in benchmarking of total direct compensation as well as its material elements, including base salary, short-term incentive target opportunities, and long-term incentive award values, using both publicly disclosed data drawn from peer company public filings and, where applicable, third-party compensation survey data.
- **Peer Group:** For purposes of its fiscal year 2025 compensation review and decisions, the Compensation Committee used a peer group consisting of eight (8) direct industry competitors in the Bitcoin Mining and high-performance computing sectors (the "FY2025 Peer Group"): Cipher Mining, CleanSpark, Core Scientific, HIVE Digital Technologies, Hut 8, IREN, Riot Platforms, and TeraWulf.
- **Peer Selection Rationale:** Going forward, the Compensation Committee intends to review and update the peer group as deemed necessary based on a rules-based methodology developed with the assistance of its compensation consultant, evaluating comparability to the Company in terms of: (i) industry classification, with primary emphasis on direct cryptocurrency mining and high-performance computing sectors; (ii) revenue scale; and (iii) market capitalization. The Compensation Committee also intends to draw upon the professional experience of its members, who collectively have served as officers and directors of companies in digital assets, technology, and infrastructure sectors for our peer group. Based on fiscal year 2025 financial data, Bitfarms was positioned at approximately the 49th percentile of the FY2025 Peer Group on a revenue basis, with revenue growth of approximately 42%, above the peer group median — reflecting our strong operational execution and positioning it competitively within its industry.

- **Use of Competitive Market Data:** An analysis of competitive market data drawn from the peer group serves as one important input among several in the Compensation Committee’s compensation recommendations. The Compensation Committee uses the analysis to establish competitive reference points for each principal element of compensation — base salary, target STIP opportunity, and target LTIP value — while also considering individual performance assessments, scope of responsibilities, experience, tenure, internal pay equity, and our overall compensation budget. The Compensation Committee is not mechanically bound to base its recommendations on any specific peer group percentile and retains full discretion to set compensation above or below market reference points where individual circumstances or retention considerations warrant.
- **Market Positioning:** The Compensation Committee generally targets positioning the NEOs total direct compensation at levels competitive with the market for comparable roles at similarly situated companies, with the opportunity for above-median realizable compensation for performance outcomes that exceed established targets. For fiscal year 2025, the Compensation Committee recommended compensation targets generally intended to move toward the 50th percentile of the FY2025 Peer Group.

**Elements of Compensation**

A substantial portion of NEOs target direct compensation is linked to our performance. The Compensation Committee establishes total target compensation and certain elements of compensation (base salary, short-term incentives and long-term incentives) for the NEOs.

**Base Salary**

Base salary provides a competitive level of fixed compensation to attract and retain talented executives. Base salaries are reviewed annually and adjusted based on:

- Individual performance and contribution
- Market competitiveness and peer group data
- Changes in role or responsibilities
- Internal equity considerations
- Overall compensation mix and the relative weighting of fixed versus variable pay components, with due regard for our stage of development, geographic footprint, and the competitive dynamics of the markets in which we recruit executive talent

**Fiscal Year 2025 Base Salaries**

NEO	Annual Base Salary
Benjamin Gagnon	\$ 528,888
Jonathan Mir	\$ 478,888
Liam Wilson	\$ 374,988
Rachel Silverstein	\$ 338,000
Jeffrey Lucas	\$ 458,888

The base salaries set forth above reflect the recommendations of the Compensation Committee following its fiscal year 2025 compensation review, which was informed by a competitive market analysis prepared by CGP. Base salary levels for continuing NEOs were established with reference to competitive market positioning, individual performance during fiscal year 2024 (where applicable), and any changes in the scope of the applicable NEOs role or responsibilities. Benjamin Gagnon’s base salary of \$528,888 was effective as of August 8, 2025, and is commensurate with the responsibilities of the CEO role at a company of the Company’s scale and complexity. Jonathan Mir’s base salary reflects the Compensation Committee’s determination of competitive market compensation for a CFO with his qualifications. The base salaries for other continuing NEOs were reviewed and maintained or adjusted to reflect competitive positioning and an evaluation of individual performance.

### Short-Term Incentive Compensation

Our annual incentive program provides performance-based cash compensation tied to achievement of corporate financial goals and individual performance objectives.

### Annual Incentive Plan Structure

We provide performance-based cash compensation to our NEOs under our STIP. STIP bonuses are assessed against a structured annual performance scorecard that includes a combination of corporate financial and operational objectives, as well as individual performance goals. The Compensation Committee determines the specific performance metrics, their weightings, and performance targets for each performance year. Commencing in fiscal year 2025, the program operates under the following structure:

- **Performance Period:** January 1 through December 31 of the applicable fiscal year
- **Bonus Targets:** Each participant’s STIP target bonus is established as a defined percentage of base salary (as set forth below). The actual payout may range from zero (if performance is below threshold) to a maximum established by the Compensation Committee, reflecting the degree of achievement against the applicable performance scorecard.
- **Corporate Performance Metrics:** The scorecard applied the following material corporate and operational metrics intended to drive our business plan: goals relating to our North American pivot, business planning, HPC planning and corporate governance and safety goals.
- **Individual Performance Metrics:** In addition to corporate financial and operational metrics, individual performance and contribution to corporate objectives are considered by the Compensation Committee and the Board in determining final STIP bonuses for each participant.
- **Committee Discretion:** The Compensation Committee retains discretion to adjust STIP bonus recommendations upward or downward to reflect exceptional individual circumstances, one-time events, or other factors it deems relevant in appropriately aligning pay with performance outcomes.

### Fiscal Year 2025 Bonus Targets

NEO	<b>Bonus Target as a Percentage of Base Salary</b>
Benjamin Gagnon	200%
Jonathan Mir	100%
Liam Wilson	100%
Rachel Silverstein	60%
Jeffrey Lucas	100%

The bonus targets set forth above reflect the recommendations of the Compensation Committee following its fiscal year 2025 compensation review, which was informed by a competitive market analysis prepared by CGP. Target bonus levels for continuing NEOs were established with reference to competitive market positioning, individual performance during fiscal year 2024 (where applicable), and any changes in the scope of the applicable NEO’s role or responsibilities.

## Fiscal Year 2025 Performance Results

Following the conclusion of fiscal year 2025, the Compensation Committee conducted a comprehensive review of the Company's achievement against each applicable corporate performance metric and each NEO's achievement against each applicable individual performance metric established under the fiscal year 2025 annual performance scorecard. For fiscal year 2025, bonus targets were adjusted based on a weighted performance score for each NEO (other than Mr. Mir): For Mr. Gagnon, 75% of the award is determined by the achievement of corporate performance metrics, while the remaining 25% is determined by the achievement of individual performance metrics; for Mr. Wilson 75% corporate and 25% individual; and for Ms. Silverstein, 50% corporate and 50% individual. The sum of these two weighted components, along with the corporate performance metrics, is applied to the NEO's target bonus amount to determine final STIP bonus amount paid to the NEO. The STIP bonus awarded to Mr. Mir was based 100% on achievement of the corporate metrics and prorated for his time with the Company. Based on its assessment of achievement against the corporate and operational objectives, the Compensation Committee determined that the corporate performance component was achieved at 133% of target, reflecting our strong operational execution and strategic progress during the fiscal year.

To the extent specific corporate performance goals have not been disclosed herein, such metrics and applicable performance targets involve competitively sensitive financial and operational information the disclosure of which could cause competitive harm to the Company. The Compensation Committee recommends and the Board approved performance targets at levels the Compensation Committee believes are challenging but achievable with strong management execution and favorable market conditions, consistent with our strategic plan and long-term objectives.

In addition to the corporate performance metrics, the Compensation Committee evaluates certain individual performance metrics, each of which is assigned a weighting, that are specific to each NEO to determine STIP bonus amounts. Individual performance metrics are evaluated against three performance levels: Threshold, which pays out at 50%; Achieve, which pays out at 100%; and Stretch, which pays out at 200%. Failure to achieve the Threshold performance level results in a 0% for the applicable metric. Due to the Company's strategic transition from Mining operations to HPC Infrastructure for artificial intelligence, the Board determined that financial performance metrics would not be an accurate reflection of individual contributions toward our strategic pivot for fiscal year 2025. As a result, the individual performance metrics for Mr. Gagnon, Mr. Wilson and Ms. Silverstein focus instead on qualitative metrics, including:

- For Mr. Gagnon, development of the U.S.-redomicile and strategic plan, leadership and visibility goal, Americas exit plan, development of the Panther Creek campus and 2026-2028 strategic plans, performance in our 360 Feedback Process, and governance goals. The Compensation Committee determined that based on achievement of these individual performance metrics, Mr. Gagnon achieved an individual performance percentage of 120%.
- For Mr. Wilson, a combination of operation and development goals, governance goals, performance in our 360 Feedback Process, and relationship development with external stakeholders: The Compensation Committee determined that based on achievement of the following individual performance metrics, Mr. Wilson achieved an individual performance percentage of 133%.
- For Ms. Silverstein: insurance efficiencies, costs and litigation management, governance goals and performance in our 360 Feedback process. The Compensation Committee determined that based on achievement of the following individual performance metrics, Ms. Silverstein achieved an individual performance percentage of 160%.

The Compensation Committee considered whether any discretionary adjustments to formulaic STIP outcomes were warranted in light of our overall performance and individual contributions during fiscal year 2025 and recommended no such adjustments were warranted.

Actual STIP bonus amounts paid to each NEO for fiscal year 2025 are set forth in the Summary Compensation Table in the "Non-Equity Incentive Plan Compensation" column.

## Long-Term Incentive Compensation

Long-term incentive compensation is designed to align executive and director interests with long-term shareholder value creation and to promote retention. Awards are granted annually and may consist of stock options ("Options"), RSUs, PSUs, and DSUs. Commencing in fiscal year 2025, annual LTIP grants include a balanced mix of time-based RSU awards and performance-based PSU awards for NEOs supplemented, sometimes, by Options as recommended by the Compensation Committee. DSUs are available for issuance to eligible directors under the LTIP. No director has elected to receive DSUs as of the date hereof. All long-term incentive awards are granted under the LTIP, which was approved by shareholders at our annual meeting on June 30, 2025.

The breakdown of Long-Term Incentive Compensation by percentage during 2025 for our current NEOs is as follows:

NEO	Option Awards	Restricted Stock Units	Performance Stock Units	Total Long Term Equity Compensation
Ben Gagnon	0%	25%	75%	100%
Jonathan Mir	100%	0%	0%	100%
Liam Wilson	0%	25%	75%	100%
Rachel Silverstein	0%	25%	75%	100%

### Stock Option Awards

We grant Options to NEOs and other eligible persons under the LTIP. The material terms of Options granted under the LTIP are as follows:

- **Vesting Schedule:** Options vest in accordance with the vesting schedule specified in the applicable award agreement. Options generally vest as to 25% of the Common Shares on the grant date, with the remaining 75% vesting in three equal six-month installments thereafter, generally subject to continued employment as of each applicable vesting schedule. The Board may determine, in its sole discretion, that Options vest in installments or pursuant to a specified vesting schedule, including ratable vesting over a multi-year period.
- **Exercise Price:** The exercise price of each Option is set at no less than the Fair Market Value on the Grant Date, determined as the closing sale price of the Common Shares on the Nasdaq Stock Market on the Grant Date.
- **Option Term:** The maximum term of any Option may not exceed ten (10) years from the Grant Date.

### Restricted Stock Unit Awards

RSUs are granted to NEOs and other eligible people under the LTIP. The material terms of RSUs granted under the LTIP are as follows:

- **Vesting Schedule:** RSUs vest in accordance with the schedule specified in the applicable award agreement, subject to a minimum restriction period of 12 months from the Grant Date. The standard vesting schedule for RSUs granted under the LTIP provides for ratable vesting in equal one-third installments on each of the first, second, and third anniversaries of the Grant Date, generally subject to continued employment.
- **Dividend Equivalent Rights:** At the discretion of the Board, each RSU may be credited with dividend equivalents equal to cash and stock dividends paid by the Company on one Common Share. Dividend equivalents are deemed re-invested in additional RSUs based on the fair market value of a Common Share on the applicable dividend payment date, rounded down to the nearest whole unit. Dividend equivalents are subject to the same vesting schedule as the underlying RSU award.
- **Rationale:** RSUs provide a direct, share-linked retention and alignment vehicle that delivers value correlated to Common Share price performance, supporting the objective of retaining key executives while aligning their interests with those of shareholders over the applicable vesting period.

### Performance Share Units

PSUs are granted to NEOs under the LTIP as shown in the Grants of Plan-Based Awards Table. PSUs are performance-based equity awards the vesting of which is contingent upon achievement of specified performance criteria within a defined "Performance Cycle". The material terms of PSUs granted under the LTIP in 2025 are as follows:

- **Performance Period (Performance Cycle):** The Performance Cycle applicable to each PSU grant is specified in the applicable award agreement and may not exceed 36 months. The "Determination Date" (the date the Board determines whether and to what extent performance criteria have been satisfied) occurs no later than 90 days after expiry of the applicable Performance Cycle.

- **Performance Criteria:** The Board establishes the performance criteria applicable to each PSU grant in the applicable award agreement, which may include criteria based on personal performance and/or the financial performance of the Company and its subsidiaries, including, but not limited to financial metrics such as hash rate capacity, cost, energized capacity growth, revenue, operating cash flow, and strategic milestones related to HPC/AI infrastructure development. For 2025 awards of PSUs, the Total Shareholder Return (“TSR”) performance criteria were as follows:
- **Performance Period:** The TSR performance measurement shall be calculated over a three (3) year performance period commencing on the grant date and ending three years later.
- **Benchmark Index:** The Company’s TSR performance shall be measured against the average TSR performance of the Russell 3000 Index over the same three-year performance period.
- **Payout Structure:** The payout percentage for TSR-based awards shall be determined as follows:
  - 0% Payout: If the Company’s TSR performance is more than ten (10) percentage points below the Russell 3000 average.
  - 50% Payout: If the Company’s TSR performance is within ten (10) percentage points below the Russell 3000 average (but not below such threshold).
  - 100% Payout: If the Company’s TSR performance equals the Russell 3000 average or within 9.9 percentage points.
  - 200% Payout: If the Company’s TSR performance exceeds the Russell 3000 average by more than ten (10) percentage points.
- **Payout Levels:** The number of Common Shares issuable upon vesting of PSUs reflects the extent to which the applicable performance criteria have been satisfied, as determined by the Board on the Determination Date. The Board retains discretion to adjust PSU payout levels downward but not upward from formulaic results.
- **Vesting Determination:** Vesting of PSUs is determined by the Board on the Determination Date following assessment of the degree to which the applicable performance criteria were achieved during the Performance Cycle. PSUs vest at the end of the applicable restriction period, which may not be less than 12 months from the Grant Date, generally subject to continued employment.
- **Rationale:** PSUs are designed to directly tie a meaningful portion of executive long-term compensation to the achievement of specific operational and strategic performance outcomes aligned with our multi-year growth strategy, including its Bitcoin Mining operations and HPC/AI data center infrastructure development.

## Other Retention Payments

No special retention payments or awards outside the normal annual LTIP grant cycle were made to any NEO during fiscal year 2025, other than as described in the Employment Agreements section below in respect of former NEOs. We believe that its standard annual LTIP program, combined with competitive base salaries and STIP opportunities, provides sufficient ongoing retention incentives for its executive leadership team.

## Severance and Change in Control

We provide severance benefit protections to certain NEOs pursuant to the terms of individual employment agreements, as described in more detail below. Also, see the section entitled “Potential Payments Upon Termination or Change in Control” for the circumstances that can result in post-employment payments and benefits. The material severance provisions provided to our NEOs are as follows:

- **Severance Vehicle:** Severance is provided through individual employment agreements entered into between the Company and each applicable NEO, as described under ‘Employment Agreements’ below. We do not maintain a broad-based severance plan.
- **Conditions for Severance:** Receipt of severance payments and benefits under the employment agreements requires the NEO to incur a qualifying termination of employment and to execute and not revoke a general release of claims in favor of the Company.
- **Change in Control Provisions:** Each of the NEO employment agreements, if applicable, and the LTIP includes a ‘double trigger’ change in control severance provision, requiring both a Change of Control and a qualifying termination of employment within the specified period following the Change of Control in order for the enhanced severance amount to become payable. The ‘Change of Control’ definition used in the LTIP is incorporated by reference into these agreements.

## Retirement Benefits

### Defined Contribution Savings Plan

We maintain employer-sponsored group retirement savings plans for eligible employees, including each NEO. In Canada, the retirement plan was implemented in July 2022, and the U.S. 401(k) plan was implemented in January 2023. The material terms of these plans are as follows:

- **Employer Matching:** We match, on a one-for-one basis, contributions made by all eligible employees, including NEOs, up to a maximum employer contribution of four percent (4%) of each participant’s base gross salary.
- **Vesting:** Participants are subject to the vesting terms of the applicable plans, as determined by the relevant plan rules and applicable law.
- **Contribution Limits:** Each participant is responsible for managing his or her individual contribution limits in accordance with the requirements of the applicable tax and revenue authority (Canada Revenue Agency in Canada or the Internal Revenue Service in the United States).

## Other Benefits and Perquisites

Except as disclosed as “all other compensation” in the Summary Compensation Table, we do not provide perquisites or other personal benefits to our NEOs. We may provide relocation assistance to newly hired or relocated executive officers on a case-by-case basis, the terms of which are negotiated as part of the applicable employment arrangement.

## Compensation Governance Practices

### Clawback Policy

We have adopted an executive compensation recovery (clawback) policy (the “Clawback Policy”) applicable to its executive officers. The Clawback Policy provides as follows:

- **Covered Compensation:** The Clawback Policy covers incentive-based compensation, including annual STIP cash awards and equity-based LTIP awards (including Options, RSUs, and PSUs), that are granted, earned, or vested based wholly or in part on the attainment of financial reporting measures.
- **Triggering Events:** The Clawback Policy is triggered by an accounting restatement of our financial statements due to material noncompliance with applicable financial reporting requirements (including both error corrections and ‘little r’ restatements). In addition, the LTIP contains broader forfeiture provisions applicable upon termination of employment for cause, violation of material Corporation policies, fraud, and breach of non-competition, confidentiality, or other restrictive covenants.
- **Recovery Period:** The Clawback Policy applies to incentive-based compensation received by covered executive officers during the three completed fiscal years preceding the date the Company is required to prepare an accounting restatement.
- **Administration:** The Clawback Policy is administered by the Compensation Committee. The Compensation Committee is authorized to determine the form and timing of recovery, which may include repayment of cash, forfeiture of outstanding equity awards, or offset against future compensation, subject to applicable law.
- **Regulatory Compliance:** The Clawback Policy is designed to support compliance with Section 10D of the Securities Exchange Act of 1934, as amended, Rule 10D-1 thereunder, and applicable Nasdaq listing standards relating to the recovery of erroneously awarded compensation.

### Anti-Hedging and Anti-Pledging

Pursuant to our Securities Trading Policy, the following restrictions apply to our officers and directors with respect to the Company’s securities:

- **Anti-Hedging:** Our officers and directors are prohibited from purchasing financial instruments designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the officer or director. Prohibited instruments include, without limitation, prepaid variable forward contracts, equity swaps, collars, and units of exchange funds.
- **Anti-Pledging:** Our Securities Trading Policy restricts the pledging of Corporation securities in a manner that could result in trading in contravention of our insider trading and blackout period policies.
- **Derivative Securities:** Officers and directors are prohibited from using derivative securities or engaging in other transactions designed to hedge or speculate on the value of the Company’s Common Shares in a manner inconsistent with our Securities Trading Policy.

### Option Grant Timing:

Our practices with respect to the timing of Option grants are as follows:

- **Grant Timing and MNPI:** We do not time the grant of Options in coordination with the release of material non-public information (“MNPI”) in order to benefit recipients or to otherwise affect the value of equity-based compensation.
- **Board and Committee Approval:** All Option grants are approved by the Board upon recommendation of the Compensation Committee. Grant dates are established at the time of Board approval and are not subject to retroactive adjustment.
- **New Hire Grants:** Option grants to newly appointed executives are approved by the Board and are made at grant prices reflecting market prices at the time of Board approval, not timed in coordination with the release of MNPI.

## General Grant Practices:

Our general policies and practices regarding the timing of equity grants to NEOs are as follows:

- **Predetermined Schedule:** Annual LTIP grants to NEOs are generally made in connection with the Compensation Committee's annual compensation review cycle, following the end of the preceding fiscal year or in the first quarter of the relevant fiscal year.
- **Relationship to Financial Results:** Annual grants are typically made following the completion of year-end financial reporting processes. We do not time grants in anticipation of or in coordination with the release of annual or interim financial results or other MNPI disclosures.
- **Committee Role:** The Compensation Committee reviews and recommends all equity grants for approval by the Board. Grant dates are established upon Board approval and are not subject to retroactive modification.
- **Changes in Fiscal Year 2025:** There were no material changes to our equity grant timing practices during fiscal year 2025.

## Forfeiture Provisions

The LTIP and applicable award agreements include forfeiture provisions applicable to awards upon the occurrence of certain events, as follows:

- **Non-Competition Violations:** Each of the NEOs has entered into a non-competition and non-disclosure agreement with the Company. Breach of applicable non-competition restrictions may result in forfeiture and cancellation of unvested awards and recovery of previously settled awards, as determined by the Compensation Committee.
- **Confidentiality Violations:** Breach of confidentiality obligations owed to the Company constitutes a forfeiture event under the LTIP, and may result in cancellation of outstanding awards and recoupment of compensation previously paid or delivered.
- **Termination for Cause:** Upon termination of employment or service for cause (as defined in the LTIP, which includes fraud, gross misconduct, and material breach of obligations), all outstanding vested and unvested awards are immediately forfeited and cancelled as of the termination date, with no compensation payable in respect thereof.
- **Other Misconduct:** Pursuant to the LTIP's general forfeiture provisions, the Board may specify in any award agreement that the Participant's rights with respect to an award shall be subject to reduction, cancellation, or forfeiture upon conduct detrimental to the business or reputation of the Company, violation of material Corporation policies, or other events specified by the Board at the time of grant.

## Accounting and Tax Considerations

### Accounting Treatment

The Compensation Committee considers the accounting implications of compensation decisions. Equity-based compensation is accounted for in accordance with FASB ASC Topic 718.

Equity-based compensation awards granted during 2025 under the LTIP—including Options, RSUs, PSUs, and DSUs—are accounted for in accordance with FASB ASC Topic 718, Compensation—Stock Compensation. Grant date fair values for Options are calculated using the Black-Scholes option pricing model, and grant date fair values for RSUs and PSUs are calculated based on the closing price of the Common Shares on the TSX at the time of grant. The Compensation Committee is aware that accounting costs associated with equity awards affect the Company's reported financial results and takes such costs into account when determining the overall size of the annual LTIP pool, without allowing accounting treatment to inappropriately constrain the structure or form of equity awards selected. The Compensation Committee believes that the value and incentive properties of performance-based equity, in particular, justify the associated accounting treatment.

## Tax Treatment

The Compensation Committee considers the tax implications of compensation program design in its decision-making, while recognizing that tax optimization is only one factor among several governing compensation structure. The following tax considerations are material to our executive compensation program:

- **Section 162(m) Deductibility:** Section 162(m) of the U.S. Internal Revenue Code generally limits the U.S. federal income tax deductibility of compensation paid to certain covered executive officers to \$1 million per year. The Compensation Committee considers deductibility of compensation in program design but does not structure compensation solely to maximize deductibility, and may approve compensation that is not fully deductible where it determines that doing so is in the best interests of the Company and its shareholders. The Compensation Committee retains the flexibility to approve compensation that is not fully deductible where it determines that doing so is in the best interests of the Company and its shareholders.
- **Section 409A:** Our deferred compensation arrangements, including the DSU component of the LTIP, are designed with the intent to comply with, or be exempt from, Section 409A of the U.S. Internal Revenue Code, which imposes requirements on the timing and form of nonqualified deferred compensation. The DSU Award Agreement and LTIP include provisions designed to support this objective.
- **Canadian Tax Considerations:** As a Canadian corporation with employees and officers in Canada, we structure our compensation with reference to applicable Canadian income tax rules governing employee stock options and share-based awards, including the amendments to the employee stock option deduction rules that became effective January 1, 2023. The Compensation Committee consults with tax advisors as necessary to optimize the after-tax value of compensation programs for recipients while managing our tax position.

## Employment Agreements

We have entered into employment agreements with certain NEOs that establish base salary, incentive opportunity, and severance provisions, which were in effect in 2025 to date. Material terms of these agreements are summarized below. In connection with completion of our U.S. Redomiciliation we intend to enter into new employment agreements with our executive officers, including our NEOs. Material terms of such agreements will be disclosed in subsequent filings.

### Benjamin Gagnon

On August 8, 2025, we entered into an amended and restated employment agreement with Benjamin Gagnon, for Mr. Gagnon to continue as Chief Executive Officer.

#### Key Terms:

- **Current annual base salary:** \$528,888
- **Bonus opportunity:** 200% of base salary
- **Severance:** (i) Termination of employment without cause: The executive will receive (a) a lump sum payment equal to two times the sum of his annual base salary and annual target bonus (b) a pro-rated target annual bonus for the year of terminations, paid in lump sum, and (c) twenty-four months of group insurance benefits. Upon such termination, outstanding unvested RSUs and Options held by Mr. Gagnon vest in full in accordance with the terms of the LTIP and unvested PSUs are forfeited, though the Board may in its discretion vest all or some of the PSUs based on performance achieved to date; (ii) Change in Control severance: Upon termination of employment by the executive within twelve months following a Change of Control under the constructive termination circumstances enumerated in his employment agreement, the executive will receive the same benefits listed in subsections (a), (b) and (c) above and outstanding unvested RSUs and Options vest in full, and unvested PSUs vest in full at 100% performance levels.
- **Other provisions:** Mr. Gagnon has entered into a non-competition and non-disclosure agreement with the Company. His employment agreement also includes customary provisions regarding confidentiality, intellectual property ownership, and compliance with the Company's policies.

## Jonathan Mir

We entered into an employment agreement with Jonathan Mir on October 12, 2025, pursuant to which Mr. Mir serves as Chief Financial Officer of the Company. The material terms of Mr. Mir's employment agreement are as follows:

- **Current annual base salary:** \$478,888
- **Bonus opportunity:** 100% of base salary
- **Severance Provisions:** Mr. Mir's employment agreement includes customary severance provisions providing for continuation of base salary and/or notice upon termination without cause, in accordance with applicable employment standards legislation and the terms of his agreement. If Mr. Mir is terminated by us without cause or for good reason (as each is defined in the employment agreement), Mr. Mir will receive one year of base salary if the termination of employment occurs during the first year of service, and thereafter two months of additional severance per completed year of service up to a maximum of eighteen months of base salary. In addition, Mr. Mir's employment agreement provides that all of Mr. Mir's unvested equity awards, including options, PSUs and RSUs will be forfeited upon a termination of employment. Mr. Mir will also be eligible for continuation coverage under COBRA should he elect for six months.
- **Change in Control Provisions:** Mr. Mir's employment agreement includes change in control severance provisions entitling him to enhanced severance payments upon termination of employment without cause or for good reason within eighteen months of a change in control. In the event Mr. Mir's employment is terminated as set forth in the immediately preceding sentence, Mr. Mir will receive one year of base salary if the termination of employment occurs during the first year of service, and thereafter two months of additional severance per completed year of service up to a maximum of eighteen months of base salary. In addition, Mr. Mir's Options and RSUs will vest, and unvested PSUs vest in full at 100% performance levels. Mr. Mir will also be eligible for continuation coverage under COBRA should he elect for six months.
- **Other Material Terms:** Mr. Mir has entered into a non-competition and non-disclosure agreement with the Company. His employment agreement also includes customary provisions regarding confidentiality, intellectual property ownership, and compliance with the Company's policies.

## Liam Wilson

We entered into an employment agreement with Liam Wilson on August 12, 2024, pursuant to which Mr. Wilson serves as Chief Operating Officer of the Company. The material terms of Mr. Wilson's employment agreement are as follows:

- **Current annual base salary:** \$374,988
- **Bonus opportunity:** 100% of base salary
- **Severance Provisions:** Mr. Wilson's employment agreement includes customary severance provisions providing for continuation of base salary and/or notice upon termination without cause, in accordance with applicable employment standards legislation and the terms of his agreement. If Mr. Wilson is terminated by us without cause or for good reason (as each is defined in the employment agreement), Mr. Wilson will receive one year of base salary paid in regular installments. Mr. Wilson will also receive his full STIP for the prior year if not paid prior to the termination of employment, and a pro rata share of his STIP bonus as of the date of termination of employment. All of Mr. Wilson's unvested equity awards, including Options, PSUs and RSUs will be forfeited. Mr. Wilson will also be eligible for continuation coverage under COBRA should he elect for twelve months.
- **Change in Control Provisions:** Mr. Wilson's employment agreement includes change in control severance provisions entitling him to enhanced severance payments upon termination of employment without cause or for good reason within eighteen months of a change in control. In the event Mr. Wilson's employment is terminated as set forth in the preceding sentence, Mr. Wilson will receive two years of base salary payable in a lump sum. Mr. Wilson's unvested RSUs and Options will immediately vest, and unvested PSUs vest in full at 100% performance levels upon termination of the employee after a Change in Control. Mr. Wilson will also be eligible for continuation coverage under COBRA should he elect for twelve months. In addition, all of Mr. Wilson's Options and RSUs will vest, and unvested PSUs vest in full at 100% performance levels. Mr. Wilson will also be eligible for continuation coverage under COBRA should he elect for six months.
- **Other Material Terms:** Mr. Wilson has entered into a non-competition and non-disclosure agreement with the Company. His employment agreement also includes customary provisions regarding confidentiality, intellectual property ownership, and compliance with the Company's policies.

## Rachel Silverstein

We entered into an employment agreement with Rachel Silverstein on October 22, 2024, pursuant to which Ms. Silverstein serves as Global General Counsel of the Company. The material terms of Ms. Silverstein's employment agreement are as follows:

- **Current annual base salary:** \$338,000
- **Bonus opportunity:** 60% of base salary
- **Severance Provisions:** Ms. Silverstein's employment agreement includes customary severance provisions providing for continuation of base salary and/or notice upon termination without cause, in accordance with applicable employment standards legislation and the terms of his agreement. If Ms. Silverstein is terminated by us without cause or for good reason (as each is defined in the employment agreement), Ms. Silverstein will receive six months of base salary in regular installments. Ms. Silverstein will also receive her full STIP for the prior year if not paid prior to the termination of employment, and a pro rata share of her STIP bonus as of the date of termination of employment. Ms. Silverstein's employment agreement provides that upon a termination without cause or for good reason, all unvested Options shall immediately vest. Any other unvested equity awards, including options, PSUs and RSUs will be forfeited. Ms. Silverstein will also be eligible for continuation coverage under COBRA should she elect for six months.
- **Change in Control Provisions:** Ms. Silverstein's employment agreement includes change in control severance provisions entitling her to enhanced severance payments upon termination of employment without cause or for good reason within eighteen months of a change in control. In the event Ms. Silverstein's employment is terminated as set forth in the preceding sentence, Ms. Silverstein will receive eighteen months of base salary payable in lump sum. Ms. Silverstein will also be eligible for continuation coverage under COBRA should she elect for six months. In addition, Ms. Silverstein's employment agreement provides that any unvested Options and RSUs will vest, and unvested PSUs vest in full at 100% performance levels upon a termination without cause or for good reason within 12 months following a change in control in accordance with the terms of the LTIP.
- **Other Material Terms:** Ms. Silverstein has entered into a non-competition and non-disclosure agreement with the Company. Her employment agreement also includes customary provisions regarding confidentiality, intellectual property ownership, and compliance with the Company's policies.

## Jeffrey Lucas

Mr. Lucas stepped down under circumstances constituting a termination without cause as Chief Financial Officer of the Company effective October 27, 2025. Mr. Lucas remained with the Company as a consultant to assist in the transition to Mr. Mir as Chief Financial Officer until March 31, 2026. As part of Mr. Lucas's termination as Chief Financial Officer, he was provided the following payments and benefits:

- Severance pay: One year of annual salary, which is \$458,888, paid bi-weekly, starting the first payroll date after the termination date.
- 2025 Performance bonus: \$458,000, paid with all other employee bonuses in February 2026.
- Health insurance continuation payment: \$44,500, lump-sum, paid with first bi-weekly severance payment.
- All unvested Options and RSUs vest in full as December 31, 2025.
- 841,710 PSUs (granted on 07/10/2025) forfeited upon separation of employment.
- 380,000 RSUs granted upon termination of employment and vested upon completion of his consulting arrangement on 3/31/2026.

## Compensation Risk Assessment

The Compensation Committee considers the implications of risks associated with our compensation policies and practices. The Compensation Committee reviews the executive compensation program to ensure that compensation policies are not reasonably likely to have a material adverse effect on the Company.

### Risk Mitigation Features:

Our executive compensation program incorporates the following risk mitigation features:

- **Balance of Fixed and Variable Pay:** NEO total compensation includes a mix of fixed base salary and variable performance-based components (STIP and LTIP), ensuring that while executives are incentivized to achieve performance goals, a meaningful fixed component reduces pressure to take excessive risks to meet short-term targets.
- **Short-Term and Long-Term Incentive Mix:** The combination of annual STIP cash awards and multi-year LTIP equity awards (with vesting schedules of up to three years or more) encourages balanced decision-making oriented toward both near-term execution and sustainable long-term value creation.
- **Multiple Performance Metrics:** The STIP and performance-based LTIP awards are assessed against a diverse set of corporate financial, operational, and strategic metrics, reducing reliance on any single measure and mitigating the risk of gaming or short-term manipulation.
- **Payout Caps:** The Compensation Committee establishes maximum payout levels for STIP awards and PSU vesting, limiting the potential for windfall payments in the event of exceptional but unsustainable short-term results.
- **Clawback Policy:** Our Clawback Policy provides for recovery of incentive-based compensation in the event of a financial restatement, as described above, deterring conduct that could artificially inflate reported financial results.
- **Equity Award Vesting:** Multi-year vesting schedules for RSUs, PSUs, and Options maintain meaningful alignment between executive interests and Common Share price performance over time.
- **Independent Oversight:** The Compensation Committee retains the independent compensation consultant, CGP, and the full Board reviews and approves executive compensation determinations, providing independent oversight of compensation design and outcomes.

The Compensation Committee has concluded that our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the Company.

### REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Annual Report.

The Compensation Committee:

- Amy Freedman, Chair
- Fanny Philip
- Wayne Duso

## COMPENSATION INFORMATION FOR OUR NEOs

The following tables set forth compensation information for our NEOs for the fiscal years shown.

### Summary Compensation Table for Fiscal Year 2025

Name and Principal Position	Fiscal Year	Salary <sup>1</sup> (\$)	Stock Awards <sup>2</sup> (\$)	Option Awards <sup>3</sup> (\$)	Non-Equity Incentive Plan Compensation <sup>4</sup> (\$)	All Other Compensation <sup>5</sup> (\$)	Total \$
<b>Benjamin Gagnon</b>							
Chief Executive Officer	2025	\$ 457,058	\$ 4,042,113	—	\$ 1,153,735	\$ 76,446	\$ 5,729,352
	2024	\$ 332,968	\$ 1,068,880	\$ 574,117	\$ 281,227	\$ 21,157	\$ 2,278,349
	2023	\$ 231,098	—	\$ 444,665	\$ 99,341	—	\$ 775,104
<b>Jonathan Mir</b>							
Chief Financial Officer	2025	\$ 64,466	—	\$ 531,600	\$ 106,389	—	\$ 702,455
	2024	—	—	—	—	—	—
	2023	—	—	—	—	—	—
<b>Liam Wilson</b>							
Chief Operating Officer	2025	\$ 369,891	\$ 1,431,979	—	\$ 498,265	\$ 111,889	\$ 2,412,024
	2024	\$ 75,384	—	\$ 693,847	\$ 77,130	\$ 60,868	\$ 907,229
	2023	—	—	—	—	—	—
<b>Rachel Silverstein</b>							
General Counsel, Global	2025	\$ 336,250	\$ 344,195	—	\$ 297,102	\$ 28,580	\$ 1,006,127
	2024	\$ 37,500	—	\$ 166,494	\$ 15,994	\$ 159,290	\$ 379,278
	2023	—	—	—	—	—	—
<b>Jeffrey Lucas</b>							
Former Chief Financial Officer	2025	\$ 455,594	\$ 3,602,923	\$ 207,375	\$ 458,888	\$ 65,046	\$ 4,789,826
	2024	\$ 436,026	\$ 401,750	\$ 401,882	\$ 260,844	\$ 46,667	\$ 1,547,169
	2023	\$ 418,843	\$ 289,000	\$ 1,866,785	\$ 221,189	\$ 27,066	\$ 2,822,883

- (1) Amounts in the 'Salary' column represents base salaries paid to NEOs. Any change in salary during 2025 was made retroactive to January 1, 2025.
- (2) Amounts reported in the 'Stock Awards' columns represent the aggregate grant date fair value of share-based awards computed in accordance with FASB ASC Topic 718, Compensation—Stock Compensation, excluding the effect of estimated forfeitures. For PSU awards, the amounts reported reflect the grant date fair value at target performance (100% achievement of the applicable Performance Criteria). If PSUs were to vest at maximum payout levels, the aggregate grant date fair value for each NEO would be as follows: Mr. Gagnon, \$6,751,945, Mr. Mir, N/A, Mr. Wilson, \$2,391,655, Ms. Silverstein, \$574,865 and Mr. Lucas, \$1,801,259. All of Mr. Lucas's PSUs were forfeited upon his separation from employment. As of December 31, 2025, Mr. Lucas held 285,700 vested shares and 380,000 unvested shares of the 2025 Awards valued at \$1,564,395 as of December 31, 2025.
- (3) For Option Awards, grant date fair values for Options are calculated using the Black-Scholes option pricing model. The assumptions used in these calculations are set forth in the notes to the Company's consolidated financial statements for the fiscal year ended December 31, 2025 (or 2024, as applicable). These amounts reflect the accounting cost recognized by the Company for these awards and do not correspond to the actual value that may be realized by the NEO.
- (4) Amounts in the 'Non-Equity Incentive Plan Comp' column represent annual STIP cash incentive awards earned for performance during the applicable fiscal year.
- (5) 'All Other Compensation' includes the following items pursuant to Item 402(c)(2)(ix) of Regulation S-K where applicable based on the actual additional cost incurred by us in providing the perquisite or other personal benefit:

Name	Subsidiary Director Fees	Employer Paid Health Insurance	Home Office Allowance	401(k) Contribution	Unpaid Vacation Days	Tax Equalization	Consulting Fees	Total Other Compensation
Mr. Gagnon	\$ 26,423	\$ 6,524	\$ 6,179		\$ 37,302			\$ 76,446
Mr. Wilson			\$ 6,000	\$ 14,000		\$ 76,905	\$ 14,984	\$ 111,889
Ms. Silverstein	\$ 8,580		\$ 6,000	\$ 14,000				\$ 28,580
Mr. Lucas	\$ 15,600		\$ 6,000	\$ 2,852	\$ 40,594			\$ 65,046

Grants of Plan-Based Awards for Fiscal Year 2025

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All Other Stock Awards: Number of Shares of Stock or Units (3)	All Other Options (4)	Exercise or Base Price of Option Awards (\$/Sh) (5)	Closing Price on Date of Grant (\$/Sh)	Fair Value of Equity Awards (6)
		Minimum (\$)	Target (\$)	Maximum (\$)	Minimum	Target	Maximum					
Benjamin Gagnon	7/10/25	\$ 0	\$ 891,776	\$ 1,783,552	0	1,940,214	3,880,428	646,738				\$2,729,518
Jonathan Mir	10/13/25	\$ 0	\$ 86,593	\$ 173,186	0				250,000	\$ 4.28	5.39	\$ 531,600
Liam Wilson	7/10/25	\$ 0	\$ 374,988	\$ 749,976	0	687,818	1,375,636	229,273				\$ 981,287
Rachel Silverstein	7/10/25	\$ 0	\$ 202,800	\$ 405,600	0	165,326	330,652	55,109				\$ 235,865
Jeffrey Lucas	7/10/25	\$ 0	\$ 458,888	\$ 917,776	0	841,710	1,683,420	285,700				\$1,206,328
	10/27/2025	\$ 0	\$ 0	\$ 0	0	0	0	380,000				\$1,725,200
	12/31/25	\$ 0	\$ 0	\$ 0	0	0	0	285,700	87,500	\$ 2.20	2.35	\$ 878,770

- (1) 'Estimated Future Payouts Under Non-Equity Incentive Plan Awards' represents the minimum (0%), target (100%), and maximum (200%) STIP cash award opportunities for fiscal year 2025 for each applicable NEO, expressed in U.S. dollars. Based on the achievement of certain personal and Company performance goals, the executive can receive anywhere between 0% and 200% of the target amount. For 2025, the executives were awarded 133% of the target amount.
- (2) 'Estimated Future Payouts Under Equity Incentive Plan Awards' represents the minimum (0%), target (100%), and maximum (200%) number of Common Shares that may be issued upon vesting of PSU awards granted during fiscal year 2025, based on the applicable Performance Criteria. For Mr. Lucas, his PSUs were forfeited upon his separation of employment.
- (3) 'All Other Stock Awards' represents the number of RSUs granted to each NEO during fiscal year 2025. Each RSU entitles the holder to receive one Common Share upon vesting, subject to the applicable Restriction Period. RSUs vest in equal one-third installments on the first, second, and third anniversaries of the Grant Date. For Mr. Lucas, the 380,000 RSUs awarded 10/27/2025 represents a grant as compensation for Mr. Lucas to remain a consultant for the Company through March 31, 2026 whereupon the RSUs will vest in full, and the 285,700 RSUs awarded 12/31/2025 represents the accelerated vesting of unvested RSUs upon his separation of employment.

- (4) 'All Other Option Awards' represents the number of Options granted to each NEO during fiscal year 2025, each exercisable to acquire one Common Share. For Mr. Lucas, the 87,500 options awarded 12/31/2025 set forth above represents the accelerated vesting of unvested options upon his separation of employment.
- (5) The exercise price of Options represents the Current Market Price on the Grant Date, being the five-day VWAP of the Common Shares on the TSX for the five trading days immediately preceding the Grant Date. Option grants are awarded with an exercise price in Canadian Dollars and have been converted to U.S. Dollars based on a spot exchange rate.
- (6) Grant date fair value amounts in the final column are calculated in accordance with FASB ASC Topic 718. For Options, fair value is computed using the Black-Scholes model. For RSUs and PSUs, fair value is based on the closing price of the Common Shares on the TSX on the Grant Date. PSU fair values are reported at target performance.

#### **Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table**

The following narrative disclosure provides additional context regarding the material factors necessary to understand the information reported in the tables above.

- **Employment Agreements:** The material terms of each continuing NEOs employment agreement, including base salary, bonus opportunity, and severance provisions, are described under 'Employment Agreements' above. Each NEOs compensation as reported in the Summary Compensation Table reflects the terms of the applicable employment arrangement.
- **Equity Award Vesting:** RSUs granted during fiscal year 2025 vest in equal one-third installments on the first, second, and third anniversaries of the applicable Grant Date, subject to continued employment. PSUs earned and vest upon achievement of the applicable Performance Criteria within the specified Performance Cycle, as determined by the Board on the Determination Date. Options vest in accordance with the schedule specified in the applicable Award Agreement, subject to a minimum 12-month Restriction Period.
- **PSU Performance Conditions:** The Performance Criteria applicable to PSU awards granted in fiscal year 2025 are established by the Board at the time of grant and specified in the applicable Award Agreement. Achievement of Performance Criteria is assessed by the Board on the Determination Date following the end of the applicable Performance Cycle.
- **Option Repricing and Modifications:** There was no repricing or material modifications of Options during fiscal year 2025.
- **Performance Target Modifications:** No material waivers or modifications of performance targets were made during fiscal year 2025.
- **Compensation Mix:** Base salary represents the fixed component of total NEO compensation. STIP cash awards and equity-based LTIP grants represent the variable, performance-linked components. The Compensation Committee intends for a substantial portion of total target direct compensation for each NEO to be at risk and contingent upon performance outcomes.

#### **CEO Pay Ratio**

- Pursuant to the requirements of Item 402(u) of Regulation S-K, we determined the relationship between the annual total compensation of our Chief Executive Officer and the median of the annual total compensation of all other employees of the Company. We believe that the pay ratio disclosed below is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K. SEC rules for identifying the median employee and calculating the pay ratio allow companies to apply various methodologies and assumptions, and, as a result, the pay ratio reported by us may not be comparable to the pay ratio reported by other companies.
- For fiscal year 2025, our Chief Executive Officer was Benjamin Gagnon. Mr. Gagnon's annual total compensation for fiscal year 2025 was \$5,729,352, as reported in the Summary Compensation Table above.
- The median of the annual total compensation of all employees of the Company (other than the CEO) for fiscal year 2025 was \$78,624, calculated in the same manner.
- Based on this information, for fiscal year 2025, the ratio of the annual total compensation of our CEO to the median of the annual total compensation of all other employees was 73 to 1.
- We identified the median employee by examining 2025 total compensation for all individuals who were employed by us on December 31, 2025. We included all individuals employed by us on December 31, 2025, whether employed on a full-time or part-time basis, and excluded independent contractors.

**Outstanding Equity Awards at Fiscal Year-End 2025**

Name	Number of Securities Underlying Unexercised Options (#) (1) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Share Units of Stock That Have Not Vested (#) (1)	Market Value of Shares or Units of Stock That Have Not Vested (\$ (3)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (#) (2)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$ (3)
Benjamin Gagnon					646,738	\$ 1,519,834	1,940,214	\$ 4,559,503
	375,000	125,000	2.21	9/30/2029				
	250,000		2.80	12/22/2028				
	50,000		1.01	6/30/2028				
	200,000		0.40	12/27/2027				
	312,500		1.79	5/19/2027				
	125,000		5.94	12/8/2026				
	500,000		3.66	6/26/2026				
Jonathan Mir	62,500	187,500	4.28	10/13/2030				
Liam Wilson					229,273	\$ 538,792	687,818	\$ 1,616,372
	262,500	87,500	2.21	9/30/2029				
	250,000	-	2.24	8/23/2029				
Rachel Silverstein	108,750	36,250	2.21	9/30/2029				
					55,109	\$ 129,506	165,326	\$ 388,516
Jeffrey Lucas	350,000		2.21	6/30/2028				
	400,000		2.80	6/30/2028				
	1,450,000		1.38	6/30/2028				
	125,000		0.40	6/30/2028				
	600,000		1.79	6/30/2028				
					380,000	\$ 893,000		

(1) The vesting dates for unvested Options and stock awards (RSUs and PSUs) are described in the applicable Award Agreements. RSU vesting dates are the first, second, and third anniversaries of the applicable Grant Date. PSU vesting dates are determined on a three-year cliff basis upon achievement of the applicable Performance Criteria for the applicable Performance Cycle. Vesting occurs on the determination date following the end of the Performance Cycle.

(2) PSU awards vest upon satisfaction of Performance Criteria as established in the applicable Award Agreement and determined by the Board on the Determination Date.

(3) The market value of unvested stock awards (RSUs) and unearned equity incentive plan awards (PSUs) is calculated based on the closing price of the Common Shares on Nasdaq on December 31, 2025, of \$2.35. PSU amounts are reported at target performance levels.

No Options or stock awards held by the NEOs as of December 31, 2025 have been transferred other than for value. All Options reported are subject to the terms of the LTIP and the applicable Award Agreement, including provisions regarding vesting, exercise, and treatment upon termination and Change of Control, as described above.

## Option Exercises and Stock Vested in Fiscal Year 2025

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$ (1))	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$ (2))
Benjamin Gagnon	440,000	\$ 476,036	287,333	\$ 573,704
Jonathan Mir				
Liam Wilson				
Rachel Silverstein				
Jeffrey Lucas			572,236	\$ 903,679

(1) The value realized on exercise of Options was computed as the difference between the market price of the Common Shares on the TSX at the time of exercise and the applicable exercise price, multiplied by the number of Options exercised.

(2) The value realized on vesting of RSUs was computed as the closing price of the Common Shares on the TSX on the applicable vesting date multiplied by the number of shares acquired upon vesting.

No amounts realized upon exercise or vesting were deferred by any NEO.

Amounts are reported in U.S. dollars. For awards originally denominated in Canadian dollars, values have been converted using the exchange rate in effect on the applicable exercise or vesting date.

### Pension Benefits

We do not maintain any defined benefit pension plans in which the NEOs participate. We have no pension or retirement plan other than the employer-sponsored group retirement savings plans described under 'Retirement Benefits' above.

### Nonqualified Deferred Compensation in Fiscal Year 2025

We do not maintain a nonqualified deferred compensation plan for the NEOs. We do offer DSUs to the Board members, however, no one has elected to accept such awards.

### Potential Payments Upon Termination or Change in Control

The Company has entered into employment agreements with certain NEOs that provide for payments upon termination of employment under various circumstances, including following a change in control of the Company.

### Termination Scenarios:

The following scenarios may trigger payments to NEOs:

- Termination without Cause
- Termination for Good Reason
- Termination following Change in Control
- Death
- Disability
- Voluntary Resignation
- Retirement

Change of Control is defined in the LTIP to include: (i) any transaction whereby a Person or group of two or more Persons acting jointly or in concert acquires beneficial ownership or control of 50% or more of the voting securities of the Company; (ii) the sale, assignment, or other transfer of all or substantially all of the assets of the Company; (iii) the consummation of a complete dissolution or liquidation of the Company; (iv) the occurrence of a transaction requiring shareholder approval whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, or statutory arrangement; or (v) a majority of the Board being replaced during any twelve-month period by directors not endorsed by a majority of the Board.

Outstanding equity awards held by Mr. Gagnon are subject to accelerated vesting upon a qualifying termination following a Change of Control in accordance with the terms of the LTIP. Upon termination without cause (outside of a Change of Control context), outstanding unvested RSUs and Options held by Mr. Gagnon become fully vested and exercisable in accordance with the terms of the LTIP. Mr. Gagnon has entered into a non-competition and non-disclosure agreement with the Company that remains in effect following any termination of employment.

#### Estimated Payments:

The following table shows the estimated payments that would be made to each NEO assuming termination occurred on December 31, 2025:

Name	Termination Due to Death or Disability	Termination Due to Retirement	Termination without Cause or for Good Reason	Termination without Cause or for Good Reason following a Change in Control
Benjamin Gagnon	—	—	\$ 9,396,194	\$ 9,396,194
Jonathan Mir	—	—	\$ 957,776	\$ 1,835,364
Liam Wilson	—	—	\$ 749,976	\$ 3,380,598
Rachel Silverstein	—	—	\$ 371,800	\$ 1,066,645

Cash severance amounts for each NEO are calculated based on the applicable employment agreement severance multiple applied to the NEOs annual base salary as of December 31, 2025. Equity acceleration values are calculated based on the number of unvested awards subject to acceleration multiplied by the closing price of the Common Shares on December 31, 2025. Former NEO Jeffrey Lucas is not included in the forward-looking termination scenarios table as he was no longer employed by the Company as of December 31, 2025; information regarding actual severance paid to this individual is reported in the Summary Compensation Table for fiscal year 2025 above.

#### Assumptions:

The amounts shown in the table are based on the following material assumptions:

- Termination date of December 31, 2025
- Stock price of \$2.35 (closing price on December 31, 2025)

#### Non-Employee Director Compensation

The total fiscal year 2025 compensation of our non-employee directors is shown in the following table. Mr. Gagnon serves as a director and as our Chief Executive Officer, but he has not received and does not receive any additional compensation for services provided as a director.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$ (1))	Total (\$)
Andrew J. Chang	\$ 84,567	\$ 142,591	\$ 227,158
Wayne Duso	\$ 13,859	\$ 96,105	\$ 109,964
Amy Freedman	\$ 98,616	\$ 142,591	\$ 241,207
Edith Hofmeister	\$ 133,033	\$ 142,591	\$ 275,624
Brian Howlett	\$ 136,088	\$ 142,591	\$ 278,679
Fanny Philip	\$ 142,006	\$ 142,591	\$ 284,597

(1) Amounts reported in the 'Stock Awards' column represent the aggregate grant date fair value of share-based awards computed in accordance with FASB ASC Topic 718, Compensation—Stock Compensation, excluding the effect of estimated forfeitures. The assumptions used in these calculations are set forth in the notes to the Company's consolidated financial statements for the fiscal year ended December 31, 2025.

(2) As of December 31, 2025, our non-employee directors held the following number of stock and Options:

Name	Options (#)	RSU (#)
Andrew J. Chang	210,000	178,685
Wayne Duso	150,000	-
Amy Freedman	210,000	178,685
Edith Hofmeister	280,000	178,685
Brian Howlett	553,750	178,685
Fanny Philip	210,000	178,685

Our non-employee directors earn an annual base cash retainer of \$100,000, with the exception of the Chairman of the Board who earns an annual base cash retainer of \$150,000. We pay an annual retainer in lieu of separate meeting fees. In addition to the retainer, in 2025 directors who chaired a committee earned an additional \$20,000, with the exception of the Chair of the Audit Committee who earned an additional \$30,000. Each non-employee director who sat on a committee earned an additional \$6,000 per year. Non-employee directors are reimbursed for expenses of meeting attendance, if any. No non-employee director received perquisites or other personal benefits in 2025, having a total value of \$10,000 or more, or had a different compensation arrangement than as described herein. In addition to annual cash payments, in 2025 each non-employee director received an equity grant in the form of Restricted Stock Units valued at \$140,000 (calculated pursuant to FASB ASC Topic 718). Grants of equity awards supplement the cash compensation paid to our non-employee directors and serve to increase their identification with the interests of our stockholders through equity ownership.

## Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

### Equity Compensation Plan Information

All equity compensation awards outstanding and available for future grants under the LTIP are as set forth in the following table, which summarizes information about our equity compensation plans as of December 31, 2025. The only equity compensation plan in effect as of December 31, 2025, is the LTIP (the new omnibus plan approved at the June 30, 2025 annual meeting), which superseded the Old LTIP. All awards currently outstanding under the Old LTIP continue to be governed by its terms.

*Plan Name:* Bitfarms Ltd. Long-Term Incentive Plan (the “LTIP”), approved by shareholders on June 30, 2025, as successor to the Long-Term Incentive Plan (the “Old LTIP”), last approved by shareholders on April 16, 2024.

*Securities Authorized:* The LTIP is a 10% rolling plan under which the aggregate number of Common Shares available for issuance at any given time shall not exceed 10% of the issued and outstanding Common Shares at the time of any grant.

*Securities Outstanding:* The number of Common Shares issuable pursuant to outstanding awards under the LTIP and Old LTIP as of December 31, 2025, is set forth in the equity compensation plan information table below.

*Weighted Average Exercise Price:* The weighted average exercise price of outstanding Options as of December 31, 2025, is set forth in the equity compensation plan information table below.

*Securities Available for Future Issuance:* As of December 31, 2025, the number of Common Shares remaining available for future issuance under the LTIP (calculated as 10% of outstanding Common Shares less outstanding awards) is set forth in the equity compensation plan information table below.

*Material Plan Terms:* The material terms of the LTIP are described under ‘Long-Term Incentive Compensation’ above. Awards under the LTIP include Options, RSUs, PSUs, and DSUs. The LTIP was approved by the Board on May 13, 2025, and by shareholders at the June 30, 2025, annual meeting, with unallocated entitlements approved until May 23, 2028.

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (#)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (\$)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (#)
Equity Compensation Plans Approved by Shareholders <sup>(1)</sup>	25,032,817 <sup>(2)</sup>	1.51 <sup>(3)</sup>	35,125,183 <sup>(4)</sup>
Equity Compensation Plans Not Approved by Shareholders	Nil	Nil	Nil
<b>Total</b>	<b>25,032,817</b>	<b>1.51</b>	<b>35,125,183</b>

(1) Consists of the Old LTIP, the LTIP and the Stronghold Omnibus Incentive Plan (the “Stronghold Plan”). No new securities are being issued under the Old LTIP and under the Stronghold Plan.

(2) Consists of 15,949,817 Common Shares subject to outstanding RSUs and Options granted under the Old LTIP and 9,083,000 Common Shares subject to outstanding RSUs, PSUs (assuming a target payout) and Options under the LTIP, each outstanding as of December 31, 2025.

(3) Weighted average exercise price of outstanding options under the Old LTIP and the LTIP.

(4) Consists of shares available for future grant under the current LTIP.

### Beneficial Security Ownership Table

The following table sets forth certain information, as of March 27, 2026, with respect to the beneficial ownership of our Common Shares by (i) each shareholder known by us to be the beneficial owner of more than five percent (5%) of our Common Shares, (ii) by each of our current directors and named executive officers as identified herein, and (iii) all of our directors and executive officers as a group. Each person has sole voting and investment power with respect to the Common Shares, except as otherwise indicated. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Common Shares and non-qualified stock options (“Options”) exercisable into Common Shares within sixty (60) days of the date of this document, are deemed to be outstanding and to be beneficially owned by the person holding the Options, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise noted, the address for all officers and directors listed below is 120 Broadway, Suite 1075, New York, New York, 10004.

Title of Class	Beneficial Holders	Amount and Nature of Beneficial Ownership	Percent of Class
<b>Directors and Named Executive Officers</b>			
Common Shares	Benjamin Gagnon	3,441,770	*
Common Shares	Jonathan Mir	125,000	*
Common Shares	Liam Wilson	600,000	*
Common Shares	Rachel Silverstein	146,390	*
Common Shares	Edith Hofmeister	505,001	*
Common Shares	Brian Howlett	683,696	*
Common Shares	Fanny Philip	375,685	*
Common Shares	Amy Freedman	264,568	*
Common Shares	Andrew J. Chang	373,685	*
Common Shares	Wayne Duso	75,000	*
Common Shares	Jeffrey Lucas	3,876,982	*
Common Shares	Current Directors and NEOs as a group	10,467,777	*
<b>5% Holders</b>			
Common Shares	Jane Street Group, LLC (1)	33,552,042	5.6%

\* means the shares owned by the NEO or Director represented less than 1% of the total issued and outstanding shares.

(1) Jane Street Group, LLC filed with the SEC a Schedule 13G on February 12, 2026, (and this disclosure is based entirely on this filing) reporting that it or certain of its affiliates beneficially owned in the aggregate 33,552,042 shares as of December 31, 2023, for which it had no sole voting power, shared voting power for 33,552,042 shares, no sole dispositive power, and shared dispositive power for 33,552,042 shares.

### Item 13. Certain Relationships and Related Transactions, and Director Independence.

#### Related Party Transactions

There were no “Related Party Transactions” since January 1, 2025. Related Party Transactions are transactions (or a series of similar transactions) in which the Company is a participant, the amount involved exceeds \$120,000, and a “Related Party” had, has or will have a direct or indirect material interest (other than Board or executive officer compensation arrangements specified in Item 404 of Regulation S-K under the Securities Act). “Related Parties” are Bitfarms’ directors, director nominees, executive officers, beneficial owners of more than 5% of our Common Shares, any immediate family members of the foregoing and any firm, corporation, charitable organization or other entity in which any of the persons listed above is an officer, general partner or principal or in a similar position or in which such person has a beneficial ownership interest of 10% or more.

In connection with the U.S. Redomiciliation, we expect to adopt a new Related Persons Transactions Policy.

#### Director Independence

Under the listing requirements and rules of the Nasdaq, we are required to have a majority of independent directors on the Board, and our Audit Committee and Compensation Committee are required to consist fully of independent directors. The Board has undertaken a review of the independence of each director and, based on information provided by each non-employee director concerning their background, employment and affiliations, the Board determined that Edith Hofmeister, Andrew J. Chang, Wayne Duso, Amy Freedman, Brian Howlett, Fanny Philip do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of director and that each of these directors is “independent” as that term is defined under Nasdaq rules.

In making these determinations, the Board considered the current and prior relationships that each non-employee director has with the Company and all other facts and circumstances the Board deemed relevant in determining their independence, including the beneficial ownership of Bitfarms securities by each such non-employee director or affiliated entities, and their involvement in any transactions described under the heading “Related Party Transactions.”

### Item 14. Principal Accountant Fees and Services.

Fees for professional services provided by our independent registered public accounting firm for the last two fiscal years include:

	For the Year ended December 31, 2025	For the Year ended December 31, 2024
Audit Fees <sup>(1)</sup>	\$ 2,383,509	\$ 2,047,744
Audit-Related Fees <sup>(2)</sup>	\$ 85,892	\$ 261,352
Tax Fees <sup>(3)</sup>	\$ —	\$ —
All Other Fees <sup>(4)</sup>	\$ —	\$ 14,601
Total	\$ 2,469,401	\$ 2,323,697

**Audit Fees.** Audit fees consist of fees billed for professional services rendered for the audit of our year-end financial statements and services that are normally provided by our independent registered public accounting firm in connection with statutory and regulatory filings.

**Audit-Related Fees.** Audit-related fees consist of fees billed for assurance and related services that are reasonably related to performance of the audit or review of our year-end financial statements and are not reported under “Audit Fees.” These services consisted primarily of file quality review fees and fees for the review of quarterly financial statements, related documents and consent letters.

**Tax Fees.** Tax fees consist of fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

**All Other Fees.** All other fees consist of fees billed for all other services including permitted due diligence services related to a potential business combination.

## Policy on Board Pre-Approval of Audit and Permissible Non-Audit Services of the Independent Auditors

The Audit Committee is responsible for appointing, setting compensation and overseeing the work of the independent auditors. In recognition of this responsibility, the Audit Committee shall review and, in its sole discretion, pre-approve all audit and permitted non-audit services to be provided by the independent auditors as provided under the Audit Committee charter. In 2025 and 2024, all services performed by our independent registered public accounting firm for us and our subsidiaries have been pre-approved by the Audit Committee.

### Item 15. Exhibits, Financial Statement Schedules.

The following documents are filed as part of this Annual Report on Form 10-K: Financial Statements: See “Index to Financial Statements and Supplementary Data” herein.

Exhibits: The exhibits listed in the accompanying index to exhibits are filed or incorporated by reference as part of this Annual Report on Form 10-K.

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Filing Date	Exhibit No.	
2.1	<a href="#">Agreement and Plan of Merger, dated August 21, 2024 by and among Bitfarms Ltd., Backbone Mining Solutions LLC, Stronghold Digital Mining, Inc. and HPC &amp; AI Megacorp, Inc.</a>	F-4	333-282657	January 21, 2025	2.1	
2.2	<a href="#">Amendment No. 1 to the Agreement and Plan of Merger, dated September 12, 2024</a>	F-4	333-282657	January 21, 2025	2.2	
2.3	<a href="#">Arrangement Agreement</a>	6-K	001-40370	February 19, 2026	99.1	
3.1	<a href="#">Articles of Continuance of Bitfarms Ltd.</a>	8-A	001-40370	July 30, 2024	3.1	
3.2	<a href="#">By-laws of Bitfarms Ltd.</a>	8-A	001-40370	July 30, 2024	3.2	
4.2	<a href="#">Description of Securities</a>					X
4.3	<a href="#">Shareholder Rights Plan Agreement, dated as of July 24, 2024</a>	8-A	001-40370	July 30, 2024	4.1	
4.4	<a href="#">Form of Rights Certificate</a>	8-A	001-40370	July 30, 2024	4.1	
4.5	<a href="#">Note Indenture dated October 21, 2025 by and among Bitfarms Ltd., Computershare Trust Company, N.A. as trustee and Computershare Trust Company of Canada as Canadian co-trustee, relating to the 1.375% Convertible Senior Notes due 2031</a>	6-K	001-40370	October 22, 2025	99.1	
4.6	<a href="#">Form of Note Representing 1.375% Convertible Senior Notes due 2031 (included as Exhibit A to Exhibit 4.5)</a>	6-K	001-40370	October 22, 2025	99.1	
10.1**†	<a href="#">Employment Agreement between the Company and Ben Gagnon</a>					X
10.2**†	<a href="#">Employment Agreement between the Company and Jonathan Mir</a>					X
10.3**†	<a href="#">Employment Agreement between the Company and Liam Wilson</a>					X
10.4**†	<a href="#">Employment Agreement between the Company and Rachel Silverstein</a>					X
10.5*	<a href="#">Stronghold Digital Mining, Inc. Omnibus Incentive Plan</a>	S-8	333-285894	March 19, 2025	4.3	
10.6*	<a href="#">Amendment No. 1 to the Stronghold Digital Mining, Inc. Omnibus Incentive Plan</a>	S-8	333-285894	March 19, 2025	4.4	
10.7*	<a href="#">Amendment No. 2 to the Stronghold Digital Mining, Inc. Omnibus Incentive Plan</a>	S-8	333-285894	March 19, 2025	4.5	
10.8*	<a href="#">Amendment No. 3 to the Stronghold Digital Mining, Inc. Omnibus Incentive Plan</a>	S-8	333-285894	March 19, 2025	4.6	
10.9*	<a href="#">Bitfarms Ltd. Long Term Incentive Plan as amended on March 3, 2022, January 15, 2024 and April 16, 2024</a>	S-8	333-278868	April 22, 2024	4.3	

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Filing Date	Exhibit No.	
10.10*	<a href="#">Bitfarms Ltd. Long-Term Incentive Plan, dated June 30, 2025</a>					X
10.11	<a href="#">Form of Capped Call Confirmation</a>	6-K	001-40370	October 22, 2025	99.2	
10.12	<a href="#">Voting Agreement, dated as of August 21, 2024, by and among Bitfarms Ltd. and certain stockholders of Stronghold Digital Mining, Inc.</a>	F-4	333-282657	January 21, 2025	10.2	
10.13	<a href="#">TRA Waiver and Termination Agreement, dated as of August 21, 2024, by and among Bitfarms Ltd., Stronghold Digital Mining, Inc. and certain stockholders of Stronghold Digital Mining, Inc.</a>	F-4	333-282657	January 21, 2025	10.3	
10.14	<a href="#">Conversion Agreement, dated as of August 21, 2024, by and among Bitfarms Ltd., Stronghold Digital Mining, Inc. and Stronghold Series C preferred stockholders</a>	F-4	333-282657	January 21, 2025	10.4	
10.15	<a href="#">Custodial Services Agreement, dated April 21, 2021, by and between Backbone Hosting Solutions Inc. and Coinbase Custody Trust Company, LLC.</a>	6-K	001-40370	May 20, 2022	99.5	
10.16	<a href="#">Master Custody Service Agreement, dated August 1, 2023, by and between Anchorage Digital Bank N.A. and Backbone Hosting Solutions Inc.</a>	6-K	001-40370	March 7, 2024	99.2	
10.17	<a href="#">Service Agreement, dated September 18, 2023, by and among between Bitfarms Ltd. and Foundry USA Pool</a>	6-K	001-40370	November 11, 2023	99.1	
10.18	<a href="#">Foundry USA Pool Payout Methodology, dated as at March 6, 2024</a>	6-K	001-40370	March 7, 2024	99.1	
10.19	<a href="#">Settlement Agreement, dated September 23, 2024, by and between Bitfarms Ltd. and Riot Platforms, Inc.</a>	6-K	001-40370	September 23, 2024	99.1	
10.22	<a href="#">Share Purchase Agreement dated March 17, 2025 by and among Bitfarms Ltd., Hive Holdings Paraguay 1 Ltd., Hive Holdings Paraguay 2 Ltd., Hive Digital Technologies, Ltd. and Backbone Hosting Solutions Inc.</a>	6-K	001-40370	June 10, 2025	99.1	
19.1	<a href="#">Insider Trading Policy</a>					X
21.1	<a href="#">Subsidiaries of Registrant</a>					X
23.1	<a href="#">Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm</a>					X
31.1	<a href="#">Principal Executive Officer Certification pursuant to Rule 13(a)-14(a)</a>					X
31.2	<a href="#">Principal Financial Officer Certification pursuant to Rule 13(a)-14(a)</a>					X
32.1**	<a href="#">Certification required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code</a>					X
32.2**	<a href="#">Certification required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code</a>					X
97.1*	<a href="#">Clawback Policy</a>					X
101.INS	Inline XBRL Instance Document					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File					X

\* Management contract or compensation plan or arrangement

\*\* Furnished herewith

† Certain portions of this exhibit have been omitted because they are both: (i) not material; and (ii) of the type that the registrant treats as private or confidential.

#### Item 16. Form 10-K Summary.

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Date: March 31, 2026

/s/ Benjamin Gagnon

By: Benjamin Gagnon  
*Chief Executive Officer and Director*

### POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Benjamin Gagnon, Jonathan Mir and Rachel Silverstein and each or any one of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and reconstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the United States Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ Benjamin Gagnon

Name: Benjamin Gagnon  
Title: *Chief Executive Officer and Director*  
*(Principal Executive Officer)*  
Date: March 31, 2026

/s/ Jonathan Mir

Name: Jonathan Mir  
Title: *Chief Financial Officer*  
*(Principal Financial Officer)*  
Date: March 31, 2026

/s/ Marc-André Ammann

Name: Marc-André Ammann  
Title: *(Principal Accounting Officer)*  
Date: March 31, 2026

/s/ Edith Hofmeister

Name: Edith Hofmeister  
Title: *Director and Chair of the Board*  
Date: March 31, 2026

/s/ Brian Howlett

Name: Brian Howlett  
Title: *Director*  
Date: March 31, 2026

/s/ Fanny Philip

Name: Fanny Philip  
Title: *Director*  
Date: March 31, 2026

/s/ Amy Freedman

Name: Amy Freedman  
Title: *Director*  
Date: March 31, 2026

/s/ Andrew J. Chang

Name: Andrew J. Chang  
Title: *Director*  
Date: March 31, 2026

/s/ Wayne Duso

Name: Wayne Duso  
Title: *Director*  
Date: March 31, 2026

## DESCRIPTION OF SECURITIES

Bitfarms Ltd. (“Bitfarms”) is authorized to issue (a) an unlimited number of Bitfarms common shares; and (b) an unlimited number of Class A Preferred Shares, issuable in one or more series. Holders of Bitfarms common shares are entitled to all of the respective rights and obligations provided to shareholders under the OBCA and Bitfarms’ articles and by-laws.

### Common Shares

#### *Voting*

Bitfarms’ articles provide that the holders of Bitfarms common shares shall be entitled to receive notice of and to attend all meetings of the Bitfarms shareholders and to one (1) vote in respect of each Bitfarms common share held at all such meetings. Generally, all matters to be voted on by shareholders must be approved by a simple majority (or, in the case of election of directors where the number of candidates nominated for election exceeds the number of directors to be elected, by a plurality, and in the case of an amalgamation or amendments to our Articles, by two-thirds) of the votes cast in respect of common shares held by persons present in person or by proxy, voting together.

#### *Dividends*

Bitfarms’ by-laws and the OBCA provide that dividends may be paid by issuing fully paid shares of the corporation or options or rights to acquire fully paid shares of Bitfarms or Bitfarms may pay a dividend in money or property.

Under the OBCA, directors shall not declare and a corporation shall not pay a dividend if there are reasonable grounds for believing that (a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or (b) the realizable value of the corporation’s assets would thereby be less than the aggregate of, (i) its liabilities; and (ii) its stated capital of all classes.

Bitfarms’ articles provide that, subject to the provisions of the OBCA, the Bitfarms shareholders shall be entitled to receive dividends and Bitfarms shall pay dividends thereon, as and when declared by the Bitfarms board of directors out of moneys or other property properly applicable to the payment of dividends, in such amounts and in such form as the Bitfarms board of directors may in its discretion determine from time to time.

#### *Dissolution*

**Rights on Dissolution.** In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, subject to the prior rights of the holders of preferred shares, the holders of the common shares then outstanding shall be entitled to receive the remaining property and assets of the Company rateably according to the number of common shares held by each holder.

#### *Other Rights*

The common shares are not redeemable, nor do the holders of such shares have pre-emptive purchase rights. Other than under applicable securities laws, there are no restrictions on the transferability of common shares.

Our common shares are listed on the TSX and the Nasdaq under the symbol “BITF.”

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## **Preferred Stock**

Bitfarms's articles provide that the Class A Preferred Shares may be issued at any time or from time to time in one or more series. Subject to the Bitfarms's articles, the board of directors of Bitfarms shall, before the issue thereof, fix the number of shares in, and determine the designation, rights, privileges, restrictions and conditions attaching to the shares of each series of Class A Preferred Shares, the whole subject to the filing of articles of amendment setting forth the designation, rights, privileges, restrictions, conditions and limitations attaching to the Class A Preferred Shares of such series and the issuance of a certificate of amendment in respect thereof.

The approval of the holders of the Class A Preferred Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class A Preferred Shares as a class or in respect of any other matter requiring the consent of the holders of the Class A Preferred Shares may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution signed by all the holders of the Class A Preferred Shares or passed by the affirmative vote of at least two-thirds of the votes cast at the meeting of the holders of the Class A Preferred Shares duly called for that purpose.

Bitfarms's articles provide that the holders of any series of Class A Preferred Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class A Preferred Shares or a series thereof) to receive notice of, attend at, or vote at any meeting of Bitfarms shareholders, unless the Bitfarms board of directors determines otherwise, in which case voting rights will only be provided in circumstances where Bitfarms has failed to pay a certain number of dividends on such series of Class A Preferred Shares, which determination and number of dividends and any other terms in respect of such voting rights, will be determined by the Bitfarms Board and set out in the designations, rights, privileges, restrictions and conditions of such series of Class A Preferred Shares.

Bitfarms' articles further provide that the holders of each series of Class A Preferred Shares will be entitled to receive dividends as and when declared by the Bitfarms board of directors in respect of such series.

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July 8, 2024

**PERSONAL AND CONFIDENTIAL**

Mr. Benjamin Gagnon  
[\*\*\*REDACTED\*\*\*]

**Re: Employment Agreement**

Dear Ben:

Bitfarms Ltd. (“**Bitfarms**”) is pleased to confirm the following terms and conditions to apply to your employment as of July 8, 2024 and going forward. In consideration of this new agreement, Bitfarms will provide you with a one-time signing bonus of 281,000 restricted share units (“**RSUs**”) in accordance with the long-term incentive plan of Bitfarms (the “**LTIP**”), which LTIP you confirm you have received a copy of, and forms an integral part of this Agreement.

Please review this document carefully and seek whichever advice you deem appropriate to ensure your understanding of its contents. Upon your acceptance, this will become your Employment Agreement with Bitfarms and is referred to as the “**Agreement**” in the remainder of this letter.

- Position Title:** Chief Executive Officer
- Reporting to:** The Chairman of the Board of Directors
- Effective Date:** This Agreement is presented to you signed by an authorized representative of the Board of Directors of Bitfarms (the “**Board**”). The effective date of this Agreement is July 8, 2024 (the “**Effective Date**”).
- Term:** Your employment shall continue to be for an indefinite term, subject to termination as hereinafter provided.
- Probationary Period:** Not applicable.
- Position & Job Description:** As Chief Executive Officer, you will have the duties, responsibilities and authority customarily associated with this position in the industry in which Bitfarms operates, and as more particularly described in the job description attached as Appendix “A” to this Agreement. Bitfarms will nominate you as a director at the next annual meeting of stockholders (or at a special meeting called for that purpose prior to such next annual meeting), taking into account appropriate and relevant corporate governance practices.
-

**Limitation on Authority:** Any authority you are provided to bind Bitfarms must be granted by the Board which, in the normal course, shall be in the person of the Chairman and is subject to revocation of such authority at any time and without notice.

**Place(s) of Employment:** This is a remote work position based out of your home office in [\*\*\*REDACTED\*\*\*]. If the location of your home office changes, you must obtain prior approval from the Board. On the rare occasion where remote meetings are not practicable or not commercially reasonable in the circumstances, you acknowledge that the performance of your duties and responsibilities may require travel and lodging, including international travel/lodging. All such reasonable travel/lodging shall be reimbursed by Bitfarms in accordance with the “Expenses” section.

**Full time:** You will be employed on a full-time basis. You hereby agree that the salary for this position has been fairly set that your position is exempt from overtime under any applicable employment standards legislation (“**Applicable Employment Legislation**”), therefore, you will not be entitled to overtime pay in this position. You will dedicate your full business attention to the position and may not be engaged in any other occupation or employment without the written consent of Bitfarms, which shall not be unreasonably withheld. Notwithstanding the foregoing, nothing herein shall preclude you from (i) engaging in charitable activities and community affairs, and (ii) managing your personal investments and affairs; provided, however, that the activities set out in clauses (i) and (ii) shall be limited by you so as not to materially interfere, individually or in the aggregate, with the performance of your duties and responsibilities hereunder. You may be permitted to serve as a member of one (1) other board of directors or advisory board (or their equivalent in the case of a non-corporate entity) of a non-competing business or other organization, with the written approval of Bitfarms.

**Base Salary:** Subject to Compensation Committee approval (as set out herein), US\$428,888.00 per annum, less all required and customary deductions, withholdings and remittances (“**Base Salary**”), paid semi-monthly in accordance with the prevailing payroll practices of Bitfarms. The Base Salary will be subject to review by the Compensation Committee no less than annually, with reasonable consideration given to your performance. Nothing in this Agreement should be construed as requiring the Compensation Committee to make changes to the Base Salary.

**Annual Bonus:** We agree that we will work together in good faith to establish a discretionary executive bonus award based on reasonable performance criteria and comparable market standards. It is anticipated that the target shall be 75% of the Base Salary in the form of cash bonus plus non-cash short-term and long-term incentives (the “**Annual Bonus**”). In accepting the terms of this Agreement, you acknowledge that: (i) you have no expectation that in any fiscal year there will be any guaranteed payment of the Annual Bonus; (ii) the amount will be based on the level of achievement on the agreed to performance criteria and comparable market standards, with reasonable consideration given to your input on such achievement; and (iii) the amount, if any, that you may earn as an Annual Bonus may change from year to year. Subject to the requirements of the TSX, you may request to receive a reasonable proportion of the Annual Bonus as RSUs, with such request being determined by the Board, acting reasonably.

**Performance Based Awards:** You will be eligible to receive performance-based awards, as summarized in the attached Appendix “B”, in accordance with the terms and conditions of the LTIP and any applicable agreements.

No less frequently than annually, Bitfarms has and may in the future grant and issue you stock options and/or additional RSUs in accordance with the terms of the LTIP. Such stock options and/or additional RSUs are at all times governed by the terms and conditions of the LTIP and any applicable agreements or terms related to individual grants, including but not limited to terms related to vesting, exercise and surrender/forfeit thereof, save and except that in no event will you receive less than your minimum entitlements pursuant to Applicable Employment Legislation (if such legislation is applicable to such stock options and/or RSUs).

**Benefits/Insurance:** You will be eligible to participate in all of Bitfarms’ group insurance and other benefit plans generally available to its executive employees in accordance with the terms and conditions of such benefit plans, as amended from time to time. In addition, Bitfarms will maintain directors’ and officers’ liability insurance for your benefit while you remain a director or officer of Bitfarms, or any entity in which Bitfarms has an equity interest and Bitfarms shall also provide such insurance for you on a run-off basis upon termination of your employment for any reason, for a period of at least six (6) years after the termination of your employment. The directors’ and officers’ liability insurance, including any run-off coverage, will at all times be at least equal to or better than any insurance coverage that is customary of a publicly-traded company.

**Vacation and Statutory Holidays:** During the term of this Agreement, you will be entitled to five (5) weeks of paid vacation in each calendar year, pro-rated for any partial years of service, to be taken at such times as you may request and the Board may approve, acting reasonably, having consideration for Bitfarms operations. Unused vacation entitlements may be carried forward indefinitely or, at your option, paid out at the end of each calendar year. You will also be entitled to all statutory holidays and where statutory holidays are not taken, such holiday days may be taken at other times.

**Cell Phone and Laptop Computer:** You will be expected to make use of a mobile communication device in the course of performing the duties and responsibilities of your employment. You will be entitled to submit for reimbursement, as expenses, the amount of the monthly charges for such device (including the charges for a cellular phone service/data plan). In addition, you will be issued a laptop computer and any other devices, equipment or technology requested by you and approved by the Board for authorized business use purposes during the course of your employment with all costs related to Bitfarms-related activities paid by Bitfarms in accordance with any applicable Bitfarms Policies & Procedures, including in regards to expenses. All such devices, equipment and technology shall remain the property of Bitfarms and must be returned by you upon the termination of your employment or at any time on demand of Bitfarms.

- Professional Development:** Upon submission of a written request by you and conditional upon prior approval of the same by the Board, Bitfarms shall reimburse you for approved costs associated with professional memberships, training, courses and conferences relating to your job duties, responsibilities and related professional development.
- Travel, Conferences and Meetings:** It is understood that the performance of your duties shall require travel and participation in various conferences and meetings as necessary in order to introduce and promote Bitfarms to potential investors and lenders.
- Expenses:** It is understood and agreed that you will incur expenses in connection with the performance of your duties. Bitfarms will reimburse you for any such expenses reasonably and necessarily incurred, provided that you provide an itemized written account and receipts acceptable to Bitfarms.
- Indemnity:** It is understood that the parties have entered into an Indemnification Agreement, dated June 20, 2024 (the “**Indemnification Agreement**”). In serving as a director and/or officer of Bitfarms or any entity in which Bitfarms has any equity interest, you will be provided with an indemnity from and against any personal liability in relation to acts or omissions arising in your capacity as a director and/or officer from Bitfarms or such other entity, as the case may be, in a form that is no less favourable, in the aggregate, than the Indemnification Agreement. Such indemnity or indemnities shall be conditional upon you exercising your powers and discharging your duties using the standards of care required by the applicable business corporations legislation. Such indemnity or indemnities shall be unaffected and shall remain in full force and effect notwithstanding any subsequent termination of your service as a director and/or officer of Bitfarms or any entity in which Bitfarms has an equity interest.
- Termination:**
- (a) By Bitfarms for just cause: Bitfarms may terminate this Agreement and your employment for just cause in accordance with this section.
- In the event that Bitfarms terminates your employment for just cause, you shall not be provided with any notice of termination, pay in lieu of such notice, severance pay or any other termination entitlement (other than accrued and unpaid wages and vacation days/vacation pay, if any), unless required by Applicable Employment Legislation in the circumstances of the termination. Any such termination shall be by written notice to you and effective as provided for in that notice. For greater certainty, if Bitfarms has just cause to terminate your employment but your conduct does not constitute wilful misconduct, disobedience or wilful neglect of duty within the meaning of Applicable Employment Legislation, then your employment may be terminated upon provision of the minimum notice of termination, pay and benefits in lieu of such notice, severance pay and any other termination entitlement required under Applicable Employment Legislation.

- (b) By Bitfarms without just cause: Notwithstanding anything contained in this Agreement, this Agreement and your employment may be terminated by Bitfarms at any time without just cause. Where your employment is terminated without just cause, Bitfarms will provide you with the following (the “**Separation Entitlements**”):
- (1) Payment, in a lump sum, equal to the greater of: (A) twenty-four (24) months of Base Salary and bonus, or (B) the minimum pay in lieu of notice of termination and severance pay required under Applicable Employment Legislation;
  - (2) A lump-sum cash payment equivalent to the value of your Annual Bonus, calculated at the target Annual Bonus on a pro-rated basis, that would have accrued up to the termination date;
  - (3) Continuation of group insurance benefits coverage throughout the twenty-four (24) month period or a payment in lieu of continuing benefits coverage sufficient to purchase comparable individual coverage, except that disability coverage will cease at the end of the statutory notice period and no payment in lieu of continuing benefit coverage shall be payable for coverage extending beyond the statutory notice period; and
  - (4) Such additional entitlements required under Applicable Employment Legislation, including, but not limited to, accrued and unpaid wages and vacation days/vacation pay, and such other benefit continuance to the end of the statutory notice period.

For greater certainty, the lump sum payment in lieu of notice shall be based on the annual salary then in effect plus an amount for annual bonus that is calculated as the average of the actual bonus paid by Bitfarms, if any, in the prior three years, or such lesser period if this Agreement has not been in effect for that long.

- (c) By you upon a Change in Control: This Agreement may be terminated immediately by you if any one of the following happens, without your agreement, within twelve (12) months after the effective date of a Change of Control (as defined below):
- (1) Bitfarms reduces the your gross Base Salary by 5% or more from the gross Base Salary payable to you immediately prior to the effective date of the Change of Control;
  - (2) Bitfarms reduces your target Annual Bonus;
  - (3) Bitfarms fails to pay amounts to you when due, or otherwise fails to comply with the compensatory obligations under this Agreement;
  - (4) You are no longer Chief Executive Officer or you are no longer the most senior executive at Bitfarms;
  - (5) You no longer report to the Board;
  - (6) Bitfarms materially adversely changes your duties, responsibilities or authority;
  - (7) Bitfarms fails to maintain reasonable and adequate insurance or indemnification in respect of your services as an officer or director of Bitfarms or an affiliate;
  - (8) A breach by Bitfarms of any material provision of this Agreement without the breach being remedied within 30 days after notice thereof has been received by Bitfarms; or
  - (9) You are otherwise constructively dismissed within the meaning of the common law.

Upon such termination by you, Bitfarms shall pay to you amounts equal to the Separation Entitlements set out in (b), payable in one lump sum, on a date that is not later than two (2) weeks after the date of termination, or such earlier date required under Applicable Employment Legislation, and the terms regarding all unexercised and unvested stock options granted to you, as set out below shall apply. Such payments will be inclusive of your entitlements under Applicable Employment Legislation, and you will not be entitled to anything further upon termination of employment except as, and only to the extent, required by law.

The term "Change of Control", as used above shall include:

- (1) the occurrence of one transaction or a series of transactions which results in one Person, together with any affiliates of such Person, exercising direction or control over 50% or more of Bitfarms' stock. "Person" for the purpose of this provision includes any individual, partnership, limited partnership joint venture, syndicate, sole proprietorship, company or corporation or other entity however designated or constituted;
  - (2) a change in the majority of Bitfarms' Board of Directors taking place over a period of three (3) months or less other than individuals approved by a vote of at least two-thirds of the directors then in office;
  - (3) a merger, amalgamation, arrangement, consolidation or other reorganization or acquisition after which Bitfarms' prior shareholders no longer control Bitfarms;
  - (4) the sale, lease, exchange or other disposition of all or substantially all of Bitfarms' assets, rights or properties or the liquidation of Bitfarms, except where the sale is to an affiliate of Bitfarms; and/or
  - (5) the Board adopts a resolution to the effect that a Change of Control, as defined herein, has occurred or is imminent.
- (d) By you for any reason: You may terminate your employment with Bitfarms upon giving no less than four (4) weeks' written notice to Bitfarms. Bitfarms may waive such notice upon provision of your minimum entitlements required under Applicable Employment Legislation.

Upon termination under paragraphs (b) or (c) above, all unvested and unexercised stock options granted to you shall immediately vest and become exercisable in accordance with the LTIP.

For greater certainty, upon termination under paragraphs (a) or (d) above, all unvested and unexercised stock options granted to you shall be forfeited.

All payments or benefits set out in this "Termination" section are intended to satisfy all obligations arising out of the termination of your employment with Bitfarms, whether statutory, contractual or at common law and, for greater certainty, shall be inclusive of any notice of termination or severance pay prescribed in Applicable Employment Legislation, as it may from time-to-time be amended, the provisions of which are deemed to be incorporated into this Agreement; as legislation is changed, the new provisions will apply and, if greater, will prevail over the entitlements set out above. In no event will you receive less than your minimum entitlements under Applicable Employment Legislation.

- Standards of Employment:** You agree that you will adhere to all Bitfarms' policies, rules, systems and procedures which are in place at Bitfarms and made available to you. Bitfarms reserves the right to change the provisions of any of these at any time, by providing you with notice of the change.
- Confidentiality/Non-Competition:** You are required to execute the Confidentiality/Non-Competition Agreement attached as Appendix "C" as a condition of this Offer of Employment.
- Changes:** Unless specifically amended in writing and signed by the parties, the terms of this Agreement will continue to apply notwithstanding any changes in your position, duties, reporting or other terms of employment.
- Return of Property:** Upon termination, howsoever caused, you shall surrender to a representative of Bitfarms, upon request, all keys, manuals, lists, assets, property (including IT equipment), correspondence, monies, supplies, employee lists, and all other material and records, or other Bitfarms property of any kind that may be in your possession at such time. If you are a director of Bitfarms or any affiliate at the time of your termination, you will submit your resignation.
- Set-Off:** You authorize Bitfarms to deduct from any payment due to you at any time, including from a termination or severance payment, any amounts owed to Bitfarms by reason of purchases, advances, loans or in recompense for damages to or loss of Bitfarms' property and equipment save only that this provision shall be applied so as not to conflict with any applicable legislation.
- Assignment and Benefit:** Bitfarms shall have the right to assign this Agreement (including any policies or agreements referenced in this Agreement) without consideration or advance notice to you, to its successors and assigns, including without limitation, to any of its parents, subsidiaries or any of its affiliates or to any purchaser of all or substantially all of Bitfarms' equity or assets.
- Entire Agreement:** This Agreement supersedes and replaces all prior or contemporaneous negotiations and/or agreements made between the parties, whether oral or written and the execution of this Agreement has not been induced by, nor do any of the parties hereto rely upon or regard as material any representations or writings whatsoever not incorporated into and made a part of this Agreement. This Agreement, the agreements referenced herein, and Bitfarms' policies and procedures as they may be changed from time to time, shall constitute the entire agreement between the parties with respect to all matters relating to your employment.
- Withholdings:** All payments to you or other entitlements under this Agreement or accruing as a result of your employment with Bitfarms shall be less applicable withholdings and deductions.
- Modification:** Any modification to this Agreement must be in writing and signed by the parties or it shall have no effect and shall be void

- Headings:** The headings used in this Agreement are for convenience only and are not to be construed in any way as additions to or limitations of the covenants and agreements contained in it.
- Governing Law:** This Agreement shall be construed in accordance with the laws of the Province of Ontario. You and Bitfarms agree to submit to mandatory binding arbitration any dispute, claim or controversy arising out of, related to or connected with your employment with Bitfarms (collectively, “**Arbitrable Claims**”). All Arbitrable Claims shall conclusively and finally be adjudicated by binding arbitration conducted by a single arbitrator in accordance with the ADR Institute of Canada, Inc.’s Arbitration Rules. The place of arbitration shall be Toronto, Ontario. The language of arbitration shall be English. The arbitrator shall have the right and power to award costs, including costs of the arbitration and of the arbitrator, to the successful party in the arbitration; provided, however, that Bitfarms will pay the full commencement and case service fees in connection with any arbitration commenced by Bitfarms against you under this provision. Notwithstanding the foregoing, nothing in this Agreement: (a) prevents you from filing a claim with an administrative tribunal or government agency, or prevents that tribunal or agency from adjudicating and awarding remedies based on that claim; or (b) limits or prevents either party from seeking interim relief, including injunctive relief, upon application to a court of competent jurisdiction.
- Severability:** If any provision of this Agreement shall be held by any court of competent jurisdiction to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining provisions, or part thereof, of this Agreement and such remaining provisions, or part thereof, shall remain enforceable and binding.
- No Mitigation** You are not required to mitigate the amount of any payment provided for in this Agreement, including the Separation Entitlements, by seeking other employment or otherwise, nor will the amount of any payment provided for in this Agreement be reduced by any compensation earned by you as a result of employment by another employer after your employment with Bitfarms has ceased.
- Advisor Fees** Bitfarms shall reimburse you for (or directly pay) any reasonable legal and advisory fees or expenses, including HST and other sales taxes, incurred by you in negotiating this Agreement, including, without limitation, any reasonable legal, tax and accounting fees and expenses, up to a maximum of USD\$20,000.

**Satisfaction of all Claims:** The terms set out in this Agreement, provided that such terms are satisfied by Bitfarms, are in lieu of (and not in addition to) and in full satisfaction of any and all other claims or entitlements which you have or may have upon the termination of your employment and the compliance by Bitfarms with these terms will affect a full and complete release of Bitfarms and its affiliates from any and all claims which the you may have for whatever reason or cause in connection with your employment and the termination of it, other than those obligations specifically set out in this Agreement, and other than claims that cannot be waived or released under applicable law. In agreeing to the terms set out in this Agreement, you specifically agree to execute a formal release document to that effect and will deliver upon request appropriate resignations from all offices and positions with Bitfarms and its affiliates, if, as and when requested by Bitfarms upon termination of your employment within the circumstances contemplated by this Agreement. If you do not execute and deliver a formal release within a reasonable time following the termination of your employment, you will receive your minimum entitlements required under Applicable Employment Legislation (and no more).

**Counterparts:** This Agreement may be executed in any number of counterparts, each of which, when executed, will be deemed to be an original, but all of which together will constitute one and the same agreement.

**Conditions:** You agree that this Agreement is contingent on the following:

- (a) You executing the Agreement Regarding Confidentiality, Non-Solicitation, Non-Competition and Intellectual Property attached hereto;
- (b) That you have obtained independent legal advice in respect of this agreement, or, have waived your right to obtain such independent legal advice; A
- (c) Your affirmation, by signing and returning this Agreement, that you are not a party to any purported non-competition or non-solicitation agreement with any other employer. If you have such an agreement, you must provide a copy to Bitfarms for review. Bitfarms will then advise you if it is prepared to continue to offer you employment.

In order to confirm your acceptance of this Agreement with Bitfarms Ltd., please sign and date where indicated on the following page, and return an original copy of this letter to my attention no later than one week from the date hereof.

If you have any questions concerning the offer, do not hesitate to contact us directly. We look forward to hearing from you.

ON BEHALF OF BITFARMS LTD.

Sincerely,

/s/ Nicolas Bonta

Nicolas Bonta

Chairman

*I have authority to bind the Corporation*

**ACCEPTANCE:**

I have received a copy of this Agreement. I have read, considered and understood and I hereby accept the terms and conditions of this Agreement. I execute this Agreement freely and voluntarily with full understanding of its contents. This Agreement and my employment hereunder have not been induced by any representations of Bitfarms Ltd. not contained herein.

Date: July 8, 2024

Signature:

A handwritten signature in black ink, appearing to be 'N. J. O.', written over a horizontal line.

Witness:

\*\*\*REDACTED\*\*\*

Name: \*\*\*REDACTED\*\*\*

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## **APPENDIX “A” JOB DESCRIPTION**

As the Chief Executive Officer, you will supervise and control all strategic and business aspects of the company. You will be the first in command in the company and responsible for giving the proper strategic direction as well as creating a vision for success.

To thrive, you must be a prudent manager and an inspiring leader. You will have a business mindset and will be able to see the “big picture” in a variety of settings. You will take actions to enhance the company’s value and cash flow while keeping the human factor in perspective.

The goal is to drive the company’s development and guide it towards long-term success.

### **Responsibilities**

- Optimize existing business operations;
- Develop other complementary lines business to broaden the company’s business beyond Bitcoin mining. This could include, but not limited to, electricity trading, electricity generation, high performance computing
- Develop high quality regional and international business strategies and plans ensuring their alignment with short-term and long-term objectives;
- Lead and motivate subordinates to advance employee engagement develop a high performing managerial team;
- Oversee all operations and business activities to ensure they produce the desired results and are consistent with the overall strategy and mission;
- Make high-quality investing decisions to advance the business and increase value;
- Formulate and implement new strategies for the company to diversify into new endeavors and broaden its revenue streams.
- Enforce adherence to legal guidelines and in-house policies to maintain the company’s legality and business ethics;
- Review financial and non-financial reports to devise solutions or improvements;
- Build trust relations with key partners and stakeholders and act as a point of contact for important shareholders;
- Analyze problematic situations and occurrences and provide solutions to ensure company survival and growth; and
- Maintain a deep knowledge of the markets and industry of the company.

### **Requirements and skills**

- Proven experience as CEO or in other managerial positions;
- Proven experience interacting and reporting to the Board of Directors;
- Experience in developing profitable strategies and implementing vision;
- Strong understanding of corporate finance and performance management principles;
- Familiarity with diverse business functions such as marketing, PR, finance etc.;
- In-depth knowledge of corporate governance and general management best practices;
- An entrepreneurial mindset with outstanding organizational and leadership skills;
- Analytical abilities and problem-solving skills; and
- Excellent communication and public speaking skills.

In furtherance of the foregoing, in your role of CEO you shall develop an annual plan of objectives, implementation strategies, milestones, deliverables and target performance which shall be agreed to by the Board of directors, and which shall be monitored regularly and shall be the basis of performance reviews.

Subject to limited exceptions herein, you will devote all of your business attention, skill and effort to the business of Bitfarms on a full-time basis and shall be required at all times to conduct yourself with the highest level of integrity and in compliance with all Bitfarms policies that are made available to you and in effect from time to time. You will duly and diligently perform all the duties assigned to you while in the employ of Bitfarms.

## Appendix “B”

### Summary of Performance-Based Awards

This is a summary of the performance-based awards (the “Awards”) that you are eligible to earn in your role as Chief Executive Officer of Bitfarms. The Awards are subject to the detailed terms and conditions contained in the LTIP, a copy of which has been provided to you, and any applicable agreements or terms related thereto.

**The Awards shall consist of “tranches” of performance-based restricted share units (“RSUs”) and Bitcoin (“BTCs”), which shall be granted and subsequently vested based on performance against targets for Bitfarms’ Market Capitalization, HODL and EH/s, conditional upon your active employment with Bitfarms on the applicable vesting date.**

For the purposes of the performance conditions for these RSUs and BTCs:

- “Market Capitalization” is defined as the product of:
  1. The total number of Outstanding Shares as of December 31 of each year; and
  2. The Volume-Weighted Average Price of a Bitfarms Common Share on the TSX for the 45 trading day period prior to December 31<sup>st</sup>.
- “HODL” is defined as Bitfarms’ total BTC holdings, measured as of December 31<sup>st</sup> of each year.
- “EH/s” is defined as the operational hashrate in terms of exahash per second, measured as of December 31<sup>st</sup> of each year.

The table below illustrates the incentive tranches and expected performance targets associated with your Awards:

**Table 1 – RSU Tranches**

Tranches	Performance Targets			Payouts				
	Tranche #	Market Cap (\$CAD)	EH/s	HODL	Market Cap RSUs Awarded	EH/s RSUs Awarded	HODL RSUs	Total Potential RSUs
1	\$ 2,000,000,000	21	2,000	143,920	143,920	143,920	431,761	0.10%
2	\$ 3,000,000,000	24	3,000	287,841	287,841	287,841	863,522	0.20%
3	\$ 4,000,000,000	30	4,000	431,761	431,761	431,761	1,295,283	0.30%
4	\$ 5,000,000,000	50	5,000	431,761	431,761	431,761	1,295,283	0.30%
5	\$ 6,000,000,000	75	6,000	431,761	431,761	431,761	1,295,283	0.30%
6	\$ 7,000,000,000	100	7,000	431,761	431,761	431,761	1,295,283	0.30%
7	\$ 8,000,000,000	250	8,000	431,761	431,761	431,761	1,295,283	0.30%
8	\$ 9,000,000,000	300	9,000	431,761	431,761	431,761	1,295,283	0.30%
9	\$ 10,000,000,000	350	10,000	431,761	431,761	431,761	1,295,283	0.30%

For greater certainty, you will receive the corresponding payout for each PRSU tranche if the target for the individual performance metric is achieved. For example, if for PRSU Tranche 1 the Market Cap target is achieved but the EH/s and HODL targets are not achieved, the Award will be 143,920 PRSUs. If for PRSU Tranche 1 the Market Cap and EH/s targets are achieved, but not the HODL target, you will receive 287,840 PRSUs.

**Table 2 – BTC Tranches (EH/s)**

<b>Tranche #</b>	<b>EH/s</b>	<b>BTC ssued</b>
1	21	2.1
2	24	2.1
3	30	2.1
4	50	2.1
5	75	2.1
6	100	2.1
7	175	2.1
8	250	2.1
9	350	2.1

**Table 3 – BTC Tranches (HODL)**

<b>Tranche #</b>	<b>HODL</b>	<b>BTC Issued</b>
1	2,000	2.1
2	3,000	2.1
3	4,000	2.1
4	5,000	2.1
5	6,000	2.1
6	7,000	12.1*
7	8,000	2.1
8	9,000	2.1
9	10,000	2.1

\* includes one-time 10 BTC bonus as outlined below in “Special Conditions”

For each BTC tranche, you will receive the corresponding payout in full if the target performance metric is achieved.

At the beginning of each fiscal year, Bitfarms’ Board shall determine, in its sole discretion, how many of the prescribed tranches of PRSUs and BTCs will be included in that year’s grant. Bitfarms’ Board reserves the right to vary the number of tranches included in each grant. In order to receive any grant, you must be actively employed as of the grant date. Further, no tranche that has already been granted shall vest unless you are actively employed on the vesting date.

Bitfarms' performance shall be measured as of December 31st of each year using the definitions outlined above and will be used to determine if any of the tranches in the grant will vest as of that year end.

If performance in a given period exceeds the prescribed tranches for a given Performance Target, those tranches will be granted and vest before the end of the second fiscal quarter in the subsequent year.

By default, the vesting period for each grant shall be 3 years. If there are any unvested tranches by the end of the vesting period, the PRSUs and BTCs associated with those tranches are considered unvested and forfeited. Bitfarms reserves the right to "re-grant" PRSUs and BTCs that are associated with performance goals that were not met in previous grants, but Bitfarms will not grant or award PRSUs and BTCs for targets that were already surpassed AND awarded for in previous grants.

The total number of Awards granted pursuant hereto may not exceed either of the following:

- (1) 47.8 BTCs; and
- (2) 10,362,302 PRSUs (equivalent to 2.4% of Bitfarms' Outstanding Shares as of the employee's start date)

If your active employment is terminated before an Award has vested, the Award will be forfeited without compensation (in addition to all tranches that have not yet been granted as of the date of termination also being forfeited).

For the purposes of the Awards, being "actively employed" does not include any contractual or common law period of notice of termination or compensation in lieu of notice, and you are not entitled to any unvested Awards or damages for any such Awards in respect of such notice period, whether pursuant to common law or contract; provided that, for greater certainty, "actively employed" shall include only the minimum applicable period of notice of termination (if any) that you are entitled to pursuant to the requirements of the applicable employment standards legislation. You waive the right to receive damages or payment in lieu of any Awards not received as a result of not being actively employed.

#### **Restrictions**

1. In order for hashrate to be counted towards the Hashrate Performance Target it must be owned and operated by Bitfarms wholly or in part. Hashrate hosted with a third party is not applicable to the EH/s performance target.
2. Only Bitcoins earned through business operations will be counted towards the HODL performance target.

#### **Special Conditions**

1. Establishing a new All Time High BTC HODL at 7,000 will grant an additional 10 Bitcoin bonus in addition to the 2.1 BTC bonus as illustrated in Table 3, Tranche 6.

**APPENDIX "C"**

**AGREEMENT REGARDING CONFIDENTIALITY, NON-SOLICITATION,  
NON COMPETITION AND INTELLECTUAL PROPERTY**

**WHEREAS** Benjamin Gagnon (herein the "**Employee**"), and **BITFARMS LTD.** herein, desire to enter into a contractual relationship on mutually agreeable terms,

**AND WHEREAS** the Employee will necessarily be involved, as a consequence of his or her duties as an employee, with information and processes, the disclosure of which could be to the great detriment of Bitfarms Ltd. and its affiliates (including without limitation, all subsidiaries and related entities) (collectively, "**Bitfarms**");

**NOW THEREFORE**, in consideration for the terms of the Employment Agreement with the Employee to which this document is attached as Appendix "B", and for other good and valuable consideration, the receipt and sufficiency of which is hereby irrevocably acknowledged, the parties agree as follows:

**1. Confidential Information**

- A. "Confidential Information" as used in this Agreement includes but is not limited to information emanating from or relating to Bitfarms, its associates, employees, agents, suppliers or tenants, or conceived or developed by the Employee concerning (i) property and resource data, (ii) information with respect to option and joint venture counterparties, (iii) capital markets and strategies, (iv) research, development, copyright, trade mark, and other industrial and intellectual property rights, and (v) records, statistics, financial information, training and promotional policies, costs, pricing and sourcing. Confidential Information does not include information that is publicly available through lawful means so long as the information did not become publicly available through unlawful means and/or breach of this Agreement.
- B. The Employee acknowledges that such Confidential Information could be used to the detriment of Bitfarms and that the disclosure of such Confidential Information could cause irreparable harm to Bitfarms. Accordingly, the Employee undertakes to treat confidentially all Confidential Information and not to disclose or provide it to any third party or to use it for any purpose either during the Employee's tenure except as may be necessary in the proper discharge of the Employee's duties, or for any reason after the conclusion of the Employee's relationship with Bitfarms. Notwithstanding the foregoing, your obligations under this Part 1 shall not apply to (a) disclosures or communications in filings or other documents pursuant to any litigation in connection with the Employment Agreement and/or the Employee's employment with Bitfarms, or (b) disclosures required or protected by applicable law, regulation, or order of a court, adjudicator, arbitrator, regulatory agency, stock exchange or governmental agency.

**2. Ownership and Assignment of Intellectual Property**

- A. All notes, data, computer files, reference items, sketches, drawings, memoranda, records and other materials (including tools and data), in any way relating to any of the Confidential Information or to Bitfarms' business, produced by the Employee or coming into the Employee's possession by or through the Employee's relationship with Bitfarms, shall belong exclusively to Bitfarms. The Employee agrees to turn over to Bitfarms all copies (including hard and electronic) of any such materials in his possession or under his control, forthwith, at the request of Bitfarms or, in the absence of a request, on the date his contractual relationship with Bitfarms ends.

- B. "Subject Inventions" shall include all inventions, improvements or discoveries made or conceived by the Employee, during the term of the Employee's relationship with Bitfarms, either solely or jointly with others, arising out of or in any way connected to the Employee's employment or with the use of Bitfarms' time, equipment, material, supplied facilities, or related to or suggested by trade secret information or other private or Confidential Information or related to Bitfarms' actual or demonstrably anticipated research and development acquired by the Employee during the term of the Employee's contractual relationship.
- C. The Employee agrees (i) to disclose fully, promptly and in writing the existence of and details of all Subject Inventions, (ii) that Subject Inventions are the sole and exclusive property of Bitfarms, (iii) upon receipt of the written request of Bitfarms, to assign to Bitfarms, in a form and manner acceptable solely to Bitfarms, all of the Employee's rights (including where applicable moral rights), title and interest in and to all Subject Inventions, and (iv) upon receipt of the written request of Bitfarms, to provide all reasonable assistance necessary, both during and after the Employee's contractual relationship (with reasonable compensation) to enable Bitfarms to successfully defend (or prosecute as the case may be), any litigation arising out of a dispute related to Subject Inventions. Where moral rights cannot be assigned under applicable law, the Employee hereby irrevocably waives such moral rights in favour of Bitfarms.

### 3. Non-Solicitation

- A. The Employee agrees that during the Employee's employment with Bitfarms and for a **twelve-month** period thereafter, the Employee shall not, either directly or indirectly, solicit Bitfarms' employees, consultants or suppliers for the purpose of causing them to leave, cease or reduce their employment or business relationship with Bitfarms, or to be employed or enter into a business relationship with a competitor.
- B. The Employee further agrees that for a **twelve-month** period following the termination of the Employee's employment with Bitfarms, howsoever caused and for any reason, the Employee shall not, either directly or indirectly, solicit the business of any current customers of Bitfarms with whom the Employee had contact during the twenty-four month period prior to the termination of their employment for the purpose or effect of causing the said customers to discontinue or reduce the extent of their business relationship with Bitfarms.

### 4. Non-Competition

- A. Except for or on behalf of Bitfarms or with the written consent of Bitfarms, the Employee shall not, **in North America**, at any time during the Employee's employment or **within twelve months** following the termination of Employee's employment howsoever caused and for any reason, either alone or on behalf of any person, whether as principal, agent, shareholder, officer, director, consultant, manager, owner, partner, limited partner, joint venturer, employee, trustee, or in any other capacity whatsoever, directly or indirectly, provide services which are similar in nature to the services the Employee performed for Bitfarms during the Employee's employment for the Employee or any person or entity engaged in the business of crypto currency mining, or own, operate, manage, appraise, lease, finance, sell, acquire and/or bid to own, operate, manage, appraise, lease, finance, sell or acquire, any business in North America in direct competition with the business operated by Bitfarms.
- B. Nothing contained in this Agreement shall restrict or prevent the Employee from holding or purchasing the publicly traded securities of an entity that is a competitor of Bitfarms provided that those holdings do not exceed 5% of the securities of the competitor or 5% of the voting shares of the competitor. If the Employee holds any publicly traded securities of a competitor, the Employee will advise Bitfarms in writing.

**5. Enforcement of this Agreement**

- A. The Employee agrees that the restrictions and covenants contained in this Agreement are reasonably required for the protection of Bitfarms and its goodwill, and that the Employee's agreement to same constitute a material inducement to Bitfarms to enter into or amend for the benefit of the Employee a contractual relationship with the Employee and that Bitfarms would not contract with the Employee absent such an inducement. The Employee further agrees and acknowledges that the geographic area set out in the restrictions and covenants set out above reflect the geographic region within which Bitfarms conducts its business, and are not overly broad, and is necessary for the protection of Bitfarms' business.
- B. The Employee understands and agrees, without prejudice to any and all other rights of Bitfarms, that in the event of his violation or attempted violation of any of the covenants contained in this Agreement, Bitfarms may suffer irreparable harm, and that an injunction or other like remedy shall be the only effective method to protect Bitfarms' rights and property as set out above, and that an interim injunction may be granted immediately on the commencement of any suit.
- C. In the event that any clause herein should be unenforceable or be declared invalid for any reason whatsoever, such enforceability or invalidity shall not affect the enforceability or validity of the remaining portions of the covenants and such unenforceable or invalid portions shall be severable from the remainder of the Agreement.
- D. This Agreement shall be construed in accordance with the laws of the Province of Ontario and any disputes or differences under this Agreement shall be determined under the exclusive jurisdiction of the Ontario Superior Court of Justice.

**THE EMPLOYEE'S SIGNATURE BELOW SIGNIFIES THE EMPLOYEE'S UNDERSTANDING AND IRREVOCABLE AGREEMENT OF THE TERMS SET OUT ABOVE.**

**Date:** July 8th, 2024

**Employee's Signature:**



**Witness' Signature:**

/s/ Ching-yu Huang

**Name of Witness:**

Ching-yu Huang



October 12<sup>th</sup> 2025

Jonathan Mir  
[REDACTED]  
[REDACTED]

Dear Jonathan:

This Employment Agreement ("**Agreement**") is made and entered into as of October 12<sup>th</sup>, 2025, by and between Backbone Hosting Solutions (USA) Inc. (the "**Company**"), a subsidiary of Bitfarms Ltd. ("**Bitfarms**"), a Delaware corporation with its principal place of business at 850 New Burton Road, Suite 201, Dover, DE 19904, and [Employee Name] (the "**Employee**").

## 1. POSITION AND DUTIES

*1.1 Position.* The Company agrees to employ the Employee as Chief Financial Officer. The Employee shall perform the duties and responsibilities customary for such position. The job description associated with this position is found in Annex A. It is agreed that that the role and its responsibilities may change over time.

*1.2 Employment Start Date.* The Company recognizes October 27<sup>th</sup>, 2025, as the Employment Start Date.

*1.3 Reporting.* The Employee reports directly to the Chief Executive Officer, Ben Gagnon.

*1.4 Employment Status.* This is an Exempt position, and the Employee agrees to devote full working time and attention to the business of the Company and shall perform such duties faithfully and to the best of their ability. Employment is considered on a full-time basis, for a minimum of 40 hours per week, with additional hours as required to complete duties without overtime pay. The Employee will not be engaged in any other business without the written consent of the Company. Notwithstanding anything to the contrary contained in this Agreement, the Employee may engage in charitable or other community activities as long as such services and activities do not interfere with the performance of their duties to the Company.

*1.5 Place of Work.* The regular place of work will be from the Company's New York office located at 595 Madison Avenue New York, NY. The Employee will be required to periodically travel for business meetings and events throughout the United States, Canada, Europe, Latin America and elsewhere. The Company will reimburse for reasonable travel expenses according to the Bitfarms Expense and Travel policy. The Employee may participate in the Company's Flexible Work Arrangements Policy. The Employee

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acknowledges and agrees that the Company must be notified in the event the residential city and/or state changes

## **2.0 COMPENSATION AND BENEFITS**

*2.1 Base Salary.* The Company shall pay the Employee an annual base salary of USD \$ 478,888 less statutory deductions and withholdings, paid bi-weekly, in accordance with the Company's usual payroll practices. The Base Salary may be subject to review annually.

*2.2 Health Plan:* The Employee will be eligible to participate in the Health Plan provided by the Company effective from the Employment Start Date, subject to satisfying the applicable eligibility requirements. The Company will pay a portion of the plan premiums, and the Employee is responsible for the balance of premiums as well as any plan upgrades that are chosen. The Company reserves the right to unilaterally revise or even eliminate its benefit plans at any time, consistent with applicable law.

*2.3 401K.* The Employee will be eligible to participate in the group retirement savings plan (401K or other) provided by the Company, subject to the terms and conditions of the governing plan document. The Company reserves the right to unilaterally revise or even eliminate its benefit plans at any time, consistent with applicable law.

*2.4 Short-Term Incentive Plan.* The Employee will be eligible to participate in the Company's Short-Term Incentive Plan (the "STIP"), as determined at the sole discretion of the Company and its Board of Directors, and detailed in the STIP. The STIP is paid on an annual basis, through cash bonuses based on the achievement of preestablished business and individual performance objectives. The STIP target is communicated upon hire in the offer of employment, and any changes are confirmed in writing. In the first year of employment, the bonus is prorated to the time of service. The STIP will be earned and payable only upon completion of the relevant fiscal year. The payment of any bonus pursuant to the STIP is subject in all regards to the terms and conditions of the STIP governing document, and in the event of a conflict between this Agreement and the STIP governing document, the STIP governing document will control. Benefits received pursuant to the STIP are also subject to the terms of the Bitfarms Clawback Policy as may exist and be in effect from time to time. The Employee acknowledges that participation in the STIP does not confer any right to continued employment.

*2.5 Long-Term Incentive Plan.* The Employee will be eligible to participate in the Company's Long-Term Incentive Plan (the "LTIP"), as determined at the sole discretion of the Company and its Board of Directors and pursuant to the terms and conditions established in the Bitfarms Long-Term Incentive Plan. Awards under the LTIP may include, but are not limited to, stock options, restricted stock units, performance stock units, or other equity-based awards ("Awards"). The grant of any such Awards shall be at the discretion of the Company's Compensation Committee or other authorized body, and shall be subject to the relevant plan documents, vesting schedules, performance conditions, and any applicable laws and regulations. The Employee acknowledges that participation in the LTIP does not confer any right to continued employment and that awards are subject to the terms of the LTIP and the specific award agreements. To the extent that this Agreement and the LTIP conflict, the LTIP shall control.

## **3.0 PAID TIME OFF**

*3.1 Vacation.* The Employee will be eligible to paid vacation in accordance with the Paid Time Off Policy. The timing of vacation periods shall be arranged at mutually agreeable times or upon approval of the CEO and the Employee.

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Vacation entitlement is communicated in the offer of employment and is prorated in the first year of employment.

The Employee shall be entitled to 25 days of paid vacation per calendar year (prorated for partial years) in accordance with the Company's Paid Time Off Policy, as in effect from time to time, which will remain at least as favorable as that provided to other similarly situated executives of the Company, including the COO and General Counsel.

Unused Vacation time carries over from one year to the next. Vacation that has been carried over expires on December 31<sup>st</sup> of the following year if not used, as detailed in the Paid Time Off Policy. Upon resignation, the Employee forfeits any unused vacation pay. Upon involuntary termination, the Employee will receive any accrued but unused vacation pay. The Company reserves the right to modify its Paid Time Off Policy from time to time and the Employee's entitlements to paid time off, including vacation time, is subject in all regards to the Paid Time Off Policy as in effect from time to time.

*3.2 Sick Time.* The Employee will be eligible to paid sick time in accordance with the Paid Time Off Policy, unless stipulated otherwise by local legislation.

Upon termination, whether voluntary or involuntary, the Employee forfeits any unused sick time.

*3.3 Flex Days.* The Employee will be eligible to additional paid flexible "Flex" days, according to the Paid Time Off Policy.

Upon termination, whether voluntary or involuntary, the Employee forfeits any unused Flex days.

#### **4.0 EXPENSES**

*4.1 General.* It is understood and agreed that the Employee will incur expenses in connection with the performance of their duties under this Agreement. The Company will reimburse any such expenses reasonably and necessarily incurred through the Company's assigned expense reimbursement platform, in accordance with the Travel and Expense Policy, as in effect from time to time.

*4.2 Cellular Telephone.* The Employee will be reimbursed for all reasonable costs related to the use of their personal cell phone for all Company-related activities, according to the Travel and Expense Policy. Alternatively, the Employee may request a Company-provided cell phone.

#### **5.0 TERMINATION**

*5.1 By the Employee.* The Employee may terminate their employment with the Company without "Good Reason" (as defined herein) upon giving no less than eight (8) weeks' written notice to the Company (the "Resignation Notice Period"). The Company may waive all or part of such notice, at its sole discretion, and in such event, the Company will continue to pay the Employee's Base Salary and provide the Employee's benefits through the end of the Resignation Notice Period to the extent such continued benefits coverage is permitted under the terms of the governing employee benefit plan documents.

Upon termination of the Employee's employment at any time by the Employee Without Good Reason, all unvested Awards granted to the Employee shall be forfeited as provided for under the terms and conditions of the Bitfarms Long-Term Incentive Plan.

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*5.2 Due to Death or Disability.* This Agreement and the Employee's employment will terminate automatically upon their death or upon ten (10) days' prior written notice by the Company due to Disability to the extent consistent with any applicable law or regulation.

The term "Disability" as used in this Agreement shall mean the Employee's inability (with or without a reasonable accommodation) to have performed their material duties hereunder due to a physical or mental injury, infirmity or incapacity for one hundred eighty (180) days (including weekends and holidays) in any 365-day period. In the event that this Agreement and the Employee's employment end on account of their death or Disability, the Employee or their estate, as applicable, shall be entitled only to the Accrued Benefits, as defined in part 5.6 below.

Any question as to the existence of the Employee's Disability as to which the Employee and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Employee and the Company. If the Employee and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and the Employee shall be final and conclusive for all purposes of this Agreement.

In the event that this Agreement and the Employee's employment ends at any time due to death or Disability, all unvested Awards granted to the Employee shall be forfeited as provided for under the terms and conditions of the Bitfarms Long-Term Incentive Plan.

*5.3 By the Company for Cause.* At any time during the term of this Agreement, the Company may terminate this Agreement and the Employee's employment for Cause as defined in this Agreement. Any such termination shall be by written notice to the Employee and effective as provided for in that notice.

The term "Cause" for purposes of this Agreement shall mean:

- repeated willful failure by the Employee to promptly and adequately perform their duties to the satisfaction of the Company, which failure, if curable in the discretion of the Company, is not cured to the reasonable satisfaction of the Company within forty-five (45) days after receipt of written notice from the Company of such failure specifying the duty or duties that are not being adequately performed;
  - willful misconduct or gross negligence in the performance of the Employee's duties to the Company that has or reasonably could be expected to have an adverse effect on the Company;
  - indictment for, conviction of, or pleading of guilty or nolo contendere to, a felony or any crime involving moral turpitude;
  - material breach of this Agreement, the Agreement Regarding Confidentiality, Non-Solicitation, Non-Competition and Intellectual Property or any other agreement between the Employee and the Company, Bitfarms or any of their affiliates;
  - material breach of the Company's written policies, rules, systems, and procedures as may exist and be in effect from time to time, including, but not limited to the Code of Business Conduct and Ethics, the Disclosure and Confidentiality Policy and the Securities Trading Policy, which breach, if curable in the discretion of the Company, is not cured to the reasonable satisfaction of the Company within forty-five (45) days after receipt of written notice from the Company specifying the breach; or
  - any act of theft, fraud, malfeasance or dishonesty in connection with the performance of the Employee's duties to the Company.
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In the event that this Agreement and the Employee's employment ends due to termination by the Company for Cause, the Employee shall be entitled only to the Accrued Benefits, as defined in part 5.6 below.

Upon termination of the Employee's employment at any time for Cause, all equity awards granted (whether vested or unvested) to the Employee shall be forfeited, according to the conditions of the Bitfarms Long-Term Incentive Plan.

The definition of Cause in this Agreement shall supersede and replace and be deemed to be the definition of "Cause" in the Plan and "Cause" in the Bitfarms Long-Term Incentive Plan or such other applicable plan, as may exist and be in effect from time to time.

*5.4 By the Company without Cause or by the Employee with Good Reason.* Notwithstanding anything contained in this Agreement, this Agreement and the Employee's employment may be terminated by the Company at any time without Cause or by the Employee with Good Reason (defined below). Any such termination shall be by written notice effective as provided for in that notice.

The term "Good Reason" for purposes of this Agreement shall mean the occurrence of any one or more of the following events without the Employee's consent:

- a material diminution in the Employee's Base Salary;
- the relocation of the Employee's regular place of work by more than fifty (50) miles from the prior location;
- a material diminution in the Employee's job title, duties, or responsibilities (provided, however, that a diminution in the Employee's duties or responsibilities after having given or received notice of termination of the Employee's employment or during the pendency of an internal investigation shall not under any circumstances constitute Good Reason); or
- a breach by the Company or Bitfarms of any material provision of this Agreement; provided, however a resignation shall be with Good Reason only if (i) the Employee provides written notice to the Company of the potential Good Reason trigger within thirty (30) days of the first occurrence of the potential Good Reason trigger, (ii) the Company does not cure the potential Good Reason trigger within thirty (30) days of receipt of such notice, and (iii) the Employee resigns from their employment within ten (10) days following the expiration of the Company's 30-day cure period.

In the event the Employee's employment is terminated Without Cause or for Good Reason, the Company will provide the Employee, in addition to the Accrued Benefits, as defined in part 5.6 below, the Separation Entitlements, as defined in part 5.7 below.

*5.5 Change of Control.* The term "Qualified Change of Control Termination" for purposes of this Agreement shall mean the termination of the Employee's employment by the Company without Cause (other than due to death or Disability) or by the Employee for Good Reason within eighteen (18) months following, a Change of Control (as defined below) of Bitfarms.

The term "Change of Control" for purposes of this Agreement shall mean:

- the occurrence of one transaction or a series of transactions which results in one Person, together with any affiliates of such Person, exercising direction or control over 50% or more of Bitfarms' stock. "Person" for the purpose of this provision includes any individual, partnership, limited partnership joint venture, syndicate, sole proprietorship, company or corporation or other entity however designated or constituted;
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- if at any time within a period of twelve (12) months, individuals who at the beginning of such period constituted the Bitfarms Board and any new directors whose appointment by the Bitfarms Board or nomination for election by shareholders of Bitfarms was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the period or whose appointment or nomination for election was previously so approved, cease for any reason to constitute a majority of the members of the Bitfarms Board;
- a merger or consolidation, after which Bitfarms' prior shareholders no longer control Bitfarms, or the resulting board of directors is not comprised of a majority of members who were directors of Bitfarms prior to the merger or consolidation; and/or
- the sale of all or substantially all of assets or the liquidation of Bitfarms, except where the sale is to an affiliate of Bitfarms.

In the event the Employee's employment is terminated due to a Qualified Change of Control Termination, the Company will provide the Employee, in addition to the Accrued Benefits, as defined in part 5.6 below, the Separation Entitlements, as defined in part 5.7 below.

*5.6 Accrued Benefits.* For the purposes of this Agreement, Accrued Benefits shall mean:

- any unpaid Base Salary through the date of termination;
- reimbursement for any unreimbursed business expenses incurred through the date of termination,
- any accrued but unused vacation pay;
- all other payments, benefits or fringe benefits to which the Employee shall be entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant or this Agreement.

*5.7 Separation Entitlements.* For the purposes of this Agreement, Separation Entitlements shall mean:

- the Severance Pay (as defined below in part 5.8);
- unvested Awards granted to the Employee shall be treated in accordance with the terms and conditions of the Bitfarms Long-Term Incentive Plan, as may be amended from time to time, and at the sole discretion of the Board;
- subject to the Employee's timely election of continuation coverage under COBRA, continued participation in the Company's health plan (to the extent permitted under applicable law and the terms of such plan) at the Company's expense for six (6) months, provided that they remain eligible for COBRA coverage; and provided, further, that in the event that they obtain other employment that offers group health benefits, such subsidization of coverage by the Company under this section shall immediately cease.

*5.8 Severance Pay.* The term "Severance Pay" for purposes of this Agreement shall mean:

(i) Except with respect to a Qualified Change of Control Termination, if the termination of the Employee's employment occurs during the first year of service, a payment equal to twelve (12) months of Base Salary, thereafter two (2) months of additional severance per completed year of service up to a maximum payment in lieu of notice period of eighteen (18) months; and (ii) if the termination of the Employee's employment is a Qualified Change of Control Termination, an amount equal to twenty-four (24) months of the Base Salary immediately prior to the termination of employment, which will be paid in a lump sum on the first payroll date after the sixtieth (60th) day following the termination date (except that, to the extent any portion of the Severance Pay payable in connection with a Qualified Change of Control Termination is

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subject to Code Section 409A, such portion shall be paid in accordance with the schedule set forth in clause (i)).

*5.9 Release.* Any and all amounts payable as Separation Entitlements, Severance Pay, benefits or additional rights provided pursuant to this "Termination" section beyond the Accrued Benefits shall only be payable if the Employee delivers to the Company and does not revoke, if applicable, a general release of claims in favor of the Company in a form reasonably satisfactory to the Company. Such release shall be executed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following termination.

*5.10 Return of Property.* Upon termination, howsoever caused, the Employee shall surrender to a representative of the Company, upon request, all keys, manuals, lists, correspondence, monies, supplies, employee lists, and all other material and records, or other Company property of any kind that may be in their possession at such time.

*5.11 Set-Off.* The Employee authorizes the Company to deduct from any payment due at any time, including from a termination or severance payment, any amounts owed to the Company by reason of purchases, advances, loans or in recompense for damages to or loss of the Company's property and equipment save only that this provision shall be applied so as not to conflict with any applicable legislation. The provisions of this Section 5.11 shall not, however, be applicable to any payments that are considered paid pursuant to a plan or agreement that is a "nonqualified deferred compensation plan" as that phrase is used in Code Section 409A.

## **6.0 LIMITATION OF AUTHORITY**

Any authority the Employee is provided to bind the Company must be granted by the Board of Directors by way of an executed resolution of the Company Board or Bitfarms Board, as the case may be. Such authority is subject to revocation at any time and without notice.

## **7.0 STANDARDS OF EMPLOYMENT**

The Employee agrees that they will adhere to all the Company's written policies, rules, systems, and procedures which are in place at the Company. For greater certainty, this includes all written policies, rules, systems, and procedures which are in place for the Company, including, but not limited to the Code of Business Conduct and Ethics, the Disclosure and Confidentiality Policy and the Securities Trading Policy. The Company reserves the right to change the provisions of any of these at any time.

## **8.0 CONFIDENTIALITY AND NON-COMPETITION**

The Employee is required to execute the Agreement Regarding Confidentiality, Non-Solicitation, Non-Competition and Intellectual Property as a condition of this Employment Agreement.

## **9.0 ASSIGNMENT AND BENEFIT**

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The Company shall have the right to assign this Agreement (including any policies or agreements referenced in this Agreement) without consideration or advance notice to the Employee, to its successors and assigns, including without limitation, to any of its parents, subsidiaries or any of its affiliates or to any purchaser of all or substantially all of the Company's equity or assets.

#### **10.0 ENTIRE AGREEMENT**

This Agreement supersedes and replaces all prior or contemporaneous negotiations and/or agreements made between the parties, whether oral or written and the execution of this Agreement has not been induced by, nor do any of the parties hereto rely upon or regard as material any representations or writings whatsoever not incorporated into and made a part of this Agreement. This Agreement, the Agreement Regarding Confidentiality, Non-Solicitation, Non-Competition and Intellectual Property, any agreements referenced herein, and the Company's policies and procedures as they may be changed from time to time, shall constitute the entire agreement between the parties with respect to all matters relating to the Employee's employment.

#### **11.0 WITHHOLDINGS**

All payments to the Employee or other entitlements under this Agreement or accruing as a result of employment with the Company shall be less applicable withholdings and deductions.

#### **12.0 MODIFICATION**

Any modification to this Agreement must be in writing and signed by the parties or it shall have no effect and shall be void.

#### **13.0 HEADINGS**

The headings used in this Agreement are for convenience only and are not to be construed in any way as additions to or limitations of the covenants and agreements contained in it.

#### **14.0 GOVERNING LAW**

This Agreement shall be construed in accordance with the laws of Delaware, without reference to its principles of conflict of laws, and any disputes or differences under this Agreement shall be determined under the exclusive jurisdiction of the state and federal courts located in that state.

#### **15.0 COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which, when executed, will be deemed to be an original, but all of which together will constitute one and the same agreement.

#### **16.0 CODE SECTION 409A COMPLIANCE**

The intent of the parties is that payments and benefits under this Agreement comply with, or be exempt from, Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**") and the regulations and guidance promulgated thereunder (collectively "**Code Section 409A**"), to the extent subject there to, and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to comply therewith. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Employee by Code Section 409A or damages for failing to comply with Code Section 409A.

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Notwithstanding anything herein to the contrary, (i) the Separation Entitlements shall be paid only in connection with a termination of the Employee's employment that constitutes a "separation from service" within the meaning of Code Section 409A and (ii) if the Employee is a "specified employee" as such term is defined under Code Section 409A, payment of the Separation Entitlements shall be delayed for a period of six (6) months following the Employee's separation of employment to the extent and up to an amount necessary to ensure such payments are not subject to the penalties and interest under Code Section 409A. If the payments are delayed as a result of the previous sentence, then on the first business day following the end of such six (6) month period (or such earlier date upon which such amount can be paid under Code Section 409A without resulting in a prohibited distribution), the Company shall pay the Employee a lump-sum amount equal to the cumulative amount that would have otherwise been payable to the Employee during such period.

For purposes of compliance with Code Section 409A, (i) all expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Employee, (ii) any right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit and (iii) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

For purposes of Code Section 409A, the Employee's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

#### **17.0 Indemnification/Insurance**

Without limiting any indemnity otherwise required by applicable law, in accordance with the Indemnification Agreement entered into on the date hereof, to the fullest extent permitted by applicable law, the Company shall indemnify, defend and hold harmless Employee from and against any and all claims, damages, losses and lawsuits in connection with Employee's services rendered hereunder or by reason of the fact that he was an officer of the Company; provided that Employee has acted in good faith. Additionally, Employee shall be an additional insured on Company's applicable insurance policies (i.e., D&O, E&O and general liability policies) during the term of employment and for a period of six (6) years thereafter.

#### **18.0 CONDITIONS**

The Employee agrees that this Agreement is contingent on the following:

- Satisfactory completion of standard background checks
- Executing the Agreement Regarding Confidentiality, Non-Solicitation, Non-Competition and Intellectual Property Agreement; and
- Proof of authorization to work in the United States.

#### **19.0 ACCEPTANCE**

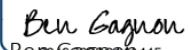
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The parties agree that this Agreement may be executed electronically, and the use of electronic signatures shall be as legally binding and effective as original signatures, confirming their acceptance of the terms contained herein.

In order to confirm acceptance, please sign as indicated.

Sincerely,

DocuSigned by:



Ben Gagnon 445...

Chief Executive Officer

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I have received a copy of this Agreement. I have read, considered, and understood and I hereby accept the terms and conditions of this Agreement. This Agreement and my employment hereunder have not been induced by any representations of the Company not contained herein.

Date: 10/12/2025

Signature:   
F0F7293E02B349B...



## APPENDIX A

**Position Title: Chief Financial Officer**

**Location: New York City, New York**

**Reports to: Chief Executive Officer**

### **Position Summary**

The Chief Financial Officer (CFO) is a critical role for Bitfarms. With significant growth plans the CFO will be responsible for crafting and driving execution of the financial strategy, aligning with management and operations to deliver the highest level of performance. The CFO will be charged with setting the standard for financial excellence at Bitfarms as well as providing a strategic perspective at the executive level. This position will have a profound impact on the future of Bitfarms at a defining moment in the evolution of the company. The CFO will be more than just the senior most executive dealing with Financial Planning & Analysis, Reporting and overall Financial Operations; they will be a strategic contributor to company direction and growth.

The CFO will play a crucial and proactive role in shaping the financial future for the Company. They will oversee all financial activities, capital raising, financial reporting, provide strategic recommendations to the CEO and executive team, ensure the financial health and growth of the company and help the CEO with investor relations and public communications.

This role requires strong communication, leadership, and executive presence when representing the company with customers, investors, employees, and other key counterparties. The CFO will work hand in hand with all other executives to push for broader, deeper strategic thinking and must be able to deliver compelling ideas in a room with some of the industry's most innovative executives.

### **Key Responsibilities:**

#### **Financial Stewardship**

- Optimize the Company's capital structure, including debt and equity financing, credit facilities, and other funding instruments
  - Oversee and monitor the Company's financial position, banking, financing activities and capital structure and monitor the respect of banking and financial covenants and hedging arrangements, as applicable
  - Partner with the CEO and senior leadership team, for the Board's approval, a strategic direction and positioning to ensure the Company's success
  - Develop and recommend to the Board an annual operating plan and financial budget that support the Company's long-term strategy
  - Implement reporting mechanisms to ensure the Board is aware of the financial position and financial development of the Company
  - Lead the preparation of the Company's financial statements and management discussion and analysis (annual and interim), and in consultation with appropriate internal and external legal counsel, review and approve
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- Oversee the Company's cash management and other treasury functions
- Perform other functions related to the office of the CFO or as may be reasonably requested by the CEO or Board
- Attend meetings of the Board and its Committees and present the financial information necessary or relevant to the Board or such Committee for discharging its duties

#### **Risk, Compliance, Governance**

- Create, coordinate and evaluate the financial controls and supporting information systems of the Company
- In partnership with the CEO, approve and coordinate changes and improvements to disclosure controls and procedures, as well as internal controls over financial reporting
- Ensure the the continuous improvement of internal controls, including compliance with SOX requirements
- Oversee and monitor effective tax strategies and compliance for the Company
- Certify documents as required under securities laws in Canada, the US, and elsewhere as required
- Oversee the mandate and work of the internal auditor of the Company
- Coordinate the annual audit (and any special or non-recurring audit) with the Company's external auditors
- Coordinate the review and liaise with the external auditors as required, of all financial information disclosed in any offering documents of the Company
- Communicate transparently and collaborate to the fullest extent possible with the Company's external auditors
- Oversee the Company's processes for identifying, assessing and managing the principal risks of the Company's business
- Assist the Company's Audit Committee in performing its duties required under the applicable securities laws and the Audit Committee Charter
- Ensure the information communicated to the public fairly portrays the position of the Company

#### **Strategic Leadership**

- Leadership of a team of senior financial professionals, ensuring the effective collaboration, delegation and workflows through mentorship. Ensure succession planning for key leadership roles within Finance
  - Bind the Company in the fulfilment of the obligations as CFO, subject to the ultimate oversight and authority of the Board
  - Represent the Company in a way that enhances and maintains the Company's reputation
  - Establish and maintain lines of communication with the investor community and oversee the dissemination of the Company's press releases, annual reports, communications with analysts and the media and investor relations
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## APPENDIX B

### AGREEMENT REGARDING CONFIDENTIALITY, NON-SOLICITATION, NON-COMPETITION AND INTELLECTUAL PROPERTY

**WHEREAS** Jonathan Mir (herein the "**Employee**"), and **BACKBONE HOSTING SOLUTIONS (USA) INC.** herein, desire to enter into a contractual relationship,

**AND WHEREAS** the Employee will necessarily be involved, as a consequence of their duties as an employee, with information and processes, the disclosure of which could be to the great detriment of Backbone Hosting Solutions (USA) Inc. and its affiliates (including without limitation, Bitfarms LTD. and all of its subsidiaries and related entities) (collectively, the "**Company**");

**AND WHEREAS** the Employee acknowledges that although current operations and oversight exist only in Canada, the United States and Latin America, future business activities of the Company could exist elsewhere throughout the world.

**NOW THEREFORE**, in consideration of the Company's entering into a contractual relationship with the Employee, and for other good and valuable consideration, the receipt and sufficiency of which is hereby irrevocably acknowledged, the parties agree to the following terms of this Agreement Regarding Confidentiality, Non-Solicitation, Non-Competition and Intellectual Property (this "**Agreement**"):

#### 1. Confidential Information

- A) "**Confidential Information**" as used in this Agreement includes but is not limited to information emanating from or relating to the Company, its associates, employees, agents, suppliers or tenants, or conceived or developed by the Employee concerning (i) property and resource data, (ii) information with respect to option and joint venture counterparties, (iii) capital markets and strategies, (iv) research, development, copyright, trade mark, and other industrial and intellectual property rights, and (v) records, statistics, financial information, training and promotional policies, costs, pricing and sourcing.
  - B) The Employee acknowledges that such Confidential Information could be used to the detriment of the Company and that the disclosure of such Confidential Information could cause irreparable harm to the Company. Accordingly, the Employee undertakes to treat confidentially all Confidential Information and not to disclose or provide it to any third party or to use it for any purpose either during the Employee's tenure except as may be necessary in the proper discharge of the Employee's duties, or for any reason after the conclusion of the Employee's relationship with the Company.
  - C) Nothing in this Agreement or any other agreement with the Company shall be interpreted or applied to prohibit the Employee from (a) voluntarily communicating with an attorney retained by the Employee, (b) voluntarily communicating with or testifying before any law enforcement or government agency, including the Securities and Exchange Commission ("**SEC**"), the National Labor Relations Board ("**NLRB**"), the United States Department of Labor, any Attorney General, the Equal Employment Opportunity Commission, or any other state or local commission on human rights, or any self-regulatory organization, or otherwise initiating, assisting with, or participating in any manner with an investigation conducted by such government agency, in each case, regarding possible violations of law and without advance notice to the Company, (c) seeking and obtaining payment or an award from the SEC, pursuant to Section 21F of the Securities Exchange Act of 1934,
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as amended, or obtaining any other "whistleblower" award, to the extent such right cannot by law be waived, (d) disclosing any information (including, without limitation, Confidential Information) to a court or other administrative or legislative body in response to any subpoena, court order or written request, provided that with respect to any subpoena, court order or written request on behalf of any non-governmental person, the Employee uses commercially reasonable efforts to cooperate with any effort by the Company to seek to challenge the subpoena, court order or written request on behalf of any non-governmental person or obtain a protective order limiting its disclosure, or other appropriate remedy, (e) filing or disclosing any facts necessary to receive unemployment insurance, Medicaid or other public benefits to which the Employee is entitled, (f) disclosing the underlying facts or circumstances relating to claims of discrimination, in violation of laws prohibiting discrimination, against the Company or making truthful statements or disclosures related to unlawful discrimination, harassment or retaliation, or otherwise discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that the Employee has reason to believe is unlawful, or (g) enforcing the Employee's Section 7 rights under the National Labor Relations Act, participating in Section 7 activity (including the right to communicate with former coworkers and/or third parties about terms and conditions of employment or labor disputes, unrelated to the amount of severance pay under this Agreement) or otherwise cooperating through investigation, testimony, or otherwise with the National Labor Relations Board, the Securities and Exchange Commission or any other administrative agency or court. In addition, for the avoidance of doubt, pursuant to the federal Defend Trade Secrets Act of 2016, the Employee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (x) is made (A) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (y) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

## **2. Ownership and Assignment of Intellectual Property**

- A) All notes, data, computer files, reference items, sketches, drawings, memoranda, records and other materials (including tools and data), in any way relating to any of the Confidential Information or to the Company's business, produced by the Employee or coming into the Employee's possession by or through the Employee's relationship with the Company, shall belong exclusively to the Company. The Employee agrees to turn over to the Company all copies (including hard and electronic) of any such materials in his possession or under his control, forthwith, at the request of the Company or, in the absence of a request, on the date his contractual relationship with the Company ends.
  - B) "**Subject Inventions**" shall include all inventions, improvements or discoveries made or conceived by the Employee, during the term of the Employee's relationship with the Company, either solely or jointly with others, arising out of or in any way connected to the Employee's employment or with the use of the Company's time, equipment, material, supplied facilities, or related to or suggested by trade secret information or other private or Confidential Information or related to the Company's actual or demonstrably anticipated research and development acquired by the Employee during the term of the Employee's contractual relationship.
  - C) The Employee agrees (i) to disclose fully, promptly and in writing the existence of and details of all Subject Inventions, (ii) that Subject Inventions are the sole and exclusive property of the Company, (iii) upon receipt of the written request of the Company, to assign to the Company, in a form and manner acceptable solely to the Company, all of the Employee's rights (including where applicable moral rights), title and interest in and to all Subject Inventions, and (iv) upon receipt of the written
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request of the Company, to provide all assistance necessary, both during and after the Employee's contractual relationship to enable the Company to successfully defend (or prosecute as the case may be), any litigation arising out of a dispute related to Subject Inventions.

- D) In addition, the Subject Inventions will be deemed Work for Hire, as such term is defined under the copyright laws of the United States, on behalf of the Company and the Employee agrees that the Company will be the sole owner of the Subject Inventions, and all underlying rights therein, in all media now known or hereinafter devised, throughout the universe and in perpetuity without any further obligations to the Employee. To the extent that any copyrightable work is not a Work for Hire, the Employee hereby assigns and agrees to assign to the Company all right, title, and interest, including without limitation, copyright in and to such copyrightable work.

### **3. Non-Competition and Non-Solicitation**

- A) The Employee acknowledges that in the course of his employment with the Company they will become familiar with the Company's trade secrets and with other confidential information concerning the Company and that his services will be of special, unique and extraordinary value to the Company that are irreplaceable, and that the Employee's performance of such services to a Competitive Business will result in irreparable harm to the Company. Accordingly, the Employee agrees that, the Employee will not, directly or indirectly, or in any capacity whatsoever, including but not limited to, as an employee, principal, partner, agent, consultant, advisor or shareholder (holding more than 1% of issued and outstanding shares of) or in partnership or association with any other person, firm, corporation, association or other entity:

- i) during the Non-Competition Restricted Period, (a) become employed by or otherwise serve, in each case, in a management or executive-level role with, or (b) provide consulting, advisory, business, investment, strategic, sales, financial, operational, or technical advice or services (in each case, to the extent that Employee provided such advice or services to the Company at any time during Employee's employment with the Company), to, in each case, any other person or entity engaged in, or preparing to engage in, Competitive Business, in the Restricted Territory (as defined below), or
  - ii) during the Non-Solicitation Restricted Period (as defined below), solicit, aid or induce any employee, representative or agent of the Company to leave such employment or retention or to accept employment with or render services to or with any other person, firm, corporation or other entity unaffiliated with the Company or hire or retain any such employee, representative or agent, or take any action to materially assist or aid any other person, firm, corporation or other entity in identifying, hiring or soliciting any such employee, representative or agent. An employee, representative or agent shall be deemed covered by this Section 3(A)(ii) while so employed or retained and for a period of six (6) months thereafter; or
  - iii) during the Non-Solicitation Restricted Period, induce or attempt to induce any current or prospective customer, supplier, trade partner, licensee or other business relation of the Company with whom Employee had contact or about whom Employee learned, accessed or developed Confidential Information during employment with the Company, to cease doing business with the Company or in any way interfere with the relationship between any such customer, supplier, trade partner, licensee or other business relation and the Company.
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For purposes of this Agreement, “**Competitive Business**” means a business, (x) the majority of the revenues of which are derived from cryptocurrency mining and (y) the majority of whose crypto mining activities occur in the Restricted Territory. “**Restricted Territory**” means each state in the United States, each province in Canada and each other country in which the Company engaged in cryptocurrency mining in the then-immediately preceding twelve-month period ending no later than the date the Employee’s employment with the Company ended. “**Non-Competition Restricted Period**” means Employee’s employment with the Company and for twelve (12) months from the date the Employee’s employment with the Company ends for any reason or such shorter period as the Company may determine in its sole discretion. “**Non-Solicitation Restricted Period**” means Employee’s employment with the Company and for twelve (12) months from the date the Employee’s employment with the Company ends for any reason. The provisions of this Section 3 shall not be violated by the Employee commencing employment with a subsidiary, division or unit of any entity that engages in the Competitive Business so long as the Employee and such subsidiary, division or unit do not engage in the Competitive Business.

#### 4. Enforcement of this Agreement

- A) The Employee agrees that the restrictions and covenants contained in this Agreement are reasonably required for the protection of the Company and its goodwill and are reasonable with respect to subject matter, time period and geographical area and that the Employee’s agreement to same constitute a material inducement to the Company to enter into a contractual relationship with the Employee and that the Company would not contract with the Employee absent such an inducement. Without limiting the generality of the foregoing, the Employee acknowledges that (x) the business of the Company will be conducted throughout the United States, Canada and other jurisdictions, (y) notwithstanding the state of organization or principal office of the Company, or any of their respective executives or employees (including the Employee), it is expected that the Company will have business activities and have valuable business relationships within its industry throughout the United States, Canada and other jurisdictions, and (z) as part of his responsibilities, the Employee will be traveling throughout the United States, Canada and other jurisdictions where the Company conducts business during the Employee’s employment with the Company in furtherance of the Company’s business and its relationships.
  - B) The Employee further agrees and acknowledges (x) that they has carefully read this Agreement and consulted with legal counsel of his choosing regarding its contents, if Employee desired to do so, has given careful consideration to the restraints imposed upon his by this Agreement and is in full accord as to their necessity for the reasonable and proper protection of confidential and proprietary information of the Company now existing or to be developed in the future, (y) that the restrictions contained in this Agreement do not preclude the Employee from earning a livelihood, nor do they unreasonably impose limitations on the Employee’s ability to earn a living, and (z) that the potential harm to the Company of the non-enforcement of any provision of this Agreement outweighs any potential harm to the Employee of its enforcement by injunction or otherwise.
  - C) In the event of any violation of the provisions of this Agreement, the Employee acknowledges and agrees that the post-termination restrictions contained in this Agreement shall be extended by a period of time equal to the period of such violation, it being the intention of the parties hereto that the running of the applicable post-termination restriction period shall be tolled during any period of such violation.
  - D) The Employee acknowledges and agrees that the Company’s remedies at law for a breach or threatened breach of any of the provisions of this Agreement would be inadequate and, in
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recognition of this fact, the Employee understands and agrees, without prejudice to any and all other rights of the Company, that in the event of his violation or attempted violation of any of the covenants contained in this Agreement, the Company, without posting any bond, shall be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy which may then be available. In addition, in the event a court having jurisdiction determines that the Employee violated any provision of this Agreement, then any severance being paid to the Employee shall immediately cease, and any severance previously paid to the Employee (other than \$1,000) shall be immediately repaid to the Company.

- E) If it is determined by a court of competent jurisdiction in any state that any restriction in this Agreement is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the laws of that state.
- F) In the event that any clause herein should be unenforceable or be declared invalid for any reason whatsoever, such enforceability or invalidity shall not affect the enforceability or validity of the remaining portions of the covenants and such unenforceable or invalid portions shall be severable from the remainder of the Agreement.
- G) This Agreement shall be construed in accordance with the laws of the State of Delaware, without reference to its principles of conflict of laws, and any disputes or differences under this Agreement shall be determined under the exclusive jurisdiction of the state and federal courts located in Delaware.

**THE EMPLOYEE'S SIGNATURE BELOW SIGNIFIES THE EMPLOYEE'S UNDERSTANDING AND IRREVOCABLE AGREEMENT OF THE TERMS SET OUT ABOVE.**

Date: 10/12/2025 \_\_\_\_\_

Employee's Signature:  \_\_\_\_\_  
F0F7293E02B349B...

Witness' Signature:  \_\_\_\_\_

Name of Witness:  \_\_\_\_\_





BACKBONE HOSTING SOLUTIONS (USA) INC.  
850 New Burton Road, Suite 201, Dover, DE 19904

August 12<sup>th</sup>, 2024

Liam Wilson  
[\*\*\*REDACTED\*\*\*]

(via: ext[\*\*\*REDACTED\*\*\*])

Re: Employment Agreement

Dear Liam:

Backbone Hosting Solutions (USA) Inc. (the "Company"), a subsidiary of Bitfarms Ltd. ("Bitfarms"), is pleased to present you an offer of employment as Chief Operating Officer (the "Agreement").

Job Title:	Chief Operating Officer
Reporting to:	Chief Executive Officer, Ben Gagnon
Employment Start Date:	August 19 <sup>th</sup> , 2024
Full time:	You will be employed on a full-time basis, for a minimum of 40 hours per week, with additional hours as required to complete your duties. As this is an exempt position, you will not be entitled to overtime pay. You will dedicate your full attention to the position and may not be engaged in any other business without the written consent of the Company. Notwithstanding anything to the contrary contained in this Agreement, you may engage in charitable or other community activities as long as such services and activities do not interfere with the performance of your duties to the Company.
Place of Work:	Your regular place of work will be from your home office in [***REDACTED***], United States. You acknowledge and agree that you must notify the Company in the event that you change the city and/or state in which you reside. You will be periodically required to travel to our office in Brossard, Quebec, Canada and to business meetings and events throughout the United States, Canada, Europe, Latin America and elsewhere. The Company will reimburse you for reasonable travel, lodging and food for all travel, according to the Bitfarms Expense and Travel policy.

Limitation on Authority:	Any authority you are provided to bind the Company must be granted by the Board of Directors of the Company (the "Company Board") or the Board of Directors of Bitfarms (the "Bitfarms Board") by way of an executed resolution of the Company Board or Bitfarms Board, as the case may be. Such authority is subject to revocation at any time and without notice.
Duties:	You shall have the normal duties and responsibilities associated with the position of Chief Operating Officer in similarly sized publicly traded companies, including those set forth in the job description attached as Appendix A, and such other duties and responsibilities that are consistent with your position as Chief Operating Officer as the Company Board or Bitfarms Board shall designate from time to time, as the case may be.
Base Salary:	US\$ 350,000.00 per annum (the "Base Salary"), less statutory deductions and withholdings, paid semi-monthly in accordance with the Company's usual payroll practices. The Base Salary may be subject to review annually, as determined by the Company Board. The Base Salary shall be effective as of your first day of employment.
Home Office Allowance:	Your regular place of work will be from your home office. To help compensate you for the costs of working from home, the Company will pay to you a Home Office Allowance of US\$ 500.00 per month. This will be a taxable benefit and will be paid to you as additional compensation through the Company's payroll system.
Stock Options:	Subject to the consent of the Bitfarms Board, Bitfarms will grant you options to purchase 250,000 common shares of Bitfarms (the "Award") pursuant to the terms of the Bitfarms Ltd. Long Term Incentive Plan (the "LTIP") and the applicable grant documentation (the "Award Documentation"), such grant to take place immediately upon the later of the Board's approval of your grant and your start date. The Award documentation shall provide that the Award shall have a five (5) year term and shall vest in accordance with the following schedule: 1/4 <sup>th</sup> of the total amount of shares granted by the Award shall vest on the date the Award is granted (the "Grant Date") and 1/4 <sup>th</sup> of the total amount of shares granted by the Award shall vest on each six month anniversary following the Grant Date until the total amount of shares granted by the Award are fully vested; <i>provided that</i> vesting shall only occur on a scheduled vesting date if your employment has not terminated prior to such vesting date. The exercise price of the options shall be the closing trading price per share of Bitfarms' common shares on the TSX Venture Exchange (or on the Nasdaq Global Market or Nasdaq Capital Market, in the event Bitfarms' common shares are listed on the Nasdaq Global Market or Nasdaq Capital Market, as the case may be) on the last trading day prior to the Grant Date.

	In the event of any conflict between the terms of this Agreement and the applicable grant documentation, the grant documentation shall prevail.
Short-Term Incentive Plan Performance Bonus:	You will be eligible to participate in the Company’s Short-Term Incentive Plan (the “STIP”), as determined in the sole discretion of the Company and its Board of Directors based on a target bonus opportunity of 60% of your Base Salary, upon the attainment of corporate and individual performance goals, and depending on the terms of the short-term incentive plan as may be in effect from time to time. The discretionary performance bonus will be payable during the first fiscal quarter of the following year (“Discretionary Performance Bonus”). The fact that a bonus is paid in one year is no guarantee that bonuses will be awarded to you in subsequent years. Bonuses, if any, will be earned and payable only upon completion of the relevant fiscal year. The payment of any bonus is (i) except as otherwise provided in this Agreement, conditional on your being in the employment of the Company on the day the bonus is paid to you by the Company in its sole discretion, and (ii) subject to the terms of the Bitfarms Clawback Policy as may exist and be in effect from time to time.
Performance-Based Awards:	You will be eligible to receive performance-based awards, details of which will be shared within the first three months of employment. No less frequently than annually, Bitfarms has and may in the future grant and issue you stock options in accordance with the terms of the Performance-Based Awards. Such stock options are at all times governed by the terms and conditions of the LTIP and any applicable agreements or terms related to individual grants, including but not limited to terms related to vesting, exercise and surrender/forfeit thereof, save and except that in no event will you receive less than your minimum entitlements pursuant to Applicable Employment Legislation.
Group Health and Insurance:	You will be entitled to participate in any employee benefit plan that the Company has adopted or may adopt, maintain or contribute to for the benefit of its senior executive employees generally, subject to satisfying the applicable eligibility requirements.  This includes the right for your immediate dependents (spouse and eligible children) to be included in the Company’s health benefit plan. The Company reserves the right to unilaterally revise or even eliminate its benefit plans at any time, consistent with applicable law.
Work Visa:	This agreement is based upon your continued eligibility to work in the United States. Bitfarms will engage in a Work Visa sponsorship process on your behalf including related expenses for yourself and your family including travel, lodging, meals and other reasonable expenses which can be incurred while the visa process takes place and you while you cannot be located within the US during this process, up to a maximum amount of USD \$15,000.00 per Work Visa renewal.

Vacation:	You will be entitled to five (5) weeks of vacation time per year with pro-rata entitlement in any partial year, subject to the Company's policies on accrual and use as may exist and be in effect from time to time. The timing of vacation periods shall be arranged at mutually agreeable times or upon approval of the Chief Executive Officer and you.
Cell Phone:	You will be issued a mobile communication device (or you may utilize your existing device) with all reasonable costs related to Company-related activities paid by the Company in accordance with the Company's policies, rules, systems, and procedures including those pertaining to corporate security policies, procedures and practices.
Expenses:	It is understood and agreed that you will incur expenses in connection with the performance of your duties under this Agreement. The Company will reimburse you for any such expenses reasonably and necessarily incurred in accordance with applicable travel and expense policies, provided that, you provide to the Company an itemized written account and receipts acceptable to the Company within thirty (30) days after they have been incurred.
Termination:	<p>(a) Due to Death or Disability: This Agreement and your employment will terminate automatically upon your death or upon ten (10) days' prior written notice by the Company due to Disability. The term "Disability" as used in this Agreement shall mean your inability to have performed your material duties hereunder due to a physical or mental injury, infirmity or incapacity for one hundred eighty (180) days (including weekends and holidays) in any 365-day period. Notwithstanding the foregoing, in the event that as a result of earlier absence because of mental or physical incapacity you incur a "separation from service" within the meaning of such term under "Code Section 409A" (as defined below) you shall on such date automatically be terminated from employment as a Disability termination. In the event that this Agreement and your employment end on account of your death or Disability, you or your estate, as applicable, shall be entitled only to (1) any unpaid Base Salary through the date of termination, (2) reimbursement for any unreimbursed business expenses incurred through the date of termination, (3) any accrued but unused vacation time in accordance with Company policy, and (4) all other payments, benefits or fringe benefits to which you shall be entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant or this Agreement (collectively, the "Accrued Benefits").</p> <p>(b) By the Company for Cause: At any time during the term of this Agreement, the Company may terminate this Agreement and your employment for Cause as defined in this Agreement. Any such termination shall be by written notice to you and effective as provided for in that notice. The term "Cause" for purposes of this Agreement shall mean:</p> <p>(1) repeated willful failure by you to promptly and adequately perform your duties to the satisfaction of the Company, which failure, if curable in the discretion of the Company, is not cured to the reasonable satisfaction of the Company within forty-five (45) days after receipt of written notice from the Company of such failure specifying the duty or duties that are not being adequately performed;</p>

- (2) willful misconduct or gross negligence in the performance of your duties to the Company that has or reasonably could be expected to have an adverse effect on the Company;
- (3) indictment for, conviction of, or pleading of guilty or nolo contendere to, a felony or any crime involving moral turpitude;
- (4) material breach of this Agreement, the Confidentiality/Non-Competition Agreement attached as Appendix B or any other agreement between you and the Company, Bitfarms or any of their affiliates;
- (5) material breach of the Company's written policies, rules, systems, and procedures as may exist and be in effect from time to time, including, but not limited to the Code of Business Conduct and Ethics, the Disclosure and Confidentiality Policy and the Securities Trading Policy, which breach, if curable in the discretion of the Company, is not cured to the reasonable satisfaction of the Company within forty-five (45) days after receipt of written notice from the Company specifying the breach; or
- (6) any act of theft, fraud, malfeasance or dishonesty in connection with the performance of your duties to the Company.

In the event that this Agreement and your employment end due to termination by the Company with Cause, you shall be entitled only to the Accrued Benefits. The definition of Cause in this Agreement shall supersede and replace and be deemed to be the definition of "Cause" in the Plan and "cause" in the LTIP Plan or such other applicable plan, as may exist and be in effect from time to time.

(c) By the Company without Cause or by you with Good Reason: Notwithstanding anything contained in this Agreement, this Agreement and your employment may be terminated by the Company at any time without Cause or by you with Good Reason (defined below). Any such termination shall be by written notice effective as provided for in that notice. The term "Good Reason" for purposes of this Agreement shall mean the occurrence of any one or more of the following events without your consent:

- (1) a material diminution in your Base Salary;
- (2) the relocation of your regular place of work by more than fifty(50) miles from the prior location;
- (3) a material diminution in your title, duties, or responsibilities (provided, however, that a diminution in your duties or responsibilities following your having given or received notice of termination of your employment or during the pendency of an internal investigation shall not under any circumstances constitute Good Reason); or
- (4) a breach by the Company or Bitfarms of any material provision of this Agreement; provided, however a resignation shall be with Good Reason only if (A) you provide written notice to the Company of the potential Good Reason trigger within thirty (30) days of the first occurrence of the potential Good Reason trigger, (B) the Company does not cure the potential Good Reason trigger within thirty (30) days of receipt of such notice, and (C) you resign your employment within ten (10) days following the expiration of the Company's 30-day cure period.

In the event your employment is terminated without Cause or for Good Reason, the Company will provide you, in addition to the Accrued Benefits, with the following (the "Separation Entitlements"):

- your Discretionary Performance Bonus for the year prior to the year in which your termination occurs (if not yet paid) and a pro-rata portion of your Discretionary Performance Bonus for the year in which your termination occurs (determined by multiplying the amount of such bonus which would be due for the full fiscal year by a fraction, the numerator of which is the number of days during the fiscal year of termination that you are employed by the Company and the denominator of which is 365), in each case payable at the same time bonuses for such year are paid to other senior executives of the Company or on the first payroll date after the sixtieth (60th) day following your termination date, whichever is later;
- the Severance Pay (as defined below); and
- subject to (A) your timely election of continuation coverage under COBRA, and (B) your continued copayment of premiums at the same level and cost to you as if you were an employee of the Company (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars), continued participation in the Company's health plan (to the extent permitted under applicable law and the terms of such plan) at the Company's expense for twelve (12) months, provided that you are eligible and remain eligible for COBRA coverage; and provided, further, that in the event that you obtain other employment that offers group health benefits, such subsidization of coverage by the Company under this section shall immediately cease.

The term "Severance Pay" for purposes of this Agreement shall mean (i) if the termination of your employment is not a Qualified Change of Control Termination (as defined below), an amount equal to your monthly Base Salary rate immediately prior to the termination of your employment, which will continue to be paid monthly for a period of twelve (12) months following your termination date; provided that the first payment shall be made on the first payroll date after the sixtieth (60th) day following your termination date and shall include payment of any amounts that would otherwise be due prior thereto; and (ii) if the termination of your employment is a Qualified Change of Control Termination, an amount equal to twenty-four (24) months of your Base Salary immediately prior to the termination of your employment, which will be paid in a lump sum on the first payroll date after the sixtieth (60th) day following your termination date (except that, to the extent any portion of the Severance Pay payable in connection with a Qualified Change of Control Termination is subject to Code Section 409A, such portion shall be paid in accordance with the schedule set forth in clause (i)).

The term "Qualified Change of Control Termination" for purposes of this Agreement shall mean the termination of your employment by the Company without Cause (other than due to death or Disability) or by you for Good Reason as a condition of, or within eighteen (18) months following, a Change of Control (as defined below) of Bitfarms.

The term "Change of Control" for purposes of this Agreement shall mean:

(1) the occurrence of one transaction or a series of transactions which results in one Person, together with any affiliates of such Person, exercising direction or control over 50% or more of Bitfarms' stock. "Person" for the purpose of this provision includes any individual, partnership, limited partnership joint venture, syndicate, sole proprietorship, company or corporation or other entity however designated or constituted;

(2) if at any time within a period of twelve (12) months, individuals who at the beginning of such period constituted the Bitfarms Board and any new directors whose appointment by the Bitfarms Board or nomination for election by shareholders of Bitfarms was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the period or whose appointment or nomination for election was previously so approved, cease for any reason to constitute a majority of the members of the Bitfarms Board;

(3) a merger or consolidation, after which Bitfarms' prior shareholders no longer control Bitfarms, or the resulting board of directors is not comprised of a majority of members who were directors of Bitfarms prior to the merger or consolidation; and/or

(4) the sale of all or substantially all of assets or the liquidation of Bitfarms, except where the sale is to an affiliate of Bitfarms.

(d) By you without Good Reason: You may terminate your employment with the Company without Good Reason upon giving no less than four (4) weeks' written notice to the Company (the "Resignation Notice Period"). The Company may waive all or part of such notice, at its sole discretion, and in such event, the Company will continue to pay your Base Salary and provide you benefits through the end of the Resignation Notice Period. In the event that this Agreement and your employment is terminated by you without Good Reason under this part (e), you shall be entitled only to the Accrued Benefits.

Upon any termination of your employment, the period to exercise any vested options is generally twelve (12) months (or the expiration date of the option, if earlier), but subject to customary exceptions as more fully outlined in the LTIP Plan.

All payments or benefits set out in this "Termination" section are in lieu of any termination or severance payments or benefits for which you otherwise may be eligible under any of the plans, policies or programs of the Company or under the Worker Adjustment Retraining Notification Act of 1988 or any similar state statute or regulation.

	Any and all amounts payable and benefits or additional rights provided pursuant to this "Termination" section beyond the Accrued Benefits shall only be payable if you deliver to the Company and do not revoke, if applicable, a general release of claims in favor of the Company in a form reasonably satisfactory to the Company. Such release shall be executed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following termination.
Standards of Employment:	You agree that you will adhere to all the Company's written policies, rules, systems, and procedures which are in place at the Company. For greater certainty, this includes all written policies, rules, systems, and procedures which are in place for the Company, including, but not limited to the Code of Business Conduct and Ethics, the Disclosure and Confidentiality Policy and the Securities Trading Policy. The Company reserves the right to change the provisions of any of these at any time.
Confidentiality/Non-Competition:	You are required to execute the Agreement Regarding Confidentiality, Non-Solicitation, Non-Competition and Intellectual Property attached as Appendix B as a condition of this offer of employment.
Return of Property:	Upon termination, howsoever caused, you shall surrender to a representative of the Company, upon request, all keys, manuals, lists, correspondence, monies, supplies, employee lists, and all other material and records, or other Company property of any kind that may be in your possession at such time.
Set-Off:	You authorize the Company to deduct from any payment due to you at any time, including from a termination or severance payment, any amounts owed to the Company by reason of purchases, advances, loans or in recompense for damages to or loss of the Company's property and equipment save only that this provision shall be applied so as not to conflict with any applicable legislation.
Assignment and Benefit:	The Company shall have the right to assign this Agreement (including any policies or agreements referenced in this Agreement) without consideration or advance notice to you, to its successors and assigns, including without limitation, to any of its parents, subsidiaries or any of its affiliates or to any purchaser of all or substantially all of the Company's equity or assets.
Entire Agreement:	This Agreement supersedes and replaces all prior or contemporaneous negotiations and/or agreements made between the parties, whether oral or written and the execution of this Agreement has not been induced by, nor do any of the parties hereto rely upon or regard as material any representations or writings whatsoever not incorporated into and made a part of this Agreement. This Agreement, the Agreement Regarding Confidentiality, Non-Solicitation, Non-Competition and Intellectual Property, any agreements referenced herein, and the Company's policies and procedures as they may be changed from time to time, shall constitute the entire agreement between the parties with respect to all matters relating to your employment.

Withholdings:	All payments to you or other entitlements under this Agreement or accruing as a result of your employment with the Company shall be less applicable withholdings and deductions.
Modification:	Any modification to this Agreement must be in writing and signed by the parties or it shall have no effect and shall be void.
Headings:	The headings used in this Agreement are for convenience only and are not to be construed in any way as additions to or limitations of the covenants and agreements contained in it.
Governing Law:	This Agreement shall be construed in accordance with the laws of the State of Tennessee, without reference to its principles of conflict of laws, and any disputes or differences under this Agreement shall be determined under the exclusive jurisdiction of the state and federal courts located in Tennessee.
Counterparts:	This Agreement may be executed in any number of counterparts, each of which, when executed, will be deemed to be an original, but all of which together will constitute one and the same agreement.
Conditions:	You agree that this Agreement is contingent on the following:  Your satisfactory completion of standard background checks;  Your executing the Agreement Regarding Confidentiality, Non-Solicitation, Non-Competition and Intellectual Property Agreement; and  Proof of your authorization to work in the United States.
Code Section 409A Compliance:	The intent of the parties is that payments and benefits under this Agreement comply with, or be exempt from, Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations and guidance promulgated thereunder (collectively "Code Section 409A"), to the extent subject there to, and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to comply therewith. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on you by Code Section 409A or damages for failing to comply with Code Section 409A.

	<p>Notwithstanding anything herein to the contrary, (i) the Separation Entitlements shall be paid only in connection with a termination of your employment that constitutes a “separation from service” within the meaning of Code Section 409A and (ii) if you are a “specified employee” as such term is defined under Code Section 409A, payment of the Separation Entitlements shall be delayed for a period of six (6) months following your separation of employment to the extent and up to an amount necessary to ensure such payments are not subject to the penalties and interest under Code Section 409A. If the payments are delayed as a result of the previous sentence, then on the first business day following the end of such six (6) month period (or such earlier date upon which such amount can be paid under Code Section 409A without resulting in a prohibited distribution), the Company shall pay you a lumpsum amount equal to the cumulative amount that would have otherwise been payable to you during such period.</p> <p>For purposes of compliance with Code Section 409A, (i) all expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by you, (ii) any right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit and (iii) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.</p> <p>For purposes of Code Section 409A, your right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.</p> <p>Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes “nonqualified deferred compensation” for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.</p>
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In order to confirm your acceptance of this Agreement with the Company, please sign and date where indicated below, and return an original copy of this letter to my attention.

If you have any questions concerning this employment contract, please do not hesitate to contact me directly.

Sincerely,

/s/ Andrea Keen

Andrea Keen  
Vice President, Human Resources

ACCEPTANCE:

I have received a copy of this Agreement. I have read, considered, and understood and I hereby accept the terms and conditions of this Agreement. This Agreement and my employment hereunder have not been induced by any representations of the Company not contained herein.

Date: 19 August, 2024

Signature:  \_\_\_\_\_

## APPENDIX A

### **Purpose of the role**

As COO of Bitfarms, you will be working with staff, other senior managers and reporting to the CEO. You will help develop and refine Bitfarms' operational procedures and systems, key performance indicators and methods of tracking, operating dashboards internal reporting, and corporate development strategy (which shall include evaluation and integration of mergers, acquisitions, and other opportunities) to create accretive growth and maximize shareholder value, as well as have oversight over corporate administration functions

### **Key Responsibilities**

#### Operational Oversight and Strategy:

- Overseeing day-to-day operations, business activities, and administration function
- Implementing operational policies, procedures, and strategies aligned with company goals
- Monitoring performance metrics, KPIs, and revenue streams to optimize operational success
- Developing actionable business strategies, objectives, and plans for short- and longterm alignment
- Analyzing and improving workflows, processes, systems, financial procedures, and organizational policies

#### **Team Management and Leadership:**

- Managing internal teams and departments to ensure coordination, alignment, and employee productivity
- Providing leadership, guidance, mentorship, and co-operative support to employees, senior management, and the Board
- Strategically organizing, coordinating, and collaborating with employees from various departments and locations
- Building a highly inclusive culture, maintaining relationships, and supporting strategic endeavors with stakeholders and partners

#### **Operational Efficiency and Innovation:**

- Identifying opportunities for cost reduction, operational improvement, and revenue strategy optimization
- Ensuring compliance with regulatory requirements, industry standards, and driving innovation

- Assessing and implementing improved processes, new technologies, and financial programs
- Reporting and responding to Board requests, attending internal and external meetings, and supporting the organizational vision and mission

By categorizing the responsibilities into these three key areas, the COO can effectively manage operational oversight, team leadership, and strategic innovation to drive the company's growth and success.

In furtherance of the foregoing, in your role of COO you shall develop an annual plan of objectives, implementation strategies, milestones, deliverables and target performance which shall be agreed to by the Board of directors, and which shall be monitored bi-weekly and shall be the basis of performance reviews. You will be invited to participate in meetings with senior management and the Board from time to time.

Subject to limited exceptions herein, you will devote all of your attention, skill and effort to the business of Bitfarms on a full-time basis and shall be required at all times to conduct yourself with the highest level of integrity and in compliance with all Bitfarms policies in effect from time to time. You will duly and diligently perform all the duties assigned to you while in the employ of Bitfarms.

APPENDIX B

AGREEMENT REGARDING CONFIDENTIALITY, NON-SOLICITATION,  
NON-COMPETITION AND INTELLECTUAL PROPERTY

WHEREAS Liam Wilson (herein the "Employee"), and BACKBONE HOSTING SOLUTIONS (USA) INC. herein, desire to enter into a contractual relationship,

AND WHEREAS the Employee will necessarily be involved, as a consequence of her duties as an employee, with information and processes, the disclosure of which could be to the great detriment of Backbone Hosting Solutions (USA) Inc. and its affiliates (including without limitation, Bitfarms LTD. and all of its subsidiaries and related entities) (collectively, the "Company");

AND WHEREAS the Employee acknowledges that although current operations and oversight exist only in Canada, the United States and Latin America, future business activities of the Company could exist elsewhere throughout the world.

NOW THEREFORE, in consideration of the Company's entering into a contractual relationship with the Employee, and for other good and valuable consideration, the receipt and sufficiency of which is hereby irrevocably acknowledged, the parties agree to the following terms of this Agreement Regarding Confidentiality, Non-Solicitation, Non-Competition and Intellectual Property (this "Agreement"):

1. Confidential Information

- A) "Confidential Information" as used in this Agreement includes but is not limited to information emanating from or relating to the Company, its associates, employees, agents, suppliers or tenants, or conceived or developed by the Employee concerning (i) property and resource data, (ii) information with respect to option and joint venture counterparties, (iii) capital markets and strategies, (iv) research, development, copyright, trade mark, and other industrial and intellectual property rights, and (v) records, statistics, financial information, training and promotional policies, costs, pricing and sourcing.
- B) The Employee acknowledges that such Confidential Information could be used to the detriment of the Company and that the disclosure of such Confidential Information could cause irreparable harm to the Company. Accordingly, the Employee undertakes to treat confidentially all Confidential Information and not to disclose or provide it to any third party or to use it for any purpose either during the Employee's tenure except as may be necessary in the proper discharge of the Employee's duties, or for any reason after the conclusion of the Employee's relationship with the Company.
- C) Nothing in this Agreement or any other agreement with the Company shall be interpreted or applied to prohibit the Employee from (a) voluntarily communicating with an attorney retained by the Employee, (b) voluntarily communicating with or testifying before any law enforcement or government agency, including the Securities and Exchange Commission ("SEC"), the National Labor Relations Board ("NLRB"), the United States Department of Labor, any Attorney General, the Equal Employment Opportunity Commission, or any other state or local commission on human rights, or any self-regulatory organization, or otherwise initiating, assisting with, or participating in any manner with an investigation conducted by such government agency, in each case, regarding possible violations of law and without advance notice to the Company, (c) seeking and obtaining payment or an award from the SEC, pursuant to Section 21F of the Securities Exchange Act of 1934, as amended, or obtaining any other "whistleblower" award, to the extent such right cannot by law be waived, (d) disclosing any information (including, without limitation, Confidential Information) to a court or other administrative or legislative body in response to any subpoena, court order or written request, provided that with respect to any subpoena, court order or written request on behalf of any non-governmental person, the Employee uses commercially reasonable efforts to cooperate with any effort by the Company to seek to challenge the subpoena, court order or written request on behalf of any non-governmental person or obtain a protective order limiting its disclosure, or other appropriate remedy, (e) filing or disclosing any facts necessary to receive unemployment insurance, Medicaid or other public benefits to which the Employee is entitled, (f) disclosing the underlying facts or circumstances relating to claims of discrimination, in violation of laws prohibiting discrimination, against the Company or making truthful statements or disclosures related to unlawful discrimination, harassment or retaliation, or otherwise discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that the Employee has reason to believe is unlawful, or (g) enforcing the Employee's Section 7 rights under the National Labor Relations Act, participating in Section 7 activity (including the right to communicate with former coworkers and/or third parties about terms and conditions of employment or labor disputes, unrelated to the amount of severance pay under this Agreement) or otherwise cooperating through investigation, testimony, or otherwise with the National Labor Relations Board, the Securities and Exchange Commission or any other administrative agency or court. In addition, for the avoidance of doubt, pursuant to the federal Defend Trade Secrets Act of 2016, the Employee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (x) is made (A) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (y) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

2. Ownership and Assignment of Intellectual Property

- A) All notes, data, computer files, reference items, sketches, drawings, memoranda, records and other materials (including tools and data), in any way relating to any of the Confidential Information or to the Company's business, produced by the Employee or coming into the Employee's possession by or through the Employee's relationship with the Company, shall belong exclusively to the Company. The Employee agrees to turn over to the Company all copies (including hard and electronic) of any such materials in her possession or under his control, forthwith, at the request of the Company or, in the absence of a request, on the date his contractual relationship with the Company ends.
- B) "Subject Inventions" shall include all inventions, improvements or discoveries made or conceived by the Employee, during the term of the Employee's relationship with the Company, either solely or jointly with others, arising out of or in any way connected to the Employee's employment or with the use of the Company's time, equipment, material, supplied facilities, or related to or suggested by trade secret information or other private or Confidential Information or related to the Company's actual or demonstrably anticipated research and development acquired by the Employee during the term of the Employee's contractual relationship.
- C) The Employee agrees (i) to disclose fully, promptly and in writing the existence of and details of all Subject Inventions, (ii) that Subject Inventions are the sole and exclusive property of the Company, (iii) upon receipt of the written request of the Company, to assign to the Company, in a form and manner acceptable solely to the Company, all of the Employee's rights (including where applicable moral rights), title and interest in and to all Subject Inventions, and (iv) upon receipt of the written request of the Company, to provide all assistance necessary, both during and after the Employee's contractual relationship to enable the Company to successfully defend (or prosecute as the case may be), any litigation arising out of a dispute related to Subject Inventions.
- D) In addition, the Subject Inventions will be deemed Work for Hire, as such term is defined under the copyright laws of the United States, on behalf of the Company and the Employee agrees that the Company will be the sole owner of the Subject Inventions, and all underlying rights therein, in all media now known or hereinafter devised, throughout the universe and in perpetuity without any further obligations to the Employee. To the extent that any copyrightable work is not a Work for Hire, the Employee hereby assigns and agrees to assign to the Company all right, title, and interest, including without limitation, copyright in and to such copyrightable work.

3. Non-Competition and Non-Solicitation

- A) The Employee acknowledges that in the course of his employment with the Company he will become familiar with the Company's trade secrets and with other confidential information concerning the Company and that his services will be of special, unique and extraordinary value to the Company that are irreplaceable, and that the Employee's performance of such services to a Competitive Business will result in irreparable harm to the Company. Accordingly, the Employee agrees that, the Employee will not, directly or indirectly, or in any capacity whatsoever, including but not limited to, as an employee, principal, partner, agent, consultant, advisor or shareholder (holding more than 1% of issued and outstanding shares of) or in partnership or association with any other person, firm, corporation, association or other entity:
- i) during the Non-Competition Restricted Period, (a) become employed by or otherwise serve, in each case, in a management or executive-level role with, or (b) provide consulting, advisory, business, investment, strategic, sales, financial, operational, or technical advice or services (in each case, to the extent that Employee provided such advice or services to the Company at any time during Employee's employment with the Company), to, in each case, any other person or entity engaged in, or preparing to engage in, Competitive Business, in the Restricted Territory (as defined below), or
  - ii) during the Non-Solicitation Restricted Period (as defined below), solicit, aid or induce any employee, representative or agent of the Company to leave such employment or retention or to accept employment with or render services to or with any other person, firm, corporation or other entity unaffiliated with the Company or hire or retain any such employee, representative or agent, or take any action to materially assist or aid any other person, firm, corporation or other entity in identifying, hiring or soliciting any such employee, representative or agent. An employee, representative or agent shall be deemed covered by this Section 3(A)(ii) while so employed or retained and for a period of six (6) months thereafter; or
  - iii) during the Non-Solicitation Restricted Period, induce or attempt to induce any current or prospective customer, supplier, trade partner, licensee or other business relation of the Company with whom Employee had contact or about whom Employee learned, accessed or developed Confidential Information during employment with the Company, to cease doing business with the Company or in any way interfere with the relationship between any such customer, supplier, trade partner, licensee or other business relation and the Company.

For purposes of this Agreement, "Competitive Business" means a business, (x) the majority of the revenues of which are derived from cryptocurrency mining and (y) the majority of whose crypto mining activities occur in the Restricted Territory. "Restricted Territory" means each state in the United States, each province in Canada and each other country in which the Company engaged in cryptocurrency mining in the then-immediately preceding twelve-month period ending no later than the date the Employee's employment with the Company ended. "Non-Competition Restricted Period" means Employee's employment with the Company and for twelve (12) months from the date the Employee's employment with the Company ends for any reason or such shorter period as the Company may determine in its sole discretion. "Non-Solicitation Restricted Period" means Employee's employment with the Company and for twelve (12) months from the date the Employee's employment with the Company ends for any reason. The provisions of this Section 3 shall not be violated by the Employee commencing employment with a subsidiary, division or unit of any entity that engages in the Competitive Business so long as the Employee and such subsidiary, division or unit do not engage in the Competitive Business.

4. Enforcement of this Agreement

- A) The Employee agrees that the restrictions and covenants contained in this Agreement are reasonably required for the protection of the Company and its goodwill and are reasonable with respect to subject matter, time period and geographical area and that the Employee's agreement to same constitute a material inducement to the Company to enter into a contractual relationship with the Employee and that the Company would not contract with the Employee absent such an inducement. Without limiting the generality of the foregoing, the Employee acknowledges that (x) the business of the Company will be conducted throughout the United States, Canada and other jurisdictions, (y) notwithstanding the state of organization or principal office of the Company, or any of their respective executives or employees (including the Employee), it is expected that the Company will have business activities and have valuable business relationships within its industry throughout the United States, Canada and other jurisdictions, and (z) as part of her responsibilities, the Employee will be traveling throughout the United States, Canada and other jurisdictions where the Company conducts business during the Employee's employment with the Company in furtherance of the Company's business and its relationships.
- B) The Employee further agrees and acknowledges (x) that he has carefully read this Agreement and consulted with legal counsel of his choosing regarding its contents, if Employee desired to do so, has given careful consideration to the restraints imposed upon him by this Agreement and is in full accord as to their necessity for the reasonable and proper protection of confidential and proprietary information of the Company now existing or to be developed in the future, (y) that the restrictions contained in this Agreement do not preclude the Employee from earning a livelihood, nor do they unreasonably impose limitations on the Employee's ability to earn a living, and (z) that the potential harm to the Company of the non-enforcement of any provision of this Agreement outweighs any potential harm to the Employee of its enforcement by injunction or otherwise.
- C) In the event of any violation of the provisions of this Agreement, the Employee acknowledges and agrees that the post-termination restrictions contained in this Agreement shall be extended by a period of time equal to the period of such violation, it being the intention of the parties hereto that the running of the applicable post-termination restriction period shall be tolled during any period of such violation.

- D) The Employee acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of this Agreement would be inadequate and, in recognition of this fact, the Employee understands and agrees, without prejudice to any and all other rights of the Company, that in the event of her violation or attempted violation of any of the covenants contained in this Agreement, the Company, without posting any bond, shall be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy which may then be available. In addition, in the event a court having jurisdiction determines that the Employee violated any provision of this Agreement, then any severance being paid to the Employee shall immediately cease, and any severance previously paid to the Employee (other than \$1,000) shall be immediately repaid to the Company.
- E) If it is determined by a court of competent jurisdiction in any state that any restriction in this Agreement is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the laws of that state.
- F) In the event that any clause herein should be unenforceable or be declared invalid for any reason whatsoever, such enforceability or invalidity shall not affect the enforceability or validity of the remaining portions of the covenants and such unenforceable or invalid portions shall be severable from the remainder of the Agreement.
- G) This Agreement shall be construed in accordance with the laws of the State of Tennessee, without reference to its principles of conflict of laws, and any disputes or differences under this Agreement shall be determined under the exclusive jurisdiction of the state and federal courts located in Tennessee.

THE EMPLOYEE'S SIGNATURE BELOW SIGNIFIES THE EMPLOYEE'S UNDERSTANDING AND IRREVOCABLE AGREEMENT OF THE TERMS SET OUT ABOVE.

Date : 19 August 2024

Employee's Signature:  \_\_\_\_\_

Witness Signature: \*\*\*REDACTED\*\*\*

Name of Witness: \*\*\*REDACTED\*\*\*

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**BACKBONE HOSTING SOLUTIONS (USA) INC.**  
 850 New Burton Road, Suite 201, Dover, DE 19904

Rachel Silverstein  
 [\*\*\*REDACTED\*\*\*]

([\*\*\*REDACTED\*\*\*])

Re: Employment Agreement

Dear Rachel,

Backbone Hosting Solutions (USA) Inc. (the "Company"), a subsidiary of Bitfarms Ltd. ("Bitfarms"), is pleased to present you an offer of employment as General Counsel, USA (the "Agreement").

Job Title:	General Counsel, USA
Reporting to:	Chief Operating Officer
Employment Start Date:	2024-11-04
Full time:	You will be employed on a full-time basis, for a minimum of 40 hours per week, with additional hours as required to complete your duties. As this is an exempt position, you will not be entitled to overtime pay. You will dedicate your full attention to the position and may not be engaged in any other business without the written consent of the Company. Notwithstanding anything to the contrary contained in this Agreement, you may engage in charitable or other community activities as long as such services and activities do not interfere with the performance of your duties to the Company.
Place of Work:	Your regular place of work will be from your home office in [***REDACTED***], United States. You acknowledge and agree that you must notify the Company in the event that you change the city and/or state in which you reside. You will be periodically required to travel to our office in Brossard, Quebec, Canada and to business meetings and events throughout the United States, Canada, Europe, Latin America and elsewhere. The Company will reimburse you for reasonable travel, lodging and food for all travel, according to the Bitfarms Expense and Travel policy.
Limitation on Authority:	Any authority you are provided to bind the Company must be granted by the Board of Directors of the Company (the "Company Board") or the Board of Directors of Bitfarms (the "Bitfarms Board") by way of an executed resolution of the Company Board or Bitfarms Board, as the case may be. Such authority is subject to revocation at any time and without notice.
Duties:	You shall have the normal duties and responsibilities associated with the position of General Counsel, USA in similarly sized publicly traded companies, including those set forth in the job description attached as Appendix A, and such other duties and responsibilities that are consistent with your position as General Counsel, USA as the Company Board or Bitfarms Board shall designate from time to time, as the case may be.

Base Salary:	US\$325000 per annum (the "Base Salary"), less statutory deductions and withholdings, paid semi-monthly in accordance with the Company's usual payroll practices. The Base Salary may be subject to review annually, as determined by the Company Board. The Base Salary shall be effective as of your first day of employment.
Home Office Allowance:	Your regular place of work will be from your home office. To help compensate you for the costs of working from home, the Company will pay to you a Home Office Allowance of US\$500 per month. This will be a taxable benefit and will be paid to you as additional compensation through the Company's payroll system.
Stock Options:	<p>Subject to the consent of the Bitfarms Board, Bitfarms will grant you options to purchase 145,000 common shares of Bitfarms (the "Award") pursuant to the terms of the Bitfarms Ltd. Long Term Incentive Plan (the "LTIP") and the applicable grant documentation (the "Award Documentation"), such grant to take place immediately upon the later of the Board's approval of your grant and your start date. The Award documentation shall provide that the Award shall have a five (5) year term and shall vest in accordance with the following schedule: 1/4<sup>th</sup> of the total amount of shares granted by the Award shall vest on the date the Award is granted (the "Grant Date") and 1/4<sup>th</sup> of the total amount of shares granted by the Award shall vest on each six month anniversary following the Grant Date until the total amount of shares granted by the Award are fully vested; provided that vesting shall only occur on a scheduled vesting date if your employment has not terminated prior to such vesting date. The exercise price of the options shall be the closing trading price per share of Bitfarms' common shares on the TSX Venture Exchange (or on the Nasdaq Global Market or Nasdaq Capital Market, in the event Bitfarms' common shares are listed on the Nasdaq Global Market or Nasdaq Capital Market, as the case may be) on the last trading day prior to the Grant Date.</p> <p>In the event of any conflict between the terms of this Agreement and the applicable grant documentation, the grant documentation shall prevail.</p>
Short-Term Incentive Plan Performance Bonus:	You will be eligible to participate in the Company's Short-Term Incentive Plan (the "STIP"), as determined in the sole discretion of the Company and its Board of Directors based on a target bonus opportunity of 30% of your Base Salary, upon the attainment of corporate and individual performance goals, and depending on the terms of the short-term incentive plan as may be in effect from time to time. The discretionary performance bonus will be payable during the first fiscal quarter of the following year ("Discretionary Performance Bonus"). The fact that a bonus is paid in one year is no guarantee that bonuses will be awarded to you in subsequent years. Bonuses, if any, will be earned and payable only upon completion of the relevant fiscal year. The payment of any bonus is (i) except as otherwise provided in this Agreement, conditional on your being in the employment of the Company on the day the bonus is paid to you by the Company in its sole discretion, and (ii) subject to the terms of the Bitfarms Clawback Policy as may exist and be in effect from time to time.
Group Health and Insurance:	<p>You will be entitled to participate in any employee benefit plan that the Company has adopted or may adopt, maintain or contribute to for the benefit of its senior executive employees generally, subject to satisfying the applicable eligibility requirements.</p> <p>The Company reserves the right to unilaterally revise or even eliminate its benefit plans at any time, consistent with applicable law.</p>
Vacation:	You will be entitled to four (4) weeks of vacation time per year with pro-rata entitlement in any partial year, subject to the Company's policies on accrual and use as may exist and be in effect from time to time. The timing of vacation periods shall be arranged at mutually agreeable times or upon approval of the Chief Operating Officer and you.
Cell Phone:	You will be issued a mobile communication device (or you may utilize your existing device) with all reasonable costs related to Company-related activities paid by the Company in accordance with the Company's policies, rules, systems, and procedures including those pertaining to corporate security policies, procedures and practices.

Expenses:	It is understood and agreed that you will incur expenses in connection with the performance of your duties under this Agreement. The Company will reimburse you for any such expenses reasonably and necessarily incurred in accordance with applicable travel and expense policies, provided that, you provide to the Company an itemized written account and receipts acceptable to the Company within thirty (30) days after they have been incurred.
Termination:	<p>(a) Due to Death or Disability: This Agreement and your employment will terminate automatically upon your death or upon ten (10) days' prior written notice by the Company due to Disability. The term "Disability" as used in this Agreement shall mean your inability to have performed your material duties hereunder due to a physical or mental injury, infirmity or incapacity for one hundred eighty (180) days (including weekends and holidays) in any 365-day period. Notwithstanding the foregoing, in the event that as a result of earlier absence because of mental or physical incapacity you incur a "separation from service" within the meaning of such term under "Code Section 409A" (as defined below) you shall on such date automatically be terminated from employment as a Disability termination. In the event that this Agreement and your employment end on account of your death or Disability, you or your estate, as applicable, shall be entitled only to (1) any unpaid Base Salary through the date of termination, (2) reimbursement for any unreimbursed business expenses incurred through the date of termination, (3) any accrued but unused vacation time in accordance with Company policy, and (4) all other payments, benefits or fringe benefits to which you shall be entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant or this Agreement (collectively, the "Accrued Benefits").</p> <p>(b) By the Company for Cause: At any time during the term of this Agreement, the Company may terminate this Agreement and your employment for Cause as defined in this Agreement. Any such termination shall be by written notice to you and effective as provided for in that notice. The term "Cause" for purposes of this Agreement shall mean:</p> <ol style="list-style-type: none"> <li>(1) repeated willful failure by you to promptly and adequately perform your duties to the satisfaction of the Company, which failure, if curable in the discretion of the Company, is not cured to the reasonable satisfaction of the Company within forty- five (45) days after receipt of written notice from the Company of such failure specifying the duty or duties that are not being adequately performed;</li> <li>(2) willful misconduct or gross negligence in the performance of your duties to the Company that has or reasonably could be expected to have an adverse effect on the Company;</li> <li>(3) indictment for, conviction of, or pleading of guilty or nolo contendere to, a felony or any crime involving moral turpitude;</li> <li>(4) material breach of this Agreement, the Confidentiality/Non-Competition Agreement attached as Appendix B or any other agreement between you and the Company, Bitfarms or any of their affiliates;</li> <li>(5) material breach of the Company's written policies, rules, systems, and procedures as may exist and be in effect from time to time, including, but not limited to the Code of Business Conduct and Ethics, the Disclosure and Confidentiality Policy and the Securities Trading Policy, which breach, if curable in the discretion of the Company, is not cured to the reasonable satisfaction of the Company within forty-five (45) days after receipt of written notice from the Company specifying the breach; or</li> <li>(6) any act of theft, fraud, malfeasance or dishonesty in connection with the performance of your duties to the Company.</li> </ol> <p>In the event that this Agreement and your employment end due to termination by the Company with Cause, you shall be entitled only to the Accrued Benefits. The definition of Cause in this Agreement shall supersede and replace and be deemed to be the definition of "Cause" in the Plan and "cause" in the LTIP Plan or such other applicable plan, as may exist and be in effect from time to time.</p> <p>(c) By the Company without Cause or by you with Good Reason: Notwithstanding anything contained in this Agreement, this Agreement and your employment may be terminated by the Company at any time without Cause or by you with Good Reason (defined below). Any such termination shall be by written notice effective as provided for in that notice. The term "Good Reason" for purposes of this Agreement shall mean the occurrence of any one or more of the following events without your consent:</p> <ol style="list-style-type: none"> <li>(1) a material diminution in your Base Salary;</li> <li>(2) the relocation of your regular place of work by more than fifty (50) miles from the prior location;</li> </ol>

(3) a material diminution in your title, duties, or responsibilities (provided, however, that a diminution in your duties or responsibilities following your having given or received notice of termination of your employment or during the pendency of an internal investigation shall not under any circumstances constitute Good Reason); or

(4) a breach by the Company or Bitfarms of any material provision of this Agreement; provided, however a resignation shall be with Good Reason only if (A) you provide written notice to the Company of the potential Good Reason trigger within thirty (30) days of the first occurrence of the potential Good Reason trigger, (B) the Company does not cure the potential Good Reason trigger within thirty (30) days of receipt of such notice, and (C) you resign your employment within ten (10) days following the expiration of the Company's 30-day cure period.

In the event your employment is terminated without Cause or for Good Reason, the Company will provide you, in addition to the Accrued Benefits, with the following (the "Separation Entitlements"):

- your Discretionary Performance Bonus for the year prior to the year in which your termination occurs (if not yet paid) and a pro-rata portion of your Discretionary Performance Bonus for the year in which your termination occurs (determined by multiplying the amount of such bonus which would be due for the full fiscal year by a fraction, the numerator of which is the number of days during the fiscal year of termination that you are employed by the Company and the denominator of which is 365), in each case payable at the same time bonuses for such year are paid to other senior executives of the Company or on the first payroll date after the sixtieth (60th) day following your termination date, whichever is later; the Severance Pay (as defined below); and subject to (A) your timely election of continuation coverage under COBRA, and (B) your continued copayment of premiums at the same level and cost to you as if you were an employee of the Company (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars), continued participation in the Company's health plan (to the extent permitted under applicable law and the terms of such plan) at the Company's expense for six (6) months, provided that you are eligible and remain eligible for COBRA coverage; and provided, further, that in the event that you obtain other employment that offers group health benefits, such subsidization of coverage by the Company under this section shall immediately cease.

The term "Severance Pay" for purposes of this Agreement shall mean (i) if the termination of your employment is not a Qualified Change of Control Termination (as defined below), an amount equal to your monthly Base Salary rate immediately prior to the termination of your employment, which will continue to be paid monthly for a period of six (6) months following your termination date; provided that the first payment shall be made on the first payroll date after the sixtieth (60th) day following your termination date and shall include payment of any amounts that would otherwise be due prior thereto; and (ii) if the termination of your employment is a Qualified Change of Control Termination, an amount equal to eighteen (18) months of your Base Salary immediately prior to the termination of your employment, which will be paid in a lump sum on the first payroll date after the sixtieth (60th) day following your termination date (except that, to the extent any portion of the Severance Pay payable in connection with a Qualified Change of Control Termination is subject to Code Section 409A, such portion shall be paid in accordance with the schedule set forth in clause (i)).

The term "Qualified Change of Control Termination" for purposes of this Agreement shall mean the termination of your employment by the Company without Cause (other than due to death or Disability) or by you for Good Reason as a condition of, or within eighteen (18) months following, a Change of Control (as defined below) of Bitfarms.

The term "Change of Control" for purposes of this Agreement shall mean:

(1) the occurrence of one transaction or a series of transactions which results in one Person, together with any affiliates of such Person, exercising direction or control over 50% or more of Bitfarms' stock. "Person" for the purpose of this provision includes any individual, partnership, limited partnership joint venture, syndicate, sole proprietorship, company or corporation or other entity however designated or constituted;

(2) if at any time within a period of twelve (12) months, individuals who at the beginning of such period constituted the Bitfarms Board and any new directors whose appointment by the Bitfarms Board or nomination for election by shareholders of Bitfarms was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the period or whose appointment or nomination for election was previously so approved, cease for any reason to constitute a majority of the members of the Bitfarms Board;

(3) a merger or consolidation, after which Bitfarms' prior shareholders no longer control Bitfarms, or the resulting board of directors is not comprised of a majority of members who were directors of Bitfarms prior to the merger or consolidation; and/or

	<p>(4) the sale of all or substantially all of assets or the liquidation of Bitfarms, except where the sale is to an affiliate of Bitfarms.</p> <p>(d) By you without Good Reason: You may terminate your employment with the Company without Good Reason upon giving no less than four (4) weeks' written notice to the Company (the "Resignation Notice Period"). The Company may waive all or part of such notice, at its sole discretion, and in such event, the Company will continue to pay your Base Salary and provide you benefits through the end of the Resignation Notice Period. In the event that this Agreement and your employment is terminated by you without Good Reason under this part (e), you shall be entitled only to the Accrued Benefits.</p> <p>Upon a Qualified Change of Control Termination, or termination by the Company without Cause or by you with Good Reason, all unvested options granted to you shall immediately vest. For greater certainty, upon termination of your employment at any time for Cause, without Good Reason or due to death or Disability, all unvested options granted to you shall be forfeited, according to the conditions of the LTIP Plan.</p> <p>Upon any termination of your employment, the period to exercise any vested options is generally twelve (12) months (or the expiration date of the option, if earlier), but subject to customary exceptions as more fully outlined in the LTIP Plan.</p> <p>All payments or benefits set out in this "Termination" section are in lieu of any termination or severance payments or benefits for which you otherwise may be eligible under any of the plans, policies or programs of the Company or under the Worker Adjustment Retraining Notification Act of 1988 or any similar state statute or regulation.</p> <p>Any and all amounts payable and benefits or additional rights provided pursuant to this "Termination" section beyond the Accrued Benefits shall only be payable if you deliver to the Company and do not revoke, if applicable, a general release of claims in favor of the Company in a form reasonably satisfactory to the Company. Such release shall be executed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following termination.</p>
Standards of Employment:	You agree that you will adhere to all the Company's written policies, rules, systems, and procedures which are in place at the Company. For greater certainty, this includes all written policies, rules, systems, and procedures which are in place for the Company, including, but not limited to the Code of Business Conduct and Ethics, the Disclosure and Confidentiality Policy and the Securities Trading Policy. The Company reserves the right to change the provisions of any of these at any time.
Confidentiality/Non-Competition:	You are required to execute the Agreement Regarding Confidentiality, Non-Solicitation, Non-Competition and Intellectual Property attached as Appendix B as a condition of this offer of employment.
Return of Property:	Upon termination, howsoever caused, you shall surrender to a representative of the Company, upon request, all keys, manuals, lists, correspondence, monies, supplies, employee lists, and all other material and records, or other Company property of any kind that may be in your possession at such time.
Set-Off:	You authorize the Company to deduct from any payment due to you at any time, including from a termination or severance payment, any amounts owed to the Company by reason of purchases, advances, loans or in recompense for damages to or loss of the Company's property and equipment save only that this provision shall be applied so as not to conflict with any applicable legislation.
Assignment and Benefit:	The Company shall have the right to assign this Agreement (including any policies or agreements referenced in this Agreement) without consideration or advance notice to you, to its successors and assigns, including without limitation, to any of its parents, subsidiaries or any of its affiliates or to any purchaser of all or substantially all of the Company's equity or assets.

Entire Agreement:	This Agreement supersedes and replaces all prior or contemporaneous negotiations and/or agreements made between the parties, whether oral or written and the execution of this Agreement has not been induced by, nor do any of the parties hereto rely upon or regard as material any representations or writings whatsoever not incorporated into and made a part of this Agreement. This Agreement, the Agreement Regarding Confidentiality, Non-Solicitation, Non-Competition and Intellectual Property, any agreements referenced herein, and the Company's policies and procedures as they may be changed from time to time, shall constitute the entire agreement between the parties with respect to all matters relating to your employment.
Withholdings:	All payments to you or other entitlements under this Agreement or accruing as a result of your employment with the Company shall be less applicable withholdings and deductions.
Modification:	Any modification to this Agreement must be in writing and signed by the parties or it shall have no effect and shall be void.
Headings:	The headings used in this Agreement are for convenience only and are not to be construed in any way as additions to or limitations of the covenants and agreements contained in it.
Governing Law:	This Agreement shall be construed in accordance with the laws of the State of Nevada, without reference to its principles of conflict of laws, and any disputes or differences under this Agreement shall be determined under the exclusive jurisdiction of the state and federal courts located in Nevada.
Counterparts:	This Agreement may be executed in any number of counterparts, each of which, when executed, will be deemed to be an original, but all of which together will constitute one and the same agreement.
Conditions:	You agree that this Agreement is contingent on the following:  Your executing the Agreement Regarding Confidentiality, Non-Solicitation, Non- Competition and Intellectual Property Agreement; and  Proof of your authorization to work in the United States.

Code Section 409A Compliance:	<p>The intent of the parties is that payments and benefits under this Agreement comply with, or be exempt from, Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations and guidance promulgated thereunder (collectively "Code Section 409A"), to the extent subject there to, and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to comply therewith. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on you by Code Section 409A or damages for failing to comply with Code Section 409A.</p> <p>Notwithstanding anything herein to the contrary, (i) the Separation Entitlements shall be paid only in connection with a termination of your employment that constitutes a "separation from service" within the meaning of Code Section 409A and (ii) if you are a "specified employee" as such term is defined under Code Section 409A, payment of the Separation Entitlements shall be delayed for a period of six (6) months following your separation of employment to the extent and up to an amount necessary to ensure such payments are not subject to the penalties and interest under Code Section 409A. If the payments are delayed as a result of the previous sentence, then on the first business day following the end of such six (6) month period (or such earlier date upon which such amount can be paid under Code Section 409A without resulting in a prohibited distribution), the Company shall pay you a lump-sum amount equal to the cumulative amount that would have otherwise been payable to you during such period.</p> <p>For purposes of compliance with Code Section 409A, (i) all expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by you, (ii) any right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit and (iii) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.</p> <p>For purposes of Code Section 409A, your right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.</p> <p>Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.</p>
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In order to confirm your acceptance of this Agreement with the Company, please sign and date where indicated below, and return an original copy of this letter to my attention.

If you have any questions concerning this employment contract, please do not hesitate to contact me directly.

Sincerely,

Andrea Keen  
Vice President, Human Resources

ACCEPTANCE:

I have received a copy of this Agreement. I have read, considered, and understood and I hereby accept the terms and conditions of this Agreement. This Agreement and my employment hereunder have not been induced by any representations of the Company not contained herein.



<b>Titre du Poste</b> Job Title	General Counsel USA
<b>Relevant de Reports To</b>	Chief Operating Officer
<b>Département</b> Department	Corporate
<b>Code d'emploi</b> Job Code	M5
<b>Gestion de personnes</b> People leadership	Yes

**1. Objectif du poste / Purpose of the role**  
**[résumé du rôle / high level role summary]**

The General Counsel USA provides legal support at all stages of corporate and/or inter-party transactions, handles the creation and review of contracts and other documents, coordinates agendas, and is involved in the company's day-to-day legal and compliance functions. The General Counsel USA must demonstrate initiative, diligence and organization, as well as team spirit. This is an excellent opportunity for an entrepreneurial individual to have an impact on the formation and growth of the company as the company expands its operations throughout the US.

**2. Responsabilités principales / Key Responsibilities**  
**[WHAT1: the specifics of what the role entails and what the incumbent will do on a "daily" basis, be responsible and held accountable for]**

- Provides day-to-day legal advice to business units within the US, and other regions of business when required
- Conduct thorough legal research and analysis on various corporate law issues, including all transactions, mergers and acquisitions, ESG reports, NDA's, corporate governance, securities, and regulatory compliance
- Ensure that the activities of the Company in the US are conducted in accordance with applicable local laws, Company policies, good governance and business practices
- Prepare, review, and negotiate a wide range of corporate documents, including contracts, shareholder agreements, bylaws, and corporate resolutions
- Provide legal advice and support to internal stakeholders on corporate and labor relations law matters, ensuring compliance with applicable laws and regulations in states within the US where the company is represented
- Assist in the execution of corporate transactions, including due diligence, drafting transaction documents, and coordinating closings
- Advise stakeholders on regulatory compliance issues, ESG matters, including securities regulations, antitrust laws, and industry-specific requirements
- Support the department and coordinate with external lawyers various corporate legal functions, with a wide variety of corporate legal matters

- Participate in the development and implementation of effective corporate governance practices and policies
- Participate in the preparation and planning of the annual meeting of the Company's shareholders, and other shareholder-related events.
- Provide support to the Corporate Secretary on matters related to meetings of the Board of Directors and other Board functions, and keeping of minutes books
- All other related tasks.

3. ***Exigences / Requirements***

***[WHAT2: based on the key responsibilities, what are the Technical Competencies required] (imagine a top performer/ideal candidate to determine this)***

- Minimum a Bachelor's degree in law;
- A member of the Bar
- You have at least 5 years of relevant experience, ideally with a corporate and business law firm and/or a publicly-traded or international company;
- Strong research and analytical skills, with proficiency in legal research tools and Microsoft Office Suite.
- Excellent interpersonal and client-facing skills, with the ability to build and maintain strong interpersonal relationships.
- High level of accuracy and attention to detail in all aspects of work.
- Ability to work effectively both independently and as part of a team.

## AGREEMENT REGARDING CONFIDENTIALITY, NON-SOLICITATION, NON-COMPETITION AND INTELLECTUAL PROPERTY

WHEREAS Rachel Silverstein (herein the "Employee"), and Backbone Hosting Solutions (USA) Inc. herein, desire to enter into a contractual relationship,

AND WHEREAS the Employee will necessarily be involved, as a consequence of her duties as an employee, with information and processes, the disclosure of which could be to the great detriment of Backbone Hosting Solutions (USA) Inc. and its affiliates (including without limitation, Bitfarms LTD. and all of its subsidiaries and related entities) (collectively, the "Company");

AND WHEREAS the Employee acknowledges that although current operations and oversight exist only in Canada, the United States and Latin America, future business activities of the Company could exist elsewhere throughout the world.

NOW THEREFORE, in consideration of the Company's entering into a contractual relationship with the Employee, and for other good and valuable consideration, the receipt and sufficiency of which is hereby irrevocably acknowledged, the parties agree to the following terms of this Agreement Regarding Confidentiality, Non-Solicitation, Non-Competition and Intellectual Property (this "Agreement"):

1. Confidential Information

- A) "Confidential Information" as used in this Agreement includes but is not limited to information emanating from or relating to the Company, its associates, employees, agents, suppliers or tenants, or conceived or developed by the Employee concerning (i) property and resource data, (ii) information with respect to option and joint venture counterparties, (iii) capital markets and strategies, (iv) research, development, copyright, trade mark, and other industrial and intellectual property rights, and (v) records, statistics, financial information, training and promotional policies, costs, pricing and sourcing.
- B) The Employee acknowledges that such Confidential Information could be used to the detriment of the Company and that the disclosure of such Confidential Information could cause irreparable harm to the Company. Accordingly, the Employee undertakes to treat confidentially all Confidential Information and not to disclose or provide it to any third party or to use it for any purpose either during the Employee's tenure except as may be necessary in the proper discharge of the Employee's duties, or for any reason after the conclusion of the Employee's relationship with the Company.
- C) Nothing in this Agreement or any other agreement with the Company shall be interpreted or applied to prohibit the Employee from, to the extent permitted by applicable law and in accordance with the Rules of Professional Responsibility in the state(s) in which Employee is licensed to practice law and/or provide services as counsel, (a) voluntarily communicating with an attorney retained by the Employee, (b) voluntarily communicating with or testifying before any law enforcement or government agency, including the Securities and Exchange Commission ("SEC"), the National Labor Relations Board ("NLRB"), the United States Department of Labor, any Attorney General, the Equal Employment Opportunity Commission, or any other state or local commission on human rights, or any self-regulatory organization, or otherwise initiating, assisting with, or participating in any manner with an investigation conducted by such government agency, in each case, regarding possible violations of law and without advance notice to the Company, (c) seeking and obtaining payment or an award from the SEC, pursuant to Section 21F of the Securities Exchange Act of 1934, as amended, or obtaining any other "whistleblower" award, to the extent such right cannot by law be waived, (d) disclosing any information (including, without limitation, Confidential Information) to a court or other administrative or legislative body in response to any subpoena, court order or written request, provided that with respect to any subpoena, court order or written request on behalf of any non-governmental person, the Employee uses commercially reasonable efforts to cooperate with any effort by the Company to seek to challenge the subpoena, court order or written request on behalf of any non-governmental person or obtain a protective order limiting its disclosure, or other appropriate remedy, (e) filing or disclosing any facts necessary to receive unemployment insurance, Medicaid or other public benefits to which the Employee is entitled, (f) disclosing the underlying facts or circumstances relating to claims of discrimination, in violation of laws prohibiting discrimination, against the Company or making truthful statements or disclosures related to unlawful discrimination, harassment or retaliation, or otherwise discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that the Employee has reason to believe is unlawful, or (g) enforcing the Employee's Section 7 rights under the National Labor Relations Act, participating in Section 7 activity (including the right to communicate with former coworkers and/or third parties about terms and conditions of employment or labor disputes, unrelated to the amount of severance pay under this Agreement) or otherwise cooperating through investigation, testimony, or otherwise with the National Labor Relations Board, the Securities and Exchange Commission or any other administrative agency or court. In addition, for the avoidance of doubt, pursuant to the federal Defend Trade Secrets Act of 2016, the Employee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (x) is made (A) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (y) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

2. Ownership and Assignment of Intellectual Property

- A) All notes, data, computer files, reference items, sketches, drawings, memoranda, records and other materials (including tools and data), in any way relating to any of the Confidential Information or to the Company's business, produced by the Employee or coming into the Employee's possession by or through the Employee's relationship with the Company, shall belong exclusively to the Company. The Employee agrees to turn over to the Company all copies (including hard and electronic) of any such materials in her possession or under her control, forthwith, at the request of the Company or, in the absence of a request, on the date her contractual relationship with the Company ends.
- B) "Subject Inventions" shall include all inventions, improvements or discoveries made or conceived by the Employee, during the term of the Employee's relationship with the Company, either solely or jointly with others, arising out of or in any way connected to the Employee's employment or with the use of the Company's time, equipment, material, supplied facilities, or related to or suggested by trade secret information or other private or Confidential Information or related to the Company's actual or demonstrably anticipated research and development acquired by the Employee during the term of the Employee's contractual relationship.
- C) The Employee agrees (i) to disclose fully, promptly and in writing the existence of and details of all Subject Inventions, (ii) that Subject Inventions are the sole and exclusive property of the Company, (iii) upon receipt of the written request of the Company, to assign to the Company, in a form and manner acceptable solely to the Company, all of the Employee's rights (including where applicable moral rights), title and interest in and to all Subject Inventions, and (iv) upon receipt of the written request of the Company, to provide all assistance necessary, both during and after the Employee's contractual relationship to enable the Company to successfully defend (or prosecute as the case may be), any litigation arising out of a dispute related to Subject Inventions.
- D) In addition, the Subject Inventions will be deemed Work for Hire, as such term is defined under the copyright laws of the United States, on behalf of the Company and the Employee agrees that the Company will be the sole owner of the Subject Inventions, and all underlying rights therein, in all media now known or hereinafter devised, throughout the universe and in perpetuity without any further obligations to the Employee. To the extent that any copyrightable work is not a Work for Hire, the Employee hereby assigns and agrees to assign to the Company all right, title, and interest, including without limitation, copyright in and to such copyrightable work.

3. Non-Competition and Non-Solicitation

- A) The Employee acknowledges that in the course of her employment with the Company she will become familiar with the Company's trade secrets and with other confidential information concerning the Company and that her services will be of special, unique and extraordinary value to the Company that are irreplaceable, and that the Employee's performance of such services to a Competitive Business will result in irreparable harm to the Company. Accordingly, the Employee agrees that, the Employee will not, directly or indirectly, or in any capacity whatsoever, including but not limited to, as an employee, principal, partner, agent, consultant, advisor or shareholder (holding more than 1% of issued and outstanding shares of) or in partnership or association with any other person, firm, corporation, association or other entity:
- i) during the Non-Competition Restricted Period, (a) become employed by or otherwise serve, in each case, in a management or executive-level role with, or (b) provide consulting, advisory, business, investment, strategic, sales, financial, operational, or technical advice or services (in each case, to the extent that Employee provided such advice or services to the Company at any time during Employee's employment with the Company), to, in each case, any other person or entity engaged in, or preparing to engage in, Competitive Business, in the Restricted Territory (as defined below),
  - ii) during the Non-Solicitation Restricted Period (as defined below), solicit, aid or induce any employee, representative or agent of the Company to leave such employment or retention or to accept employment with or render services to or with any other person, firm, corporation or other entity unaffiliated with the Company or hire or retain any such employee, representative or agent, or take any action to materially assist or aid any other person, firm, corporation or other entity in identifying, hiring or soliciting any such employee, representative or agent. An employee, representative or agent shall be deemed covered by this Section 3(A)(ii) while so employed or retained and for a period of six (6) months thereafter; or
  - iii) during the Non-Solicitation Restricted Period, induce or attempt to induce any current or prospective customer, supplier, trade partner, licensee or other business relation of the Company with whom Employee had contact or about whom Employee learned, accessed or developed Confidential Information during employment with the Company, to cease doing business with the Company or in any way interfere with the relationship between any such customer, supplier, trade partner, licensee or other business relation and the Company.

For purposes of this Agreement, “Competitive Business” means a business, (x) the majority of the revenues of which are derived from cryptocurrency mining and (y) the majority of whose crypto mining activities occur in the Restricted Territory. “Restricted Territory” means each state in the United States, each province in Canada and each other country in which the Company engaged in cryptocurrency mining in the then-immediately preceding twelve-month period ending no later than the date the Employee’s employment with the Company ended. “Non-Competition Restricted Period” means Employee’s employment with the Company and for twelve (12) months from the date the Employee’s employment with the Company ends for any reason or such shorter period as the Company may determine in its sole discretion. “Non-Solicitation Restricted Period” means Employee’s employment with the Company and for twelve (12) months from the date the Employee’s employment with the Company ends for any reason. The provisions of this Section 3 shall not be violated by the Employee commencing employment with a subsidiary, division or unit of any entity that engages in the Competitive Business so long as the Employee and such subsidiary, division or unit do not engage in the Competitive Business. Notwithstanding the foregoing, this Section 3 shall not apply to the extent prohibited by the Rules of Professional Conduct in the state(s) in which Employee is licensed to practice law and/or provide services as counsel. Nothing in this Agreement shall limit Employee from providing legal advice, as opposed to business or other advice, to any person or entity, provided that Employee is not relieved of any obligation under the Rules of Professional Conduct in the states(s) in which the Employee is licensed to practice law (including, for example, Professional Conduct Rule 1.9 or the Rules of Professional Conduct or similar provision of state rules of ethics, discipline or professional conduct). Nothing herein shall constitute a waiver by the Company, Bitfarms, or any of the Company’s subsidiaries or affiliates of any applicable privilege or conflict of interest.

4. Enforcement of this Agreement

- A) The Employee agrees that the restrictions and covenants contained in this Agreement are reasonably required for the protection of the Company and its goodwill and are reasonable with respect to subject matter, time period and geographical area and that the Employee’s agreement to same constitute a material inducement to the Company to enter into a contractual relationship with the Employee and that the Company would not contract with the Employee absent such an inducement. Without limiting the generality of the foregoing, the Employee acknowledges that (x) the business of the Company will be conducted throughout the United States, Canada and other jurisdictions, (y) notwithstanding the state of organization or principal office of the Company, or any of their respective executives or employees (including the Employee), it is expected that the Company will have business activities and have valuable business relationships within its industry throughout the United States, Canada and other jurisdictions, and (z) as part of her responsibilities, the Employee will be traveling throughout the United States, Canada and other jurisdictions where the Company conducts business during the Employee’s employment with the Company in furtherance of the Company’s business and its relationships.
- B) The Employee further agrees and acknowledges (x) that she has carefully read this Agreement and consulted with legal counsel of her choosing regarding its contents, if Employee desired to do so, has given careful consideration to the restraints imposed upon her by this Agreement and is in full accord as to their necessity for the reasonable and proper protection of confidential and proprietary information of the Company now existing or to be developed in the future, (y) that the restrictions contained in this Agreement do not preclude the Employee from earning a livelihood, nor do they unreasonably impose limitations on the Employee’s ability to earn a living, and (z) that the potential harm to the Company of the non-enforcement of any provision of this Agreement outweighs any potential harm to the Employee of its enforcement by injunction or otherwise.
- C) In the event of any violation of the provisions of this Agreement, the Employee acknowledges and agrees that the post-termination restrictions contained in this Agreement shall be extended by a period of time equal to the period of such violation, it being the intention of the parties hereto that the running of the applicable post- termination restriction period shall be tolled during any period of such violation.
- D) The Employee acknowledges and agrees that the Company’s remedies at law for a breach or threatened breach of any of the provisions of this Agreement would be inadequate and, in recognition of this fact, the Employee understands and agrees, without prejudice to any and all other rights of the Company, that in the event of her violation or attempted violation of any of the covenants contained in this Agreement, the Company, without posting any bond, shall be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy which may then be available. In addition, in the event a court having jurisdiction determines that the Employee violated any provision of this Agreement, then any severance being paid to the Employee shall immediately cease, and any severance previously paid to the Employee (other than \$1,000) shall be immediately repaid to the Company.
- E) If it is determined by a court of competent jurisdiction in any state that any restriction in this Agreement is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the laws of that state.
- F) In the event that any clause herein should be unenforceable or be declared invalid for any reason whatsoever, such enforceability or invalidity shall not affect the enforceability or validity of the remaining portions of the covenants and such unenforceable or invalid portions shall be severable from the remainder of the Agreement.
- G) This Agreement shall be construed in accordance with the laws of the State of Nevada, without reference to its principles of conflict of laws, and any disputes or differences under this Agreement shall be determined under the exclusive jurisdiction of the state and federal courts located in Nevada.

THE EMPLOYEE’S SIGNATURE BELOW SIGNIFIES THE EMPLOYEE’S UNDERSTANDING AND IRREVOCABLE AGREEMENT OF THE TERMS SET OUT ABOVE.

**BITFARMS LTD.**  
(the “**Company**”)

**LONG-TERM PERFORMANCE INCENTIVE PLAN**

**SECTION 1. ESTABLISHMENT AND PURPOSE OF THIS PLAN**

The Company wishes to establish this long-term performance incentive plan (“**Plan**”). The purpose of this Plan is to promote the long-term success of the Company and the creation of Shareholder value by: (a) encouraging the attraction and retention of Eligible Persons; (b) encouraging such Eligible Persons to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such Eligible Persons with the interests of the Company.

To this end, this Plan provides for the grant of Restricted Share Units, Performance Share Units, Deferred Share Units and Options to Eligible Persons as further described in this Plan.

The Plan and the Restricted Share Units, Performance Share Units, Deferred Share Units and Options issuable under the Plan are subject to the corporate finance manual of the Exchange.

This Plan is a 10% rolling plan, permitting the issuance of up to 10% of the issued and outstanding Shares in respect of Awards granted hereunder.

**SECTION 2. DEFINITIONS**

As used in this Plan, the following terms shall have the meanings set forth below:

- (a) “**Former Plan**” means the Company’s Long-Term Incentive Plan, as adopted on May 18, 2021, and amended on March 18, 2021, March 3, 2022, January 15, 2024 and April 16, 2024;
  - (b) “**Associate**” has the meaning ascribed thereto in the Securities Act;
  - (c) “**Affiliate**” has the meaning ascribed thereto in the Manual;
  - (d) “**Award**” means any award of Restricted Share Units, Performance Share Units, Deferred Share Units, or Options granted under this Plan;
  - (e) “**Award Agreement**” means any written agreement, contract, or other instrument or document, including an electronic communication, as may from time to time be designated by the Company as evidencing any Award granted under this Plan;
  - (f) “**Blackout Period**” means, with respect to any person, the period of time when, pursuant to any policies or determinations of the Company, securities of the Company may not be traded by such person, including any period when such person has material undisclosed information with respect to the Company, but excluding any period during which a regulator has halted trading in the Company’s securities;
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- (g) “**Board**” means the board of directors of the Company;
- (h) “**Business Day**” means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Toronto, Ontario, Canada, for the transaction of banking business;
- (i) “**Cashless Exercise**” has the meaning given to that term in Section 5(d)(xi);
- (j) “**Cessation Date**” means, the effective date on which a Participant ceases to be a Director of the Company or a Subsidiary for any reason;
- (k) “**Change of Control**” means, unless otherwise defined in the Participant’s employment or service agreement or in the applicable Award Agreement, the occurrence of any of the following:
  - (i) any transaction at any time and by whatever means pursuant to which any Person or any group of two or more Persons acting jointly or in concert (other than the Company or any wholly owned subsidiary of the Company) thereafter acquires the direct or indirect “beneficial ownership” (as defined in the *Business Corporations Act* (Ontario)) of, or acquires the right to exercise control or direction over, securities of the Company representing 50% or more of the then issued and outstanding voting securities of the Company in any manner whatsoever, including, without limitation, as a result of a Take-over Bid, an issuance or exchange of securities, an amalgamation of the Company with any other Person, an arrangement, a capital reorganization or any other business combination or reorganization;
  - (ii) the sale, assignment or other transfer of all or substantially all of the assets of the Company to a Person or any group of two or more Persons acting jointly or in concert (other than a wholly owned subsidiary of the Company);
  - (iii) the date which is 10 business days prior to the consummation of a complete dissolution or liquidation of the Company, except in connection with the distribution of assets of the Company to one or more Persons which were wholly-owned subsidiaries of the Company prior to such event;
  - (iv) the occurrence of a transaction requiring approval of the Company’s security holders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any Person or any group of two or more Persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Company); or

- (v) a majority of the members of the Board are replaced during any twelve-month period by directors whose appointment or election is not endorsed by a majority of the Board before the date of appointment or election;

provided that an event described in this definition shall not constitute a Change of Control where such event occurs as a result of a Permitted Reorganization;

- (l) “**Committee**” means such committee of the Board performing functions in respect of compensation as may be determined by the Board from time to time;
- (m) “**Company**” means Bitfarms Ltd., a company continued under the *Business Corporations Act* (Ontario), and any of its successors or assigns;
- (n) “**Constructive Dismissal**” unless otherwise defined in the Participant’s employment agreement or in the applicable Award Agreement, has the meaning ascribed thereto pursuant to the common law and shall include, without in any way limiting its meaning under the common law, any material change (other than a change which is clearly consistent with a promotion) imposed by the Company, or any of its subsidiaries or Affiliates, without the Participant’s consent to the Participant’s title, responsibilities or reporting relationships, or a material reduction of the Participant’s compensation except where such reduction is applicable to all officers, if the Participant is an officer, or all employees, if the Participant is an employee of the Employer, provided that the termination of any Participant shall be considered to arise as a result of Constructive Dismissal only if such termination occurs due to such Participant resigning from employment within 30 days of the occurrence of the event described as giving rise to such Constructive Dismissal;
- (o) “**Consultant**” means a Person (other than a Key Employee or Director) that:
  - (i) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or an affiliate of the Company, other than services provided in relation to a distribution (as defined in the Securities Act);
  - (ii) provides the services under a written contract between the Company or any of its subsidiaries and the Person or the Company, as the case may be; and
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time on the affairs and business of the Company or of any of the Company’s subsidiaries;and:
  - (iv) if the Person is an individual, includes a corporation of which such individual is an employee or Shareholder, and a partnership of which the individual is an employee or partner; and

- (v) if the Person is not an individual, includes an employee, executive officer or director of the Consultant, provided that the individual employee, executive officer or director spends or will spend a significant amount of time on the affairs and business of the Company or an affiliate of the Company;
- (p) “**Current Market Price**” means the five-day volume-weighted average closing price of the Shares on the Exchange on the immediately preceding five (5) Trading Days on which trading in the Shares took place prior to the relevant grant or exercise date, which in no case may be less than the discounted market price permitted by the Exchange;
- (q) “**Deferred Share Unit**” or “**DSU**” means a right to receive on a deferred basis a payment in either Shares or cash as provided in Section 5(c) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (r) “**Determination Date**” means a date determined by the Board in its sole discretion but not later than 90 days after the expiry of a Performance Cycle;
- (s) “**Director**” means a member of the Board;
- (t) “**Disability**” means any medical condition which qualifies a Participant for benefits under a long-term disability plan of the Company or Subsidiary;
- (u) “**Disinterested Shareholder Approval**” means approval by a majority of the votes cast by all the Company’s Shareholders at a duly constituted meeting of Shareholders, excluding votes attached to Shares beneficially owned by Insiders to whom Awards may be granted under this Plan, or, with respect to a grant, issue or amendment of an Award that requires Disinterested Shareholder Approval pursuant to the rules and policies of the Exchange, approval by a majority of the votes cast by all the Company’s Shareholders at a duly constituted meeting of Shareholders, excluding votes attached to Shares beneficially owned by Eligible Persons that hold or will hold an Award subject to such grant, issue or amendment, and the Associates and Affiliates of such Eligible Persons;
- (v) “**Effective Date**” has the meaning ascribed thereto in Section 8;
- (w) “**Election Form**” means the form to be completed by a Director specifying the amount of Fees he or she wishes to receive in Deferred Share Units under this Plan;
- (x) “**Eligible Person**” means Directors, officers, Key Employees, Consultants or management company employees of the Company and its Subsidiaries, or companies in which Directors, officers, Key Employees, Consultants or management company employees of the Company have control;
- (y) “**Exchange**” means the Toronto Stock Exchange, or such other stock exchange upon which the Shares of the Company may become listed for trading from time to time;

- (z) “**Fees**” means the annual board retainer, chair fees, meeting attendance fees or any other fees payable to a Director by the Company;
- (aa) “**Grant Date**” means, for any Award, the date specified by the Board as the grant date at the time it grants the Award or, if no such date is specified, the date upon which the Award was actually granted;
- (bb) “**Insider**” has the meaning attributed thereto in the Manual;
- (cc) “**Investor Relations Activities**” means any activities, by or on behalf of the Company or a Shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
  - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company
    - A. to promote the sale of products or services of the Company, or
    - B. to raise public awareness of the Company,that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
  - (ii) activities or communications necessary to comply with the requirements of:
    - A. applicable securities laws;
    - B. Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;
  - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
    - C. the communication is only through the newspaper, magazine or publication, and
    - D. the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
  - (iv) activities or communications that may be otherwise specified by the Exchange;

- (dd) “**Key Employees**” means employees, including officers, whether Directors or not, and including both full-time and part-time employees of the Company or any Subsidiary who, by the nature of their positions or jobs are, in the opinion of the Board, in a position to contribute to the success of the Company;
- (ee) “**Manual**” means the TSX Company Manual, as amended from time to time;
- (ff) “**Net Exercise**” has the meaning given to that term in Section 5(d)(x);
- (gg) “**Option**” means incentive share purchase options entitling the holder thereof to purchase Shares;
- (hh) “**Participant**” means any Eligible Person to whom Awards under this Plan are granted;
- (ii) “**Participant’s Account**” means a notional account maintained for each Participant’s participation in this Plan which will show any Restricted Share Units, Performance Share Units, Deferred Share Units, or Options credited to a Participant from time to time;
- (jj) “**Performance-Based Award**” means, collectively, Performance Share Units and Restricted Share Units;
- (kk) “**Performance Criteria**” means criteria established by the Board which, without limitation, may include criteria based on the Participant’s personal performance and/or financial performance of the Company and its Subsidiaries, and that are to be used to determine the vesting of the Performance Share Units;
- (ll) “**Performance Cycle**” means the applicable performance cycle of the Performance Share Units as may be specified by the Board in the applicable Award Agreement;
- (mm) “**Performance Share Unit**” means a right awarded to a Participant to receive a payment in Shares as provided in Section 5(b) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (nn) “**Permitted Reorganization**” means a reorganization of the Company, whether alone or in any combination with any of its subsidiaries or Affiliates, in circumstances where the shareholdings or ultimate ownership remains substantially the same upon the completion of the reorganization;
- (oo) “**Person**” means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, or governmental authority or body;
- (pp) “**Restriction Period**” means the time period between the Grant Date and the Vesting Date of an Award specified by the Board in the applicable Award Agreement, which period shall not be less than 12 months and, in the case of Deferred Share Units, Performance Share Units and Restricted Share Units, shall not exceed 36 months;

- (qq) “**Restricted Share Unit**” means a right awarded to a Participant to receive a payment in Shares as provided in Section 5(a) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (rr) “**Retirement**” means retirement from active employment with the Company or a Subsidiary with the consent of an officer of the Company or the Subsidiary;
- (ss) “**Securities Act**” means the *Securities Act* (Ontario), as amended from time to time;
- (tt) “**Security-Based Compensation Arrangement**” shall have the meaning ascribed thereto in the rules and policies of the Exchange, or in the event that such term is not defined in the rules and policies of the Exchange, shall mean a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares from treasury to one or more eligible Key Employees, officers, Insiders, service providers or Consultants of the Company or a Subsidiary;
- (uu) “**Shareholder**” means a registered or beneficial holder of shares or, if the context requires, other securities of a Company;
- (vv) “**Shares**” means the common shares of the Company;
- (ww) “**Subsidiary**” means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;
- (xx) “**Take-over Bid**” means a take-over bid as defined in National Instrument 62-104 – *Take-over Bids and Issuer Bids*, as amended from time to time;
- (yy) “**Termination Date**” means, as applicable: (i) in the event of a Participant’s Retirement, voluntary termination or termination of employment as a result of a Disability, the date on which such Participant ceases to be an employee or a Consultant of the Company or a Subsidiary; and (ii) in the event of termination of the Participant’s employment or consulting contract by the Company or a Subsidiary, the date on which such Participant is advised by the Company or a Subsidiary, in writing or verbally, that his or her services are no longer required;
- (zz) “**Trading Day**” means any date on which the Exchange is open for trading;
- (aaa) “**Triggering Event**” means the consummation of any one of the following:
- A. the dissolution, liquidation or wind-up of the Company;
  - B. a merger, amalgamation, arrangement or reorganization of the Company with one or more corporations as a result of which, immediately following such event, the shareholders of the Company as a group, as they were immediately prior to such event, are expected to hold less than a majority of the outstanding capital stock of the surviving corporation;

- C. the acquisition of all or substantially all of the issued and outstanding shares of the Company by one or more Persons or Entities;
- D. a Change of Control of the Company;
- E. the sale or other disposition of all or substantially all of the assets of the Company; or
- F. a material alteration of the capital structure of the Company which, in the opinion of the Board, is of such a nature that it is not practical or feasible to make adjustments to this Plan or to Awards granted hereunder to permit the Plan and Awards granted hereunder to stay in effect.

(bbb) “**TSX**” means the Toronto Stock Exchange;

(ccc) “**Vesting Date**” means in respect of any Award, the date when the Award is fully vested in accordance with the provisions of this Plan and the applicable Award Agreement; and

(ddd) “**VWAP**” means volume weighted average trading price of the Shares on the Exchange calculated by dividing the total value by the total volume of such securities traded for the five (5) trading days immediately preceding the exercise of the subject Award.

### **SECTION 3. ADMINISTRATION**

- (a) **BOARD TO ADMINISTER PLAN.** Except as otherwise provided herein, this Plan shall be administered by the Board and the Board shall have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan and to adopt, amend and rescind such rules and regulations for administering this Plan as the Board may deem necessary in order to comply with the requirements of this Plan.
- (b) **DELEGATION TO COMMITTEE.** All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be delegated to and exercised by the Committee or such other committee as the Board may determine.
- (c) **INTERPRETATION.** All actions taken and all interpretations and determinations made or approved by the Board in good faith shall be final and conclusive and shall be binding on the Participants and the Company.
- (d) **NO LIABILITY.** No Director shall be personally liable for any action taken or determination or interpretation made or approved in good faith in connection with this Plan and the Directors shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of this Plan and of the rules and regulations established for administering this Plan. All costs incurred in connection with this Plan shall be for the account of the Company.

#### SECTION 4. SHARES AVAILABLE FOR AWARDS

(a) LIMITATIONS ON SHARES AVAILABLE FOR ISSUANCE.

- (i) The aggregate number of Shares issuable under this Plan alone or when combined with all other Security-Based Compensation Arrangements of the Company shall not exceed 10% of the issued and outstanding Shares at any point in time. In the event that an Award is exercised, cancelled, repurchased, expires unexercised, or is terminated in accordance with the Plan, the Shares that were reserved for issuance in connection with such Award will be returned to the pool of available Awards authorized for issuance under the Plan and will be available for reservation pursuant to a new Award grant under the Plan;
- (ii) Unless disinterested shareholder approval is obtained, the aggregate number of Shares which may be issued to any one Participant, under this Plan alone or when combined with all other Security-Based Compensation Arrangement of the Company, in any twelve (12) month period shall not exceed five (5%) percent of the issued and outstanding Shares, calculated as of the Grant Date;
- (iii) Notwithstanding any other provision in this Section 4, unless disinterested shareholder approval is obtained, the number of the Shares: i) issued to Insiders, within any one-year period, and ii) issuable to Insiders, at any time, under the Plan, or when combined with all of the Company's other Security-Based Compensation Arrangements, cannot exceed 10% of the issued and outstanding Shares, respectively.

(b) ACCOUNTING FOR AWARDS.

For purposes of this Section 4:

- (i) If an Award is denominated in Shares, the number of Shares covered by such Award, or to which such Award relates, shall be counted on the Grant Date of such Award against the aggregate number of Shares available for granting Awards under this Plan; and
- (ii) Notwithstanding anything herein to the contrary, any Shares related to Awards which terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares, are settled in cash in lieu of Shares, or are exchanged with the Board's permission, prior to the issuance of Shares, for Awards not involving Shares, shall be available again for granting Awards under this Plan.

- (c) ANTI-DILUTION. If the number of outstanding Shares is increased or decreased as a result of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, arrangement, consolidation, reclassification, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders, or any other change in the capital of the Company affecting the Shares, the Board will make appropriate proportionate adjustments, if any, in accordance with the terms of this Plan, the policies of the Exchange, and applicable laws, to the number and price (or other basis upon which an Award is measured) of Restricted Share Units, Performance Share Units, Deferred Share Units and/or Options credited to a Participant. Any additional Awards credited to a Participant in lieu of dividends declared by the Company based on Awards held by the Participant will be included in calculating the limits enumerated in Section 4(a) of the Plan. If such additional Awards result in the Company breaching any of the limits in Section 4(a) of the Plan, the Company shall settle such Awards in cash on the basis of the difference between the price the Participant is required to pay to exercise the Award, if any, and the Current Market Price. Such cash settlement shall only be to the extent that the additional Awards granted in lieu of dividends declared by the Company do not breach the limits enumerated in Section 4(a). Any determinations by the Board as to appropriate adjustments, if any, shall be made in its sole discretion and all such determinations and adjustments shall be conclusive and binding for all purposes under this Plan.
- (d) FORMER PLAN. From and after the Effective Date, the Former Plan shall be cancelled and deemed to be cancelled, and all awards granted thereunder shall be governed and deemed to be governed by the provisions of this Plan as existing Awards under this Plan.

## **SECTION 5. AWARDS**

### **(a) RESTRICTED SHARE UNITS**

- (i) ELIGIBILITY AND PARTICIPATION. Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Restricted Share Units to Eligible Persons. Restricted Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Restricted Share Units to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each Restricted Share Unit shall, contingent upon the lapse of any restrictions, represent one (1) Share. The number of Restricted Share Units granted pursuant to an Award and the Restriction Period in respect of such Restricted Share Units shall be specified in the applicable Award Agreement. The form of Restricted Share Unit Award Agreement is attached hereto as Schedule "A". The Company reserves the right to use such other form of Restricted Share Unit Award Agreement as the Company may determine in its sole discretion.
- (ii) RESTRICTIONS. Restricted Share Units shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted.

- (iii) VESTING. All Restricted Share Units will vest and become payable by the issuance of Shares at the end of the Restriction Period if all applicable restrictions have lapsed, as such restrictions may be specified in the Award Agreement.
- (iv) CHANGE OF CONTROL. In the event a Participant that was granted Restricted Share Units ceases to be an Eligible Person during the 12-month period following a Change of Control due to the Company terminating the Participant's service to the Company without cause, or pursuant to a Constructive Dismissal, all restrictions upon any Restricted Share Units held by such Participant shall lapse immediately and all such Restricted Share Units shall become fully vested in the Participant and will accrue to the Participant in accordance with Section 5(a)(ix) hereof.
- (v) DEATH. Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any Restricted Share Units granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Restricted Share Units granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with Section 5(a)(ix) hereof.
- (vi) TERMINATION OF EMPLOYMENT OR SERVICE.
  - A. Where, in the case of Key Employees or Consultants, a Participant's employment is terminated by the Company or a Subsidiary for cause, or consulting contract, subject to the applicable Award Agreement, is terminated as a result of the Consultant's breach, all Restricted Share Units granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
  - B. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated by the Company or a Subsidiary without cause, by voluntary termination or due to Retirement by the Participant, all Restricted Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, provided, however, that any Restricted Share Units granted to such Participant which, prior to the Participant's termination without cause, voluntary termination or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5(a)(ix) hereof.

- C. Upon termination of a Participant's employment with the Company or a Subsidiary, or upon termination of a Consultant's contract, the Participant's eligibility to receive further grants of Awards of Restricted Share Units under this Plan shall cease as of the Termination Date.
- (vii) **DISABILITY.** Where, in the case of Key Employees or Consultants, a Participant becomes afflicted by a Disability, all Restricted Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Restricted Share Units, provided, however, that no Restricted Share Units may be redeemed during a leave of absence. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated due to Disability, all Restricted Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, provided, however, that any Restricted Share Units granted to such Participant which, prior to the Participant's termination due to Disability, had vested pursuant to terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5(a)(ix) hereof.
- (viii) **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, any Restricted Share Units granted to the Participant under this Plan that have not yet vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Cessation Date, provided, however, that any Restricted Share Units granted to such Participant which, prior to the Cessation Date for any reason, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5(a)(ix) hereof.
- (ix) **PAYMENT OF AWARD.** As soon as practicable after each Vesting Date of an Award of Restricted Share Units and in any event within 10 Business Days following the Vesting Date and no later than December 31 of the calendar year which is three (3) years after the calendar year in which the Restricted Share Units are granted, and subject to the applicable Award Agreement which in no case shall provide that such Restricted Share Units expire in a period greater than 12 months from the Termination Date, the Restricted Share Units shall be settled in either cash or Shares, as the Company may so determine, unless otherwise provided in the Award Agreement, as follows:
- A. the Company shall issue from treasury to the Participant, or if Section 5(a)(v) applies, to the Participant's estate, a number of Shares equal to the number of Restricted Share Units credited to the Participant's Account that become payable on the Vesting Date; or

- B. a cash payment in an amount equal to the Current Market Price on the trading date prior to the Vesting Date multiplied by the quantity of Restricted Share Units credited to a Participant's Account, and certified funds shall be paid for the Restricted Stock Units, net of applicable withholdings.

Where the Vesting Date of a Restricted Share Unit occurs during a Blackout Period, the settlement period for such Restricted Share Unit shall be extended to the date that is 10 Business Days following the end of such Blackout Period.

As of the Vesting Date, the Restricted Share Units in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such Restricted Share Units.

(b) PERFORMANCE SHARE UNITS

- (i) ELIGIBILITY AND PARTICIPATION. Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Performance Share Units to Eligible Persons. Performance Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Performance Share Units to be credited to each Participant shall be determined by the Board, in its sole discretion, in accordance with this Plan. Each Performance Share Unit shall, contingent upon the attainment of the Performance Criteria within the Performance Cycle, represent one (1) Share, unless otherwise specified in the applicable Award Agreement. The number of Performance Share Units granted pursuant to an Award, the Performance Criteria which must be satisfied in order for the Performance Share Units to vest and the Performance Cycle in respect of such Performance Share Units shall be specified in the applicable Award Agreement. The form of Performance Share Unit Award Agreement is attached hereto as Schedule "B". The Company reserves the right to use such other form of Performance Share Unit Award Agreement as the Company may determine in its sole discretion.
- (ii) PERFORMANCE CRITERIA. The Board will select, settle and determine the Performance Criteria (including without limitation the attainment thereof), for purposes of the vesting of the Performance Share Units, in its sole discretion. An Award Agreement may provide the Board with the right, during a Performance Cycle or after it has ended, to revise the Performance Criteria and the Award amounts if unforeseen events (including, without limitation, changes in capitalization, an equity restructuring, an acquisition or a divestiture) occur which have a substantial effect on the financial results and which in the sole judgment of the Board make the application of the original Performance Criteria unfair or inappropriate unless a revision is made. Notices will be provided by the Company to applicable regulatory authorities or stock exchanges as may be required with respect to the foregoing.

- (iii) VESTING. All Performance Share Units will vest and become payable to the extent that the Performance Criteria set forth in the Award Agreement are satisfied for the Performance Cycle, at a time no earlier than the Restriction Period, the determination of the satisfaction of which shall be made by the Board on the Determination Date.
- (iv) CHANGE OF CONTROL. In the event a Participant that was granted Performance Share Units ceases to be an Eligible Person during the 12-month period following a Change of Control due to the Company terminating the Participant's service to the Company without cause, or pursuant to a Constructive Dismissal, all Performance Criteria applicable to such Performance Share Units and any other vesting criteria will be deemed achieved at 100% of target levels, all other terms and conditions will be deemed met, and such Performance Share Units shall become fully vested in such Participant and shall become payable to the Participant in accordance with Section 5(b)(viii) hereof, provided that the Performance Cycle for all such Performance Share Units shall be deemed to have ended on the date the Participant ceased to be an Eligible Person.
- (v) DEATH. Other than as may be set forth in the applicable Award Agreement and below, upon the death of a Participant, all Performance Share Units granted to the Participant which, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever, provided, however, the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5(b)(viii) hereof.
- (vi) TERMINATION OF EMPLOYMENT OR SERVICE.
  - A. Where, in the case of Key Employees or Consultants, a Participant's employment is terminated by the Company or a Subsidiary for cause, or consulting contract, subject to the applicable Award Agreement, is terminated as a result of the Consultant's breach, all Performance Share Units granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.

- B. Where, in the case of Key Employees or Consultants, other than as may be set forth in the applicable Award Agreement and below, a Participant's employment or consulting contract is terminated by the Company or a Subsidiary without cause, by voluntary termination or due to Retirement, all Performance Share Units granted to the Participant which, prior to the Participant's termination without cause, by voluntary termination or due to Retirement, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the Termination Date, provided, however, the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5(b)(viii) hereof.
- C. In the case of Key Employees, upon termination of a Participant's employment with the Company or a Subsidiary, the Participant's eligibility to receive further grants of Awards of Performance Share Units under this Plan shall cease as of the Termination Date.
- (vii) **DISABILITY.** Where, in the case of Key Employees or Consultants, a Participant becomes afflicted by a Disability, all Performance Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Performance Share Units, provided, however, that no Performance Share Units may be redeemed during a leave of absence. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated due to Disability, all Performance Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the Termination Date, provided, however, that the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5(b)(viii) hereof.
- (viii) **PAYMENT OF AWARD.** Subject to the applicable Award Agreement, which in no case shall provide that such Performance Share Units expire in a period greater than 12 months from the Termination Date, payment to Participants in respect of vested Performance Share Units shall be made after the Determination Date for the applicable Award and in any case within ninety (90) days after the last day of the Performance Cycle to which such Award relates. Such payments shall be made entirely in Shares, unless otherwise provided for in the applicable Award Agreement. The Company shall issue from treasury to the Participant, or if Section 5(b)(v) applies, to the Participant's estate, a number of Shares equal to the number of Performance Share Units that have vested. As of the Vesting Date, the Performance Share Units in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such Performance Share Units.

(c) DEFERRED SHARE UNITS

- (i) ELIGIBILITY AND PARTICIPATION. Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Deferred Share Units to Directors. Directors become Participants effective as of the date he or she is first appointed or elected as a Director and cease to be Participants on the Cessation Date for any reason. Deferred Share Units granted to a Participant in accordance with Section 5(c) hereof shall be credited, as of the Grant Date, to the Participant's Account. The form of Deferred Share Unit Award Agreement is attached hereto as Schedule "C". The Company reserves the right to use such other form of Deferred Share Unit Award Agreement as the Company may determine in its sole discretion.
- (ii) ELECTION. Each Director may elect to receive any part or all of his or her Fees and/or Awards, as applicable, in Deferred Share Units under this Plan. Elections by Participants regarding the amount of their Awards that they wish to receive in Deferred Share Units shall be made no later than 90 days after this Plan is adopted by the Board, and thereafter no later than December 31 of any given year with respect to Awards for the following year. Any Director who becomes a Participant during a fiscal year and wishes to receive an amount of his or her Awards for the remainder of that year in Deferred Share Units must make his or her election within 60 days of becoming a Director.
- (iii) CALCULATION. The number of Deferred Share Units to be credited to the Participant's Account shall be calculated by dividing the amount of Fees selected by a Director in the applicable Election Form by the Current Market Price on the Grant Date, or if more appropriate, another trading range that best represents the period for which the award was earned (or such other price as required under Exchange policies). If, as a result of the foregoing calculation, a Participant shall become entitled to a fractional Deferred Share Unit, the Participant shall only be credited with a full number of Deferred Share Units (rounded down) and no payment or other adjustment will be made with respect to the fractional Deferred Share Unit.
- (iv) PAYMENT OF AWARD. Each Participant shall be entitled to receive, after the effective date that the Participant ceases to be a Director for any reason or any earlier vesting period(s) as may be set forth in the applicable Award Agreement and following the end of the Restriction Period, by providing written notice of settlement to the Company setting out: (a) whether the Deferred Share Units will be settled in cash or Shares, and (b) if applicable, the particulars regarding the registration of the Shares issuable on settlement, and if no such notice is given, then on the first anniversary of the Cessation Date or any earlier period on which the DSUs vested, as the case may be, at the sole discretion of the Participant, either:
  - A. that number of Shares equal to the number of Deferred Share Units credited to the Participant's Account, such Shares to be issued from treasury of the Company; or

- B. a cash payment in an amount equal to the Current Market Price on the Cessation Date multiplied by the quantity of Deferred Share Units credited to a Participant's Account, net of applicable withholdings.

For greater certainty, any vesting period as may be set forth in the applicable Award Agreement that is earlier than the date the Participant ceases to be a Director, must be no less than twelve (12) months following the date the Deferred Share Unit is granted to the Participant.

- (v) EXCEPTION. In the event that the value of a Deferred Share Unit would be determined with reference to a period commencing at a fiscal quarter-end of the Company and ending prior to the public disclosure of interim financial statements for the quarter (or annual financial statements in the case of the fourth quarter), the cash payment of the value of the Units will be made to the Participant with reference to the five (5) Trading Days immediately following the public disclosure of the interim financial statements for that quarter (or annual financial statements in the case of the fourth quarter).
- (vi) DEATH. Upon death of a Participant, the Participant's estate shall be entitled to receive, within 120 days after the Participant's death and at the sole discretion of the Board, a cash payment or Shares that would have otherwise been payable in accordance with Section 5(c)(iv) hereof to the Participant upon such Participant ceasing to be a Director.

(d) OPTIONS

- (i) ELIGIBILITY AND PARTICIPATION. Subject to the provisions of this Plan and such other terms and conditions as the Board may determine, the Board may, from time to time, in its discretion, grant Awards of Options to Eligible Persons. Options granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Options to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. The form Option Award Agreement is attached hereto as Schedule "D". The Company reserves the right to use such other form of Option Award Agreement as the Company may determine in its sole discretion.

- (ii) **EXERCISE PRICE.** The exercise price of the Options shall be determined by the Board at the time the Option is granted and shall not be lower than the Current Market Price on the Grant Date. The Board shall not reprice any Options previously granted under this Plan, except in accordance with the rules and policies of the Exchange. For greater certainty, the Company will be required to obtain Disinterested Shareholder Approval in respect of any reduction in the exercise price of Options, or the extension of the term of an Option, granted to any Participant if the Participant is an Insider at the time of the proposed reduction or extension, if and to the extent required by the rules and policies of the Exchange.
- (iii) **TIME AND CONDITIONS OF EXERCISE.** The Board shall determine the time or times at which an Option may be exercised in whole or in part, provided that the term of any Option granted under this Plan shall not exceed ten years. The Board shall also determine the performance or other conditions, if any, that must be satisfied before all or part of an Option may be exercised.
- (iv) **EVIDENCE OF GRANT.** All Options shall be evidenced by a written Award Agreement. The Award Agreement shall reflect the Board's determinations regarding the exercise price, time and conditions of exercise (including vesting provisions) and such additional provisions as may be specified by the Board.
- (v) **EXERCISE.** The exercise of any Option will be contingent upon receipt by the Company of a written notice of exercise in the manner and in the form set forth in the applicable Award Agreement, which written notice shall specify the number of Shares with respect to which the Option is being exercised, and which shall be accompanied by a cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the Option is exercised. Certificates for such Shares shall be issued and delivered to the Participant within a reasonable time following the receipt of such notice and payment. Neither the Participants nor their legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares unless and until the certificates for the Shares issuable pursuant to Options under this Plan are issued to such Participants under the terms of this Plan. Where the expiry date for an Option occurs during a Blackout Period, the expiry date for such Option shall be extended to the date that is 10 business days following the end of such Blackout Period.
- (vi) **CHANGE OF CONTROL.** In the event a Participant that was granted Options ceases to be an Eligible Person during the 12-month period following a Change of Control due to the Company terminating the Participant's service to the Company without cause, or pursuant to a Constructive dismissal, each outstanding Option issued to such Participant, to the extent that it shall not otherwise have become vested and exercisable, and subject to the applicable Award Agreement, shall automatically become fully and immediately vested and exercisable, without regard to any otherwise applicable vesting requirement, and may be exercised or surrendered in accordance with this Section 5(d) at any time during the period that terminates on the earlier of the relevant Option's expiry date and the 90<sup>th</sup> day after such Participant ceased to be an Eligible Person.

- (vii) DEATH. Where a Participant shall die, any Option held by such Participant at the date of death shall be exercisable in whole or in part only by the person or persons to whom the rights of the Participant under the Option shall pass by the will of the Participant or the laws of descent and distribution for a period of 120 days after the date of death of the Participant or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date of death of such Participant.
- (viii) TERMINATION OF EMPLOYMENT OR SERVICE.
- A. Where, in the case of Key Employees or Consultants, a Participant's employment is terminated by the Company or a Subsidiary for cause, or consulting contract, subject to the applicable Award Agreement, is terminated as a result of the Consultant's breach, no Option held by such Participant shall be exercisable from the Termination Date.
- B. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated by the Company or a Subsidiary without cause, by voluntary termination by the Participant or due to Retirement, subject to the applicable Award Agreement, any Option held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 60 days after the Termination Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed 12 months from the Termination Date) or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the Termination Date.
- C. Where, in the case of Key Employees or Consultants, a Participant becomes afflicted by a Disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated due to Disability, subject to the applicable Award Agreement, any Option held by such Participant shall remain exercisable for a period of 120 days after the Termination Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed 12 months from the Termination Date) or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the Termination Date.

- (ix) **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, subject to the applicable Award Agreement and the provisions below, any Option held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 60 days after the Cessation Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed 12 months from the Participant ceasing to be a Director) or prior to the expiration of the Option in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option as of the Cessation Date. Where, in the case of Directors, a Participant becomes afflicted by a disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options, provided that if a Participant ceases to be a Director due to Disability, subject to the applicable Award Agreement, any Option held by such Participant shall remain exercisable for a period of 120 days after the Cessation Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed 12 months from the Cessation Date) or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option as of the Cessation Date.
- (x) **NET EXERCISE.** In lieu of the exercise price of each Share underlying an Option being paid in cash, the Option may be exercised, at the discretion of the Option holder and only with the written permission of the Board and as permitted by the policies of the Exchange, by a “**Net Exercise**”, whereby the Option holder will receive only the number of Shares underlying the Option that is equal to the quotient obtained by dividing:
- A. the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Shares and the exercise price of the subject Options by
  - B. the VWAP of the underlying Shares.
- In the event of a Net Exercise, the number of Options exercised, surrendered or converted, and not the number of Shares actually issued, must be included in calculating the limits set forth in Section 4 of the Plan, and must otherwise comply with the rules of the Exchange.
- (xi) **CASHLESS EXERCISE.** In lieu of the exercise price of each Share underlying an Option being paid in cash, the Option may be exercised, except Options granted to persons performing Investor Relations Activities, at the discretion of the Option holder and only with the written permission of the Board and as permitted by the policies of the Exchange, by a “**Cashless Exercise**” whereby the Option holder will may elect for a broker-assisted cashless exercise and shall receive:
- A. an amount in cash equal to the cash proceeds realized upon the sale in the capital markets of the Shares underlying the Option (or portion thereof being exercised) by a securities dealer designated by the Company, less the aggregate exercise price, any applicable withholding taxes, and any transfer costs charged by the securities dealer to sell the Shares;

- B. an aggregate number of Shares that is equal to the number of Shares underlying the Option (or portion thereof being exercised) minus the number of Shares sold in the capital markets by a securities dealer designated by the Company as required to realize cash proceeds equal to the aggregate exercise price, any applicable withholding taxes and any transfer costs charged by the securities dealer to sell the Shares; or
- C. a combination of Section 5(d)(xi)(A) and 5(d)(xi)(B).

In the event of a Cashless Exercise, the number of Options exercised, surrendered or converted, and not the number of Shares actually issued, must be included in calculating the limits set forth in Section 4 of the Plan, and must otherwise comply with the rules of the Exchange.

- (xii) SURRENDER OF OPTION FOR CASH. In lieu of the exercise price of each Share underlying an Option being paid in cash, an Option holder may elect to surrender for cancellation, unexercised, any vested Option that is otherwise then exercisable and, in consideration for such surrender for cancellation, to receive a cash payment in an amount equal to the positive difference, if any, obtained by subtracting the aggregate Exercise Price of the surrendered Option from the then current Fair Market Value of the Shares subject to the surrendered Option, less Applicable Withholding Taxes. The Board has the sole discretion to consent to or disapprove of the election of the Option holder to surrender any vested Option pursuant to this Section 5(d)(xii). If the Board disapproves of the election, the Option holder may (i) exercise the Option under this Section 5(d), or (ii) retract the request to surrender such Option and retain the Option. If the Board consents to the election, the Company shall make the cash payment to the Option holder in respect of the surrendered Option within 30 days. Any cash payment in accordance with this Section 5(d)(xii) shall be payable in Canadian dollars, unless otherwise agreed by the Board and the Option holder.

(e) GENERAL TERMS APPLICABLE TO AWARDS

- (i) FORFEITURE EVENTS. The Board will specify in an Award Agreement at the time of the Award that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events shall include, but shall not be limited to, termination of employment for cause, violation of material Company policies, fraud, breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant or other conduct by the Participant that is detrimental to the business or reputation of the Company.

- (ii) AWARDS MAY BE GRANTED SEPARATELY OR TOGETHER. Without limiting Section (5)(e), Awards may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution for any other Award or any award granted under any other Security-Based Compensation Arrangement of the Company or any Subsidiary. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other Security-Based Compensation Arrangement of the Company or any Subsidiary, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.
- (iii) NON-TRANSFERABILITY OF AWARDS. No Award and no right under any such Award, shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution. No Award and no right under any such Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company. The Company does not intend to make Awards assignable or transferrable, except where required by law or in certain estate proceedings described herein.
- (iv) CONDITIONS AND RESTRICTIONS UPON SECURITIES SUBJECT TO AWARDS. The Board may provide that the Shares issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Board in its sole discretion may specify, including without limitation, conditions on vesting or transferability and forfeiture or repurchase provisions or provisions on payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without limitation: (A) restrictions under an insider trading policy or pursuant to applicable law; (B) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Security-Based Compensation Arrangements; (C) restrictions as to the use of a specified brokerage firm for such resales or other transfers; and (D) provisions requiring Shares to be sold on the open market or to the Company in order to satisfy tax withholding or other obligations.
- (v) SHARE CERTIFICATES. All Shares delivered under this Plan pursuant to any Award shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under this Plan or the rules, regulations, and other requirements of any securities commission, the Exchange, and any applicable securities legislation, regulations, rules, policies or orders, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

- (vi) CONFORMITY TO PLAN. In the event that an Award is granted which does not conform in all particulars with the provisions of this Plan, or purports to grant an Award on terms different from those set out in this Plan, the Award shall not be in any way void or invalidated, but the Award shall be adjusted by the Board to become, in all respects, in conformity with this Plan.
  - (vii) DIVIDEND EQUIVALENTS. At the discretion of the Board, each RSU, DSU and PSU (representing one Share) may be credited with cash and stock dividends paid by the Company in respect of one Share (“**Dividend Equivalents**”). Dividend Equivalents will be deemed re-invested in additional RSUs, DSUs, or PSUs, as the case may be, based on the Fair Market Value of a Share on the applicable dividend payment date and rounded down to the nearest whole share.
  - (viii) ACCELERATION. The Board may elect, at any time, to accelerate the vesting schedule of one or more Awards, including, without limitation, on a Triggering Event, and such acceleration will not be considered to be an amendment to the Award in question requiring the consent of the Participant under Section 6(c) of this Plan.
- (f) GENERAL TERMS APPLICABLE TO PERFORMANCE-BASED AWARDS
- (i) PERFORMANCE EVALUATION; ADJUSTMENT OF GOALS. At the time that a Performance-Based Award is first issued, the Board, in the Award Agreement or in another written document, may specify whether performance will be evaluated including or excluding the effect of any of the following events that occur during the Performance Cycle or Restriction Period, as the case may be: (A) judgments entered or settlements reached in litigation; (B) the write down of assets; (C) the impact of any reorganization or restructuring; (D) the impact of changes in tax laws, accounting principles, regulatory actions or other laws affecting reported results; (E) extraordinary non-recurring items as may be described in the Company’s management’s discussion and analysis of financial condition and results of operations for the applicable financial year; (F) the impact of any mergers, acquisitions, spin-offs or other divestitures; and (G) foreign exchange gains and losses.
  - (ii) ADJUSTMENT OF PERFORMANCE-BASED AWARDS. The Board shall have the sole discretion to adjust the determinations of the degree of attainment of the pre-established Performance Criteria or restrictions, as the case may be, as may be set out in the applicable Award Agreement governing the relevant Performance-Based Award. Notwithstanding any provision herein to the contrary, the Board may not make any adjustment or take any other action with respect to any Performance-Based Award that will increase the amount payable under any such Award. The Board shall retain the sole discretion to adjust Performance-Based Awards downward or to otherwise reduce the amount payable with respect to any Performance-Based Award.

## SECTION 6. AMENDMENT AND TERMINATION

- (a) **SHAREHOLDER APPROVAL OF PLAN.** This Plan is subject to the approval of a majority of votes cast at a meeting of Shareholders upon adoption of the Plan and thereafter as required by the policies of the Exchange. Any Awards granted under this Plan prior to receipt of shareholder approval will not be exercisable or binding on the Company unless and until such approvals are obtained.
- (b) **AMENDMENTS AND TERMINATION OF THIS PLAN AND AWARDS.** The Board at any time, and from time to time, may amend or suspend any provision of an Award or the Plan, or terminate the Plan, subject to those provisions of Applicable Laws (including, without limitation, the rules, regulations and policies of the Exchange), if any, that require the approval of security holders or any governmental or regulatory body regardless of whether any such amendment or suspension is material, fundamental or otherwise, and notwithstanding any rule of common law or equity to the contrary.
- (c) **AMENDMENTS WITHOUT SECURITY HOLDER APPROVAL.** Without limiting the generality of the foregoing, the Board may make the following types of amendments to this Plan or any Awards without seeking security holder approval:
- (i) amendments of a “housekeeping” or administrative nature, including any amendment for the purpose of curing any ambiguity, error or omission in this Plan, or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;
  - (ii) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the Exchange);
  - (iii) amendments necessary for Awards to qualify for favourable treatment under applicable tax laws;
  - (iv) amendments to the vesting provisions of this Plan or any Award;
  - (v) amendments to include or modify a cashless exercise feature, payable in cash or Shares, which provides for a full deduction of the number of underlying Shares from the Plan maximum;
  - (vi) amendments to the termination or early termination provisions of this Plan or any Award, whether or not such Award is held by an Insider, provided such amendment does not entail an extension beyond the original expiry date of the Award; and
  - (vii) amendments necessary to suspend or terminate this Plan.

- (d) **AMENDMENTS REQUIRING SECURITY HOLDER APPROVAL.** Security holder approval will be required for the following types of amendments:
- (i) any amendment to increase the maximum number of Shares issuable under this Plan, other than pursuant to Section 4(c);
  - (ii) any amendment to this Plan that increases the length of the period after a Blackout Period during which Options may be exercised;
  - (iii) any amendment that would result in the Exercise Price for any Option granted under this Plan being lower than the Fair Market Value at the Grant Date of the Option;
  - (iv) any amendment to remove, exceed or increase any limit on Awards to non-employee Directors;
  - (v) any amendment to remove or to exceed the Insider participation limit set out in Section 4(a)(iii);
  - (vi) any amendment that reduces the Exercise Price of an Option or permits the cancellation and reissuance of an Option or other entitlement, in each case, other than pursuant to Section 4(c);
  - (vii) any amendment extending the term of an Option beyond the original expiry date, except as provided in Section 5(d)(v);
  - (viii) any amendment to the amendment provisions;
  - (ix) any amendment that would allow for the transfer or assignment of Awards under this Plan, other than for normal estate settlement purposes; and
  - (x) amendments required to be approved by security holders under applicable law (including the rules, regulations and policies of the Exchange).
- (e) **NO IMPAIRMENT OF RIGHTS.** Except as expressly set forth herein or as required pursuant to Applicable Laws, no action of the Board or security holders may materially adversely alter or impair the rights of a Participant under any Award previously granted to the Participant unless (a) the Company requests the consent of the Participant and (b) the Participant consents in writing.

## **SECTION 7. GENERAL PROVISIONS**

- (a) **NO RIGHTS TO AWARDS.** No Director, Key Employee, Consultant or other Person shall have any claim to be granted any Award under this Plan, or, having been selected to receive an Award under this Plan, to be selected to receive a future Award, and further there is no obligation for uniformity of treatment of Directors, Key Employees, Consultant or holders or beneficiaries of Awards under this Plan. The terms and conditions of Awards need not be the same with respect to each recipient.

- (b) **WITHHOLDING.** The Company shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under this Plan the amount (in cash, Shares, other securities, or other Awards) of withholding taxes due in respect of an Award, its exercise, or any payment or transfer under such Award or under this Plan and to take such other action as may be necessary in the opinion of the Company to satisfy statutory withholding obligations for the payment of such taxes. Without in any way limiting the generality of the foregoing, whenever cash is to be paid on the redemption, exercise or vesting of an Award, the Company shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. Whenever Shares are to be delivered on the redemption, exercise or vesting of an Award, the Company shall have the right to deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to the Company in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement by:
- (i) electing to have the Company withhold from delivery Shares having a value equal to the amount of tax required to be withheld, or
  - (ii) delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Shares and to deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.
- (c) **NO LIMIT ON OTHER SECURITY-BASED COMPENSATION ARRANGEMENTS.** Nothing contained in this Plan shall prevent the Company or a Subsidiary from adopting or continuing in effect other Security-Based Compensation Arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.
- (d) **NO RIGHT TO EMPLOYMENT.** The grant of an Award shall not constitute an employment contract nor be construed as giving a Participant the right to be retained in the employ of the Company. Further, the Company may at any time dismiss a Participant from employment, free from any liability, or any claim under this Plan, unless otherwise expressly provided in this Plan or in any Award Agreement.
- (e) **NO RIGHT AS SHAREHOLDER.** Neither the Participant nor any representatives of a Participant's estate shall have any rights whatsoever as Shareholders in respect of any Shares covered by such Participant's Award, until the date of issuance of a share certificate to such Participant or representatives of a Participant's estate for such Shares.
- (f) **GOVERNING LAW.** This Plan and all of the rights and obligations arising herefrom shall be interpreted and applied in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (g) **SEVERABILITY.** If any provision of this Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any Person or Award, or would disqualify this Plan or any Award under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of this Plan or the Award, such provision shall be stricken as to such jurisdiction, Person, or Award, and the remainder of this Plan and any such Award shall remain in full force and effect.

- (h) NO TRUST OR FUND CREATED. Neither this Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured creditor of the Company.
- (i) NO FRACTIONAL SHARES. No fractional Shares shall be issued or delivered pursuant to this Plan or any Award, and the Board shall determine whether cash, or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be cancelled, terminated, or otherwise eliminated.
- (j) HEADINGS. Headings are given to the Sections and subsections of this Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Plan or any provision thereof.
- (k) NO REPRESENTATION OR WARRANTY. The Company makes no representation or warranty as to the value of any Award granted pursuant to this Plan or as to the future value of any Shares issued pursuant to any Award.
- (l) NO REPRESENTATIONS OR COVENANTS WITH RESPECT TO TAX QUALIFICATION. Although the Company may, in its discretion, endeavor to (i) qualify an Award for favourable tax treatment or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under this Plan.
- (m) CONFLICT WITH AWARD AGREEMENT. In the event of any inconsistency or conflict between the provisions of this Plan and an Award Agreement, the provisions of this Plan shall govern for all purposes.
- (n) COMPLIANCE WITH LAWS. The granting of Awards and the issuance of Shares under this Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges on which the Company is listed as may be required. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to:
  - (i) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
  - (ii) completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective.

The inability or impracticability of the Company to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

- (o) EQUITY PLAN MANAGEMENT PORTAL. Any Awards granted or issued under this Plan shall be permitted to be exercisable through a platform, system, portal or such other program that permits the exercise of Awards that the Company may adopt from time to time, to the extent that such a platform, system, portal or program is made available by the Company to Participants.

**SECTION 8. EFFECTIVE DATE OF THIS PLAN**

This Plan shall become effective upon the date (the "**Effective Date**") of approval by the Shareholders of the Company given by affirmative vote of the majority of the Shares represented at the meeting of the Shareholders of the Company at which motion to approve the Plan is presented.

**SECTION 9. TERM OF THIS PLAN**

This Plan shall continue in full force and effect unless terminated as provided in Section 6 hereof, or if any approvals required by the Exchange are not obtained on the terms and conditions required thereby.

**SCHEDULE "A"**

**RESTRICTED SHARE UNIT  
AWARD AGREEMENT**

Bitfarms Ltd. (the "**Company**") has awarded Restricted Share Units ("**RSUs**") to the Participant named below pursuant to the Company's Long-Term Performance Incentive Plan ("**LTIP**").

The Company hereby confirms that on

   **\*\*** (the "**Grant Date**")

   (the "**Participant**") is an Eligible Person and was awarded

   **\*\*** RSUs of the Company.

The RSUs vest 1/3 on the 1<sup>st</sup> anniversary of the Grant Date and 1/3 on each of the 2<sup>nd</sup> and 3<sup>rd</sup> anniversary dates of the Date, respectively, all on the terms set out in, and in accordance with, the LTIP.

The RSUs granted to a Participant will be credited, as of the Grant Date, to a notional account in the name of the Participant that is maintained on the corporate accounting records of the Company in respect of the Participant's participation in the LTIP.

Each RSU shall, contingent upon vesting provisions, represent one common share of the Company. The Company will issue from treasury to the Participant that number of common shares equal to the number of RSUs credited to the Participant's account that become payable on the vesting date.

As of the Vesting Date, the RSUs in respect of which such common shares are to be issued shall be cancelled and no further payments shall be made to the Participant under the LTIP in relation to the RSUs.

This agreement and the RSUs evidenced hereby are not assignable, transferable, or negotiable and are subject to the detailed terms and conditions contained in the LTIP. This RSU Award Agreement is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the LTIP and the records of the Company shall prevail.

**BITFARMS LTD.**

By: \_\_\_\_\_  
Authorized Signatory

I, [name of Participant] hereby confirm that I am an Eligible Person as defined under the LTIP and accept the award of RSUs

\_\_\_\_\_  
[name]

**SCHEDULE "B"**

**PERFORMANCE SHARE UNIT  
AWARD AGREEMENT**

Bitfarms Ltd. (the "**Company**") has awarded Performance Share Units ("**PSUs**") to the Participant named below pursuant to the Company's Long-Term Performance Incentive Plan ("**LTIP**").

The Company hereby confirms that on

   **\*\*** (the "**Grant Date**")

**\*\*** (the "**Participant**") is an Eligible Person and was awarded

   **\*\*** PSUs of the Company.

The PSUs shall vest upon the attainment of the following criteria (the "**Performance Criteria**") prior to **\*\*** (the "**Performance Cycle**"): **\*\*\***

all on the terms set out in, and in accordance with, the LTIP.

The PSUs granted to a Participant will be credited, as of the Grant Date, to a notional account in the name of the Participant that is maintained on the corporate accounting records of the Company in respect of the Participant's participation in the LTIP.

Contingent upon the attainment of the Performance Criteria within the Performance Cycle, each PSU shall represent one common share of the Company. On satisfaction of the Performance Criteria and after that date that is determined by the Board that the Performance Criteria has been satisfied (the "**Determination Date**"), the Company will issue from treasury to the Participant that number of common shares equal to that number of PSUs credited to the Participant's account that have become vested.

Following the vesting of the PSUs and issuance of common shares in respect thereof, the PSUs shall be cancelled and no further payments shall be made to the Participant under the LTIP in relation to those PSUs.

This agreement and the PSUs evidenced hereby are not assignable, transferable, or negotiable and are subject to the detailed terms and conditions contained in the LTIP. This PSU Award Agreement is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the LTIP and the records of the Company shall prevail.

**BITFARMS LTD.**

By: \_\_\_\_\_  
Authorized Signatory

I, [name of Participant] hereby confirm that I am an Eligible Person as defined under the LTIP and accept the award of PSUs

\_\_\_\_\_  
[name]

**SCHEDULE "C"**

**DEFERRED SHARE UNIT  
AWARD AGREEMENT**

Bitfarms Ltd. (the "**Company**") has awarded Deferred Share Units ("**DSUs**") to the Participant named below pursuant to the Company's Long-Term Performance Incentive Plan ("**LTIP**").

The Company hereby confirms that on

     **\*\*** (the "**Grant Date**")

     **\*\*** (the "**Participant**") is an Eligible Person and was awarded

     **\*\*** DSUs of the Company.

In accordance with the terms of the Company's LTIP, the DSUs will be credited to your account and will be paid out at the time and in the manner specified in the LTIP.

This agreement and the DSUs evidenced hereby are not assignable, transferable, or negotiable and are subject to the detailed terms and conditions contained in the LTIP. This DSU Award Agreement is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the LTIP and the records of the Company shall prevail.

**BITFARMS LTD.**

By: \_\_\_\_\_  
Authorized Signatory

I, [name of Participant] hereby confirm that I am an Eligible Person as defined under the LTIP and accept the award of DSUs

\_\_\_\_\_  
*[name]*

**SCHEDULE "D"**

**OPTION  
AWARD AGREEMENT**

Bitfarms Ltd. (the "**Company**") has awarded incentive share purchase options ("**Options**") to the Participant named below pursuant to the Company's Long-Term Performance Incentive Plan ("**LTIP**").

The Company hereby confirms that on:

\*\*\* (the "**Grant Date**");

\*\* (the "**Participant**") is an Eligible Person and was awarded

\*\* Options for the purchase of \*\* common shares of the Company

At a price of \$\*\* per share (the "**Exercise Price**")

until \*\* (the "**Expiry Date**")

The Options vest 1/3 on the 1<sup>st</sup> anniversary date of the Grant Date and 1/3 on each of the 2<sup>nd</sup> and 3<sup>rd</sup> anniversary dates of the Grant Date, respectively.

The Options are granted on the terms set out in, and in accordance with, the LTIP. The Company will provide the Participant with a copy of the LTIP if requested.

To exercise the Options, the Participant must submit to the CEO, CFO or Corporate Secretary of the Company a completed authorization request in the prescribed form attached to this Option Award Agreement, along with a certified cheque, wire transfer or electronic fund transfer to the Company for the aggregate Exercise Price, plus any taxes or withholding remittances the Company may be required to remit on behalf of the Participant.

This agreement and the Options evidenced hereby are not assignable, transferable, or negotiable and are subject to the detailed terms and conditions contained in the LTIP. This agreement is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the LTIP and the records of the Company shall prevail.

**BITFARMS LTD.**

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Authorized Signatory

I, [name of Participant] hereby confirm that I am an Eligible Person as defined under the LTIP and accept the award of Options

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[name]

## Keel Infrastructure Corp.

## INSIDER TRADING POLICY

Adopted on April 1, 2026

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In the course of conducting the business of Keel Infrastructure Corp. (together with its subsidiaries, the “*Company*”), you may come into possession of material information about the Company or other entities that is not available to the investing public (referenced herein as “*material nonpublic information*,” as explained in greater detail below). You have a legal and ethical obligation to maintain the confidentiality of material nonpublic information. In addition, it is illegal and a violation of Company policy to trade in securities of the Company or certain other entities (such as competitors, as well as collaborators, customers, vendors, suppliers and other business partners of the Company) while you are in possession of material nonpublic information about the Company or that other entity/business partner obtained in the course of your position with the Company. Further, it is Company policy that the Company shall comply with applicable securities laws concerning trading in the Company securities.

The Board of Directors of the Company (the “*Board*”) has adopted this Policy in order to enable compliance with the law and to avoid even the appearance of improper conduct by anyone associated with the Company.

**I. PERSONS SUBJECT TO THIS POLICY**

The procedures and restrictions set forth in this Policy apply to all Company officers, directors and employees, wherever located. The Company may also determine that other individuals should be subject to this Policy, such as contractors or consultants, who have access to material nonpublic information. This Policy also applies to family members, such as spouses, minor children, adult family members who share the same household, and any other person or entity whose securities trading decisions are influenced or controlled by you (collectively, “*Related Insiders*”).

**II. TRANSACTIONS SUBJECT TO THIS POLICY**

This Policy applies to transactions in all Company securities, including common stock, preferred stock, bonds and other debt securities, options to purchase common stock, convertible debentures and warrants, as well as derivative securities whether or not issued by the Company, such as exchange-traded put or call options or swaps relating to the Company’s securities. Transactions subject to this Policy also include gifts of Company securities, which may include gifts to trusts for estate planning purposes, as well as donations to a charitable organization.

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### III. INDIVIDUAL RESPONSIBILITY

Each person subject to this Policy is individually responsible for complying with this Policy and ensuring the compliance of any Related Insiders whose transactions are subject to this Policy. Accordingly, you should make your family and household members aware of the need to confer with you before they trade in Company securities, and you should treat all such transactions for purposes of this Policy and applicable securities laws concerning trading while in possession of material nonpublic information as if the transactions were for your own account.

In all cases, the responsibility for determining whether an individual is in possession of material nonpublic information rests with that individual, and any action on the part of the Company or any other employee pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws.

### IV. MATERIAL NONPUBLIC INFORMATION

**What is Material Information?** Under Company policy and applicable laws, information is *material* if:

- there is a substantial likelihood that a reasonable investor would consider the information important in determining whether to trade in a security; or
- the information, if made public, is likely or would reasonably be expected to affect the market price or value of a company's securities.

Information may be material even if it relates to future, speculative or contingent events and even if it is significant only when considered in combination with publicly available information. Material information can be positive or negative and can be quantitative or qualitative. Nonpublic information can be material, even with respect to companies that do not have publicly-traded stock, such as those with outstanding bonds.

Depending on the facts and circumstances, information that could be considered material includes, but is not limited to, information pertaining to the following:

- earnings announcements or guidance, or changes to or reaffirmations of previously released announcements or guidance;
- other unpublished financial results, key metrics, financial condition, earnings pre-announcements, projections, or forecasts;
- write-downs and additions to reserves for bad debts;
- restatements of financial results, or material impairments, write-offs or restructurings;
- expansion or curtailment of operations and business disruptions;
- a data breach or cybersecurity incident or risk that may adversely impact the Company's business, reputation or share value;

- new inventions or discoveries;
- pending or threatened significant litigation or government action, or the resolution thereof;
- changes in regulations or applicable law, whether positive or negative;
- a pending or proposed merger, acquisition, tender offer, joint venture, restructuring or change in assets;
- changes in analyst recommendations or debt ratings;
- events regarding the Company's securities (*e.g.*, defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits, changes in dividends, changes to the rights of securityholders or an offering of additional securities);
- changes in control of the Company or extraordinary management developments;
- management developments, including major personnel changes, such as changes in officers, senior management or the board of directors;
- changes in the Company's pricing or cost structure;
- extraordinary borrowing or other financing transactions out of the ordinary course;
- liquidity problems or impending bankruptcy;
- changes in auditors or auditor notification that an audit report may no longer be relied upon;
- development of a significant new product, process, service, offering or technology and developments affecting the Company's resources, technology, products or market;
- execution or termination of significant contracts; or
- the gain or loss of a significant customer or supplier.

**What is Nonpublic Information?** Information is considered to be nonpublic unless it has been adequately disclosed to the public. This means that the information must be publicly disseminated and sufficient time must have passed for the securities markets to digest the information.

It is important to note that information is not necessarily public merely because it has been discussed in the press or on social media, which will sometimes report rumors. You should presume that information is nonpublic, unless you can point to the official release of that information by the Company in at least one of the following ways:

- publicly available filings with the U.S. Securities and Exchange Commission (the "**SEC**") or securities regulatory authorities;

- issuance of press releases via major newswire such as Dow Jones or Reuters; or
- posting the information on the Company's website.

You may not attempt to "beat the market" by trading simultaneously with, or shortly after, the official release of material information. Although there is no fixed period for how long it takes the market to absorb information, out of prudence a person in possession of material nonpublic information should refrain from any trading activity for one full trading day following the official release of such information.

**Twenty-Twenty Hindsight.** If securities transactions ever become the subject of scrutiny, they are likely to be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction you should carefully consider how the transaction may be construed in the bright light of hindsight. If you have any questions or uncertainties about this Policy or a proposed transaction, please ask the General Counsel, Global.

#### **V. "TIPPING" MATERIAL NONPUBLIC INFORMATION IS PROHIBITED**

In addition to trading while in possession of material nonpublic information, it is also illegal and a violation of this Policy, as well as the Company's Disclosure Controls & Procedures Policy, to provide such information to another ("*tipping*") who may trade or to advise another to trade on the basis of such information. This Policy applies regardless of whether the person or entity who receives the information, the "tippee," is related to you and regardless of whether you receive any monetary benefit from the tippee. It is illegal to make recommendations or express opinions to another person regarding trading in any securities (whether Company Securities or another issuer's) on the basis of material non-public information.

#### **VI. BLACKOUT PERIODS**

All directors, officers and any employees designated as being subject to blackouts (and Related Insiders) are subject to the following blackout periods, during which they may not trade in the Company's securities (except by means of pre-arranged Rule 10b5-1 Plans established in compliance with the Policy).

***Quarterly Blackout.*** Because the announcement of the Company's quarterly financial results will almost always have the potential to have a material effect on the market for the Company's securities, you may not trade in the Company's securities during the period (i) beginning on the 15<sup>th</sup> day of the third month of the quarter and (ii) ending after the first full trading day following the release of the Company's earnings for that quarter.

***Interim Earnings Guidance Blackout.*** The Company may on occasion issue interim earnings guidance or other potentially material information by means of a press release, SEC filing on Form 8-K or other means designed to achieve widespread dissemination of the information. You should anticipate that trading will be blacked out while the Company is in the process of assembling the information to be released and until the information has been released and fully absorbed by the market.

***Event-Specific Blackout.*** From time to time, an event may occur that is material to the Company and is known by only a few directors, officers and/or employees. The existence of an event-specific blackout will not be announced. If, however, a person whose trades are subject to pre-clearance requests permission to trade in the Company's securities during an event-specific blackout, the General Counsel, Global will inform the requesting person of the existence of a blackout period, without disclosing the reason for the blackout. Any person made aware of the existence of an event-specific blackout should not disclose the existence of the blackout to any other person.

## VII. PRE-CLEARANCE PROCEDURES

All directors, officers and any employees designated as being subject to pre-clearance may not engage in any transaction involving the Company's securities (including the exercise of stock options, gifts, loans, contributions to a trust or any other transfers) without first obtaining pre-clearance of the transaction from the Company's ("**Clearance Committee**"), [clearancecommittee@keelinfra.com](mailto:clearancecommittee@keelinfra.com) (consisting of the Chief Financial Officer, the General Counsel, Global (and/or designee) the Executive Vice President of Finance & Accounting (and/or designee) and the Corporate Secretary (if different than the General Counsel) and Assistant Corporate Secretary. will be evaluated to determine if it raises insider trading concerns or other concerns under federal laws and regulations. Any advice will relate solely to the restraints imposed by law and will not constitute advice regarding the investment aspects of any transaction. If you become aware of material nonpublic information after receiving pre-clearance but before the transaction order has been placed, the clearance is void and such trade order may not be placed. If clearance is denied, the fact of such denial must be kept confidential by the person requesting such clearance.

Pre-clearance is also not required for certain equity compensation related transactions, subject to the exceptions described in section VIII of this Policy.

## VIII. EQUITY COMPENSATION

The trading restrictions in this Policy do not apply in the case of the following transactions, except as specifically noted:

- A. **Stock Options.** The trading restrictions in this Policy do not apply to exercises of: (i) stock options where no Company common stock is sold in the market to fund the option exercise price or related taxes (*i.e.*, a net exercise or where cash is paid to exercise the option) or (ii) a tax withholding right pursuant to which a person has elected to have the Company withhold shares subject to an option to satisfy tax withholding requirements. The trading restrictions do apply, however, to subsequent sales of Company common stock received upon the exercise of options, including any transactions at the time of exercise in which the proceeds are used to fund the option exercise price (*i.e.*, a "cashless" exercise of options) or related taxes.

- B. ***Restricted Stock Awards and Restricted Stock Units.*** The trading restrictions in this Policy do not apply to the vesting of restricted stock or the settlement of restricted stock units, or the exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares of stock to satisfy tax withholding requirements upon the vesting of any restricted stock or settlement of any restricted stock units. The trading restrictions do apply, however, to any market sale of restricted stock or sale of Company common stock received upon the settlement of restricted stock units.

## IX. PROHIBITED TRANSACTIONS

Due to the heightened legal risk associated with the following transactions, the individuals subject to this Policy may not engage in the following:

- A. ***Publicly-Traded Options.*** You may not trade in options, warrants, puts and calls or similar instruments on Company securities. Given the relatively short term of publicly-traded options, transactions in options may create the appearance that you are trading based on material nonpublic information and focus your attention on short-term performance at the expense of the Company's long-term objectives.
- B. ***Short Sales.*** You may not engage in short sales of Company securities. A short sale has occurred if the seller (i) does not own the securities sold or (ii) does own the securities sold but does not deliver them within 20 days or place them in the mail within 5 days of the sale. Short sales may reduce a seller's incentive to seek to improve the Company's performance and often have the potential to signal to the market that the seller lacks confidence in the Company's prospects.
- C. ***Margin Accounts and Pledges.*** Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material nonpublic information or otherwise is not permitted to trade in Company securities, you may not hold Company securities in a margin account or otherwise pledge Company securities as collateral for a loan.
- D. ***Hedging Transactions.*** You may not engage (directly or indirectly) in hedging transactions, or otherwise engage in transactions that hedge or offset, or are designed to hedge or offset, any decrease in the market value of Company securities. Hedging transactions include (but are not limited to) collars, equity swaps, exchange funds and prepaid variable forward sale contracts. Hedging transactions may allow you to continue to own Company securities, but without the full risks and rewards of ownership. This may lead to you no longer having the same objectives as the Company's other shareholders.
- E. ***Standing and Limit Orders.*** You may not place standing or limit orders on Company securities, unless executed as part of an approved Rule 10b5-1 Plan discussed in section X of this Policy. Standing and limit orders create heightened risks for insider trading violations because there is no control over the timing of purchases or sales that result from standing instructions to a broker, and as a result, the broker could execute a transaction when you possess material nonpublic information.

## **X. RULE 10B5-1 TRADING PLANS**

Notwithstanding the prohibition against insider trading, SEC Rule 10b5-1 provides an affirmative defense against insider trading liability under Rule 10b-5 and Canadian securities legislation provides a legal defense to insiders when their trades are made under an “automatic plan”. A person subject to this Policy can rely on this defense and trade in Company securities, regardless of their awareness of inside information, if the transaction occurs pursuant to a pre-arranged written trading plan (“*Rule 10b5-1 Plan*”) that was entered into when the person was not in possession of material nonpublic information and that complies with the requirements of Rule 10b5-1.

Section 16 Insiders also should be aware that the Company will be required to make quarterly disclosures regarding all Rule 10b5-1 Plans entered into, amended or terminated by Section 16 Insiders and to include the material terms of such plans, other than pricing information.

Anyone subject to this Policy who wishes to enter into a Rule 10b5-1 Plan must submit the Rule 10b5-1 Plan to the Legal Department for its approval at least five business days prior to the planned entry into the Rule 10b5-1 Plan. Rule 10b5-1 Plans may not be adopted by a person when he or she is in possession of material nonpublic information about the Company or its securities and must comply with the requirements of Rule 10b5-1 (including specified waiting periods and limitations on multiple overlapping plans and single trade plans).

Once the Rule 10b5-1 Plan is adopted, you must not exercise any subsequent influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. You may amend or replace a Rule 10b5-1 Plan only during periods when trading is permitted in accordance with this Policy, and you must submit any proposed amendment or replacement of a Rule 10b5-1 Plan to the Legal Department for approval prior to adoption. You must provide notice to the Legal Department prior to terminating a Rule 10b5-1 Plan. You should understand that a modification or termination of a Rule 10b5-1 Plan may call into question your good faith in entering into and operating the plan (and therefore may jeopardize the availability of the affirmative defense against insider trading allegations).

## **XI. POST-TERMINATION TRANSACTIONS**

This Policy continues to apply to transactions in Company securities even after your service with the Company is terminated. If you are in possession of material nonpublic information when your service terminates, you may not trade in Company securities until that information has become public or is no longer material. Although the pre-clearance procedures specified in section VII will no longer apply, if you are subject to a quarterly blackout period at the time of termination of service, you may not trade in Company securities until after the end of the blackout period.

**XII. WAIVERS**

Any waiver of this Policy shall be subject to the approval of the General Counsel, Global.

**XIII. PENALTIES FOR VIOLATIONS OF THE INSIDER TRADING LAWS AND THIS POLICY**

In the United States, Canada and many other countries, the personal consequences to you of illegal insider trading can be severe. In addition to injunctive relief, disgorgement and other ancillary remedies, U.S. law empowers the government to seek significant civil penalties against persons found liable of insider trading, including as tippers or tippees. Criminal penalties may also be assessed for insider trading, including large fines and imprisonment. Subject to applicable law, if you violate this Policy you may also be subject to discipline by the Company, up to and including termination of employment, even if the country or jurisdiction where the conduct took place does not regard it as illegal.

**XIV. REPORTING VIOLATIONS/SEEKING ADVICE**

You should refer suspected violations of this Policy through the reporting procedures set forth in the Company's Code of Conduct and/or Whistleblower Policy. Because of the technical nature of some aspects of the federal securities laws, you should review this Policy carefully and contact the General Counsel, Global if at any time (i) you have questions about this Policy or its application to a particular situation; or (ii) you plan to trade in the Company's securities, but are unsure as to whether the transaction might be in conflict with the securities laws and/or this Company Policy.

\* \* \*

## **Annex - Director & Officer Reporting Requirements**

As a director or officer (as defined under applicable securities laws) of Keel Infrastructure Corp. (the “Company”), you are subject to additional reporting requirements and restrictions, as summarized below.

### **US Requirements – Section 16(a) of the Exchange Act**

Under Section 16(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), directors and officers (together, “Section 16 Insiders”), as well as beneficial owners of more than 10% of the outstanding shares of any class of voting Company equity securities registered under Section 12 of the Exchange Act, must file forms with the U.S. Securities and Exchange Commission (the “SEC”) disclosing their direct and indirect pecuniary interest in most transactions involving the Company’s equity securities (such as common stock), including any derivative securities (such as options, restricted share units, warrants, convertible securities and stock appreciation rights).

**Forms 3, 4 and 5.** The Legal Department will assist Section 16 Insiders in preparing and filing the following Section 16 reports, but each individual Section 16 Insider is responsible for the timing and contents of his or her reports:

- **Form 3, Initial Beneficial Ownership Statement.** A Form 3 is due within 10 calendar days of becoming a Section 16 Insider, even if such person does not own any Company equity securities at the time. The Form 3 must disclose such person’s position and ownership of any Company equity securities as of immediately prior to assuming office.
- **Form 4, Changes of Beneficial Ownership Statement.** A Form 4 is due 10:00 p.m., Eastern, on the second business day following any transaction by a Section 16 Insider, whether directly or indirectly, in Company equity securities. While limited reporting exemptions are available, a Section 16 Insider should assume that a transaction in Company equity securities would require a Form 4 filing.
- **Form 5, Annual Beneficial Ownership Statement.** A Form 5 is due within 45 days after the end of the Company’s fiscal year. A Form 5 would need to be filed if a Section 16 Insider had any transaction that was specifically eligible for deferred reporting on Form 5 (such as acquisitions from gifts) or should have been reported during the last fiscal year but were not. A Form 5 need not be filed if all transactions otherwise reportable have been previously reported (including voluntarily on a Form 4).

***Indirect Ownership by Related Insiders.*** The reports described above must also reflect any indirect ownership by Section 16 Insiders, including all holdings and transactions by Related Insiders. This includes changes in ownership by immediate family members living in the Section 16 Insider’s household and any other person or entity over whom the individual exercises influence or control over his, her or its securities trading decisions. For this purpose, “immediate family” includes a spouse, children, stepchildren, grandchildren, parents, grandparents, stepparents and siblings, including in-laws and adoptive relationships.

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While limited reporting exemptions are available, Section 16 Insiders should assume that any transaction in Company equity securities would require a Form 4 filing. Any questions concerning whether a particular transaction will necessitate filing of one of these forms, or how or when they should be completed should be asked of the Company's General Counsel, or, if you prefer, your individual legal counsel. The Company must disclose in its Annual Report on Form 10-K and in its Proxy Statement any delinquent filings of Forms 3, 4 or 5 by directors and officers, and must post on its website, by the end of the business day after filing with the SEC, any Forms 3, 4 and 5 relating to the Company's securities.

**Short-Swing Trading Profits.** In order to discourage directors and officers from profiting through short-term trading transactions in equity securities of the Company, Section 16(b) of the Exchange Act requires that any "short-swing profits" be disgorged to the Company. This is in addition to the reporting requirements described above.

"Short-swing profits" are the profits, whether real or notional, that result from any purchase and sale (or sale and purchase) of the Company's equity securities within a six-month period, unless there is an applicable exemption for either transaction. It is important to note that this rule applies to any matched transactions in the Company's securities (including derivative securities), not only a purchase and sale (or sale and purchase) of the same shares, or even of the same class of securities. Furthermore, pursuant to SEC rules, profit is determined so as to maximize the amount that the director or officer must disgorge, and this amount may not be offset by any losses realized. "Short-swing profits" may exceed economic profits.

**Prohibition Against Short Sales.** You may not engage in short sales of Company securities, which violates Section 16(c) of the Exchange Act and Company policy.

### **U.S. Limitations and Requirements on Resales of Company Securities**

The Securities Act of 1933 (the "Securities Act") requires that securities may be sold only pursuant to an effective registration statement or an exemption from the registration requirements. Directors and certain officers who are (or were within the prior 90 days) affiliates of the Company and who wish to sell Company securities may seek a "safe harbor" for their sales to establish an exemption from such registration requirements by complying with the conditions of Rule 144 under the Securities Act applicable to affiliates. Such conditions include requirements on the manner of sale, volume limitations, holding periods and Form 144 filing obligations.

"Securities" under Rule 144 are broadly defined to include all securities, not just equity securities. The Rule 144 safe harbor is available not only to sales of common and preferred stock, but also to sales of bonds, debentures and any other form of security. Affiliates and others who seek to sell securities acquired directly from the Company or a Company affiliate in a series of transactions not involving any public offering may avail themselves of the safe harbor of Rule 144 by complying with the provisions applicable to resales of "restricted securities" (which apply, for affiliates, in addition to, and in conjunction with, the provisions of that Rule applicable to resales by affiliates).

## List of Company Subsidiaries

The following is a list of subsidiaries of the Registrant, omitting subsidiaries which, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary of the Registrant as of December 31, 2025:

<b>Significant Subsidiaries</b>	<b>Jurisdiction of Incorporation</b>
9159-9290 Quebec Inc.	Quebec (Canada)
Backbone Hosting Solutions SAU	Argentina
Backbone Mining Solutions LLC	Delaware (USA)
BMS Capital Inc.	Ontario (Canada)
Backbone Hosting Solutions (USA) Inc.	Delaware (USA)
Backbone Hosting Solutions Paraguay SA	Paraguay
Backbone Hosting Solutions Inc.	Canada
Orion Constellation Technologies Inc.	Quebec
D&N Ingeniería S.A.	Paraguay
Bitfarms Paraguay LP	Ontario (Canada)
Backbone Sharon LLC (USA - Delaware)	Delaware (USA)
Stronghold Digital Mining Inc. (USA - Delaware)	Delaware (USA)
Panther Creek Power Operating LLC	Delaware (USA)
Scrubgrass Reclamation Company LP	Delaware (USA)
Stronghold Digital Mining Hashco LLC	Delaware (USA)
Stronghold Digital Mining LLC	Delaware (USA)
Carbon Node East Holdings, LLC	Delaware (USA)
Carbon Node East Development, LLC	Delaware (USA)
Carbon Node East Property, LLC	Delaware (USA)
Grant Node Development, LLC	Delaware (USA)
Grant Node Property, LLC	Delaware (USA)
Mercer Node Development, LLC	Delaware (USA)
Mercer Node Property, LLC	Delaware (USA)
Sharon HPC Energy Inc.	Delaware (USA)

**Consent of Independent Registered Public Accounting Firm**

We hereby consent to the incorporation by reference in the Registration Statements on Form F-10 (No. 333-272989) and Form S-8 (Nos. 333-285894 and 333-278868) of Bitfarms Ltd. of our report dated March 31, 2026, relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants  
Toronto, Canada  
March 31, 2026

**CERTIFICATION PURSUANT  
TO RULE 13a-14(a) AND RULE 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Benjamin Gagnon, certify that:

1. I have reviewed this Annual Report on Form 10-K of Bitfarms Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2026

By /s/ Benjamin Gagnon

Benjamin Gagnon

Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION PURSUANT TO  
RULE 13a-14(a) AND RULE 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jonathan Mir, certify that:

1. I have reviewed this Annual Report on Form 10-K of Bitfarms Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2026

By /s/ Jonathan Mir

Jonathan Mir

Chief Financial Officer

(Principal Financial Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Bitfarms Ltd. (the "Company") for the fiscal year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Benjamin Gagnon, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: March 31, 2026

By /s/ Benjamin Gagnon

Benjamin Gagnon

Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Bitfarms Ltd. (the "Company") for the fiscal year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jonathan Mir, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: March 31, 2026

By /s/ Jonathan Mir

Jonathan Mir

Chief Financial Officer

(Principal Financial Officer)

## KEEL INFRASTRUCTURE CORP.

## CLAWBACK POLICY

The Compensation Committee (the “Committee”) of the board of directors (the “Board”) of Keel Infrastructure Corp. (the “Company”) believes that it is appropriate for the Company to adopt this Clawback Policy (the “Policy”) to be applied to the Executive Officers of the Company and adopts this Policy to be effective as of the Effective Date.

**1. Definitions**

For purposes of this Policy, the following definitions shall apply:

- a) “Company Group” means the Company and each of its Subsidiaries, as applicable.
  - b) “Covered Compensation” means any Incentive-Based Compensation granted, vested or paid to a person who served as an Executive Officer at any time during the performance period for the Incentive-Based Compensation and that was Received (i) on or after the effective date of the Nasdaq listing standard, (ii) after the person became an Executive Officer and (iii) at a time that the Company had a class of securities listed on a national securities exchange or a national securities association.
  - c) “Effective Date” means April 1, 2026.
  - d) “Erroneously Awarded Compensation” means the amount of Covered Compensation granted, vested or paid to a person during the fiscal period when the applicable Financial Reporting Measure relating to such Covered Compensation was attained that exceeds the amount of Covered Compensation that otherwise would have been granted, vested or paid to the person had such amount been determined based on the applicable Restatement, computed without regard to any taxes paid (i.e., on a pre-tax basis). For Covered Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in a Restatement, the Committee will determine the amount of such Covered Compensation that constitutes Erroneously Awarded Compensation, if any, based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Covered Compensation was granted, vested or paid and the Committee shall maintain documentation of such determination and provide such documentation to the Nasdaq.
  - e) “Exchange Act” means the U.S. Securities Exchange Act of 1934.
  - f) “Executive Officer” means each “officer” of the Company as defined under Rule 16a-1(f) under Section 16 of the Exchange Act, which shall be deemed to include any individuals identified by the Company as executive officers pursuant to Item 401(b) of Regulation S-K under the Exchange Act. Both current and former Executive Officers are subject to the Policy in accordance with its terms.
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- g) “Financial Reporting Measure” means (i) any measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures derived wholly or in part from such measures and may consist of GAAP or non-GAAP financial measures (as defined under Regulation G of the Exchange Act and Item 10 of Regulation S-K under the Exchange Act), (ii) stock price or (iii) total shareholder return. Financial Reporting Measures may or may not be filed with the SEC and may be presented outside the Company’s financial statements, such as in Managements’ Discussion and Analysis of Financial Conditions and Result of Operations or in the performance graph required under Item 201(e) of Regulation S-K under the Exchange Act.
- h) “Home Country” means the Company’s jurisdiction of incorporation.
- i) “Incentive-Based Compensation” means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.
- j) “Lookback Period” means the three completed fiscal years (plus any transition period of less than nine months that is within or immediately following the three completed fiscal years and that results from a change in the Company’s fiscal year) immediately preceding the date on which the Company is required to prepare a Restatement for a given reporting period, with such date being the earlier of: (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare a Restatement. Recovery of any Erroneously Awarded Compensation under the Policy is not dependent on if or when the Restatement is actually filed.
- k) “Nasdaq” means the Nasdaq Stock Market.
- l) “Received”: Incentive-Based Compensation is deemed “Received” in the Company’s fiscal period during which the Financial Reporting Measure specified in or otherwise relating to the Incentive-Based Compensation award is attained, even if the grant, vesting or payment of the Incentive-Based Compensation occurs after the end of that period.
- m) “Restatement” means a required accounting restatement of any Company financial statement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including (i) to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly referred to as a “Big R” restatement) or (ii) to correct an error in previously issued financial statements that is not material to the previously issued financial statements but that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as a “little r” restatement). Changes to the Company’s financial statements that do not represent error corrections under the then-current relevant accounting standards will not constitute Restatements. Recovery of any Erroneously Awarded Compensation under the Policy is not dependent on fraud or misconduct by any person in connection with the Restatement.

n) “SEC” means the U.S. Securities and Exchange Commission.

o) “Subsidiary” means any domestic or foreign corporation, partnership, association, joint stock company, joint venture, trust or unincorporated organization “affiliated” with the Company, that is, directly or indirectly, through one or more intermediaries, “controlling”, “controlled by” or “under common control with”, the Company. “Control” for this purpose means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, contract or otherwise.

## **2. Recoupment of Erroneously Awarded Compensation**

In the event of a Restatement, any Erroneously Awarded Compensation Received during the Lookback Period prior to the Restatement (a) that is then-outstanding but has not yet been paid shall be automatically and immediately forfeited and (b) that has been paid to any person shall be subject to reasonably prompt repayment to the Company Group in accordance with Section 3 of this Policy. The Committee must pursue (and shall not have the discretion to waive) the forfeiture and/or repayment of such Erroneously Awarded Compensation in accordance with Section 3 of this Policy, except as provided below.

Notwithstanding the foregoing, the Committee (or, if the Committee is not a committee of the Board responsible for the Company’s executive compensation decisions and composed entirely of independent directors, a majority of the independent directors serving on the Board) may determine not to pursue the forfeiture and/or recovery of Erroneously Awarded Compensation from any person if the Committee determines that such forfeiture and/or recovery would be impracticable due to any of the following circumstances: (i) the direct expense paid to a third party (for example, reasonable legal expenses and consulting fees) to assist in enforcing the Policy would exceed the amount to be recovered (following reasonable attempts by the Company Group to recover such Erroneously Awarded Compensation, the documentation of such attempts, and the provision of such documentation to the Nasdaq), (ii) pursuing such recovery would violate the Company’s Home Country laws adopted prior to November 28, 2022 (provided that the Company obtains an opinion of Home Country counsel acceptable to the Nasdaq that recovery would result in such a violation and provides such opinion to the Nasdaq), or (iii) recovery would likely cause any otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of Company Group, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

## **3. Means of Repayment**

In the event that the Committee determines that any person shall repay any Erroneously Awarded Compensation, the Committee shall provide written notice to such person by email or certified mail to the physical address on file with the Company Group for such person, and the person shall satisfy such repayment in a manner and on such terms as required by the Committee, and the Company Group shall be entitled to set off the repayment amount against any amount owed to the person by the Company Group, to require the forfeiture of any award granted by the Company Group to the person, or to take any and all necessary actions to reasonably promptly recoup the repayment amount from the person, in each case, to the fullest extent permitted under applicable law, including without limitation, Section 409A of the U.S. Internal Revenue Code and the regulations and guidance thereunder. If the Committee does not specify a repayment timing in the written notice described above, the applicable person shall be required to repay the Erroneously Awarded Compensation to the Company Group by wire, cash or cashier’s check no later than thirty (30) days after receipt of such notice.

#### **4. No Indemnification**

No person shall be indemnified, insured or reimbursed by the Company Group in respect of any loss of compensation by such person in accordance with this Policy, nor shall any person receive any advancement of expenses for disputes related to any loss of compensation by such person in accordance with this Policy, and no person shall be paid or reimbursed by the Company Group for any premiums paid by such person for any third-party insurance policy covering potential recovery obligations under this Policy. For this purpose, "indemnification" includes any modification to current compensation arrangements or other means that would amount to *de facto* indemnification (for example, providing the person a new cash award which would be cancelled to effect the recovery of any Erroneously Awarded Compensation). In no event shall the Company Group be required to award any person an additional payment if any Restatement would result in a higher incentive compensation payment.

#### **5. Miscellaneous**

This Policy generally will be administered and interpreted by the Committee, provided that the Board may, from time to time, exercise discretion to administer and interpret this Policy, in which case, all references herein to "Committee" shall be deemed to refer to the Board. Any determination by the Committee with respect to this Policy shall be final, conclusive and binding on all interested parties. Any discretionary determinations of the Committee under this Policy, if any, need not be uniform with respect to all persons, and may be made selectively amongst persons, whether or not such persons are similarly situated.

This Policy is intended to satisfy the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as it may be amended from time to time, and any related rules or regulations promulgated by the SEC or the Nasdaq, including any additional or new requirements that become effective after the Effective Date which upon effectiveness shall be deemed to automatically amend this Policy to the extent necessary to comply with such additional or new requirements.

The provisions in this Policy are intended to be applied to the fullest extent of the law. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to applicable law. The invalidity or unenforceability of any provision of this Policy shall not affect the validity or enforceability of any other provision of this Policy. Recoupment of Erroneously Awarded Compensation under this Policy is not dependent upon the Company Group satisfying any conditions in this Policy, including any requirements to provide applicable documentation to the Nasdaq.

The rights of the Company Group under this Policy to seek forfeiture or reimbursement are in addition to, and not in lieu of, any rights of recoupment, or remedies or rights other than recoupment, that may be available to the Company Group pursuant to the terms of any law, government regulation or stock exchange listing requirement or any other policy, code of conduct, employee handbook, employment agreement, equity award agreement, or other plan or agreement of the Company Group.

#### **6. Amendment and Termination**

To the extent permitted by, and in a manner consistent with applicable law, including SEC and Nasdaq rules, the Committee may terminate, suspend or amend this Policy at any time in its discretion.

#### **7. Successors**

This Policy shall be binding and enforceable against all persons and their respective beneficiaries, heirs, executors, administrators or other legal representatives with respect to any Covered Compensation granted, vested or paid to or administered by such persons or entities.

**KEEL INFRASTRUCTURE CORP.**

**CLAWBACK POLICY**

**ACKNOWLEDGMENT, CONSENT AND AGREEMENT**

I acknowledge that I have received and reviewed a copy of the Keel Infrastructure Corp. Clawback Policy (as may be amended from time to time, the “Policy”) and I have been given an opportunity to ask questions about the Policy and review it with my counsel. I knowingly, voluntarily and irrevocably consent to and agree to be bound by and subject to the Policy’s terms and conditions, including that I will return any Erroneously Awarded Compensation that is required to be repaid in accordance with the Policy. I further acknowledge, understand and agree that (i) the compensation that I receive, have received or may become entitled to receive from the Company Group is subject to the Policy, and the Policy may affect such compensation and (ii) I have no right to indemnification, insurance payments or other reimbursement by or from the Company Group for any compensation that is subject to recoupment and/or forfeiture under the Policy. Capitalized terms used but not defined herein have the meanings set forth in the Policy.

**Signed:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_