



Bitfarms Mines 486 Bitcoin in January

02.01.23

Upgraded Paraguay farm with 2,888 new miners increasing hashrate 168 PH/s

This news release constitutes a “designated news release” for purposes of the Company’s prospectus supplement dated August 16, 2021, to its short form base shelf prospectus dated August 12, 2021.

TORONTO and BROSSARD, Québec, Feb. 01, 2023 (GLOBE NEWSWIRE) -- [Bitfarms Ltd.](#) (NASDAQ: BITF // TSX: BITF), a global Bitcoin self-mining company, provided a Bitcoin (BTC) production and mining operations update for January 2023.

“With our proven best in class operations, well-established corporate infrastructure and team firmly in place, we are excited about the prospects in 2023 for both organic and transactional expansion emerging from the industry downturn,” said Geoff Morphy, CEO of Bitfarms. “In January, we continued to deliver steady performance amidst a period of macro headwinds and predominantly low BTC prices most of the month. Pursuing a disciplined approach to investment as the industry consolidates and recovers, we expect to benefit in 2023 and into the next halving event in 2024.”

Ben Gagnon, Chief Mining Officer of Bitfarms, said, “With 486 BTC mined in January, we increased production by 61% compared to 301 BTC in the same period a year ago and averaged 15.7 BTC mined per day. Two network difficulty increases during the month impacted overall BTC productivity, as network difficulty increased 10.3% on January 15, and by another 4.7% on January 29, for a total of 15.5% in January. Additionally, during the month, we deployed more efficient miners in Paraguay, which added a net 168 petahash per second (PH/s) near the end of the month.”

CFO Jeff Lucas added, “During January, we continued to proactively increase financial flexibility by reducing indebtedness and capital expenditure obligations. We paid off three of our highest interest rate equipment loans totaling \$830,000. These payments furthered our progress towards achieving our strategic objective of deleveraging our balance sheet that we set in June of 2022.”

Mining Review

While Quebec was warmer in January 2023 than in January 2022, energy curtailment programs impacted production as a normal part of operations during the winter. As a result, Bitfarms temporarily curtailed operations in Quebec, supporting the community by restoring power back to the local grids.

Key Performance Indicators	Jan. 2023	Dec. 2022	Jan. 2022
Total BTC Mined	486	496	301
Month End Operating EH/s	4.7	4.5	2.3
BTC/ Avg. EH/s	110	113	158
Operating Capacity (MW)	188	188	116
Hydropower MW	178	178	116
Watts/Terahash Efficiency (w/TH)	40	40	44
BTC Sold	486	1,755	2

January 2023 Select Operating Highlights

- 4.7 EH/s online as of January 31, 2023, up 104% from January 31, 2022 and up 4% compared to December 31, 2022.
- 4.42 EH/s average online, compared to 4.38 EH/s in December 2022.
- 110 BTC/average EH/s, down 3% from 113 in December 2022.
- 486 new BTC mined, up 61% from January 2022 and down 2% from December 2022.
- 15.7 BTC mined daily on average, equivalent to about \$362,700 per day and approximately \$11.2 million for the month based on a BTC price of \$23,100 on January 31, 2023.

Mining Operations

- Imported and installed 2,888 new MicroBT M30s into Paraguay, which added a net 168 PH/s at this farm, bringing its total hashrate to 288 PH/s. This equipment upgrade improves fleet w/TH efficiency, as it replaces 2,450 Innosilicon T3 miners, which had contributed 120 PH/s and are now scheduled to be liquidated.

Bitfarms' BTC Monthly Production

Month	BTC Mined 2023	BTC Mined 2022
January	486	301
Total YTD	486	301

January 2023 Financial Update

- Paid down over \$2.5 million in equipment related indebtedness during the month including full repayment of the three highest interest rate equipment loans totaling approximately \$830,000, which reduced the total outstanding equipment related debt to \$44.8 million.
- Sold 486 BTC, generating total proceeds of \$9.7 million.
- Held 405 BTC in custody at January 31, 2023, representing a total value of approximately \$9.4 million based on a BTC price of \$23,100.

Conferences and Events

Bitfarms plans to attend the following upcoming events:

- February 1: Bitfarms along with the Digital Asset Mining Coalition will appear before The House of Commons of Canada's Standing Committee on Industry and Technology in view of its study of [Blockchain Technology](#), Ottawa
- March 22-23: Sidoti's March 2023 Small Cap Virtual Conference

About Bitfarms Ltd.

Founded in 2017, Bitfarms is a global, publicly traded (NASDAQ/TSX: BITF) Bitcoin self-mining company. Bitfarms runs vertically integrated mining operations with in-house management and company-owned electrical engineering, installation service, and onsite technical repair. The Company's proprietary data analytics system delivers best-in-class operational performance and uptime.

Bitfarms has 10 mining facilities around the world, which are housed in four countries: Canada, the United States, Paraguay, and Argentina. Powered by predominantly environmentally friendly hydro-electric and long-term power contracts, Bitfarms is committed to using renewable, locally based, and often underutilized energy infrastructure.

To learn more about Bitfarms' events, developments, and online communities:

Website: www.bitfarms.com

<https://www.facebook.com/bitfarms/>

https://twitter.com/Bitfarms_io

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

Cautionary Statement

Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the Toronto Stock Exchange, Nasdaq, or any other securities exchange or regulatory authority accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This news release contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") that are based on expectations, estimates and projections as at the date of this news release and are covered by safe harbors under Canadian and United States securities laws. The statements and information in this release regarding the Company's prospects in 2023 for both organic and transactional expansion, expectations for industry consolidation and recovery (including expected benefits to the Company in 2023 and into the next halving event in 2024), expectations as to deleveraging the Company's balance sheet and other future plans and objectives of the Company are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms' ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company's operations, the construction and operation of expanded blockchain

infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.

This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the Company's outstanding indebtedness (including in respect of any defaults thereunder); the global economic climate; dilution; the Company's limited operating history; future capital needs and uncertainty of additional financing, including the Company's ability to utilize the Company's at-the-market offering (the “ATM Program”) and the prices at which the Company may sell Common Shares in the ATM Program, as well as capital market conditions in general; risks relating to the strategy of maintaining and increasing Bitcoin holdings and the impact of depreciating Bitcoin prices on working capital; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; the ability to maintain reliable and economical sources of power to run its cryptocurrency mining assets; the impact of energy curtailment or regulatory changes in the energy regimes in the jurisdictions in which the Company operates; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; share dilution resulting from the ATM Program and from other equity issuances; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of facilities may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions; the inability to maintain reliable and economical sources of power for the Company to operate cryptocurrency mining assets; the risks of an increase in the Company's electricity costs, cost of natural gas, changes in currency exchange rates, energy curtailment or regulatory changes in the energy regimes in the jurisdictions in which the Company operates and the adverse impact on the Company's profitability; the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company's filings on www.SEDAR.com (which are also available on the website of the U.S. Securities and Exchange Commission at www.sec.gov), including the annual information form for the year-ended December 31, 2021, filed on March 28, 2022. The Company has also assumed that no significant events occur outside of Bitfarms' normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.

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