

BITCOIN WELL ANNOUNCES RECORD FOURTH QUARTER AND YEAR END 2020 FINANCIAL RESULTS

Edmonton, Alberta – April 19, 2021 – Bitcoin Well (the “Company” or “BTCW”) is proud to provide a summary of our record financial and operating results for the three and twelve month periods ended December 31, 2020.

Bitcoin Well realized tremendous growth and evolution through 2020, highlighted by an increase in operating ATM machines of almost 140% year-over-year. We completed a corporate rebrand to Bitcoin Well, successfully closed multiple acquisitions that helped further grow our business, and initiated a reverse takeover transaction (the “RTO”) to pursue a public listing (see the press release dated [September 14, 2020](#)). Our financial and operating results in 2020 were driven by our unique organic growth strategy, enterprising consolidation approach and commitment to cost-effective expansion into new markets. During the year, we bolstered our internal team and implemented sound governance processes and policies in advance of becoming a reporting issuer.

“I am proud and excited to share our team’s accomplishments from 2020. Last year was a banner year for Bitcoin Well across the board and has set us up for continued growth in 2021 and beyond,” said Adam O’Brien, Founder and CEO of Bitcoin Well. “Today, you can find us in almost every major Canadian city with over 120 ATMs and a suite of easy-to-use online services. Bitcoin Well is strategically positioned to keep propelling our growth and become the first publicly-traded Bitcoin ATM company in the world¹, while providing the fastest and safest way to buy and sell bitcoin.”

Record Q4 and Year-End 2020 Highlights

- Revenue increased by over 255% to \$52.0 million in 2020 over 2019, while Q4 2020 sales revenue increased more than 425% to \$22.9 million compared to \$4.3 million for the same period in 2019. Growth in both periods is due largely to an increase in active ATMs, higher per machine revenue, rising bitcoin and other cryptocurrency prices and an increase in our over-the-counter (“OTC”) sales.
- Gross profit in 2020 grew approximately 340% year-over-year to \$7.3 million, representing a gross profit margin of 14%, while Q4 2020 gross profit was over 485% higher than Q4 2019 at \$3.8 million, generating a Q4 2020 gross profit margin of 17%.
- We generated Adjusted EBITDA² of \$3.0 million in 2020, over 455% higher than in 2019, and our Q4 2020 Adjusted EBITDA² was \$1.9 million, an increase of more than 500% compared to Q4 2019.
- A total of 55 new ATMs were added to our portfolio through the year which contributed to a total of 95 machines installed across Canada as at December 31, 2020; and today, the Company has 124 ATMs in operation.
- Our average revenue generated per machine in Q4 2020 was over \$33,500 with an average transaction size per machine of just under \$1,000.

¹ Based on management’s assessment derived from publicly-available sources.

² Non-IFRS measure. See Advisories – “Non-IFRS measures”.

- Cash balances at year end 2020 totaled \$4.1 million with a working capital deficit of \$2.9 million, while the market value of our inventory held at December 31, 2020 was \$6.7 million, compared with \$87 thousand at year end 2019.
- Bitcoin Well recorded net operating income of \$1.8 million for 2020 compared to \$276 thousand in 2019, reflecting over \$800 thousand of costs associated with the RTO transaction, and realized a net comprehensive loss of \$2.7 million owing primarily to non-cash items including the change in fair value of cryptocurrency and share-based compensation expenses.

Q4 and Full Year 2020 Overview

	Quarter ended Dec 31, 2020	Quarter ended Dec 31, 2019	Year ended Dec 31, 2020	Year ended Dec 31, 2019
Revenue (\$000s)	\$ 22,865.6	\$ 4,336.7	\$ 51,970.6	\$ 14,539.5
Gross Profit (\$000s)	\$ 3,835.0	\$ 653.2	\$ 7,292.7	\$ 1,653.2
Gross Profit Margin (%)	17%	15%	14%	11%
Adjusted EBITDA ¹ (\$000s)	\$ 1,947.2	\$ 316.9	\$ 2,964.6	\$ 531.2
Adjusted EBITDA ¹ Margin (%)	8.5%	7.3%	5.7%	3.7%
ATM Count			95	40

¹ Non-IFRS measure. See Advisories – "Non-IFRS measures".

The Company's audited Financial Statements and Notes, as well as Management's Discussion and Analysis ("MD&A") for the three and twelve months ended December 31, 2020 will be available on the Company's website.

Developments to Date in 2021

In the first four months of 2021, we have successfully achieved several key milestones that put us in an exceptional position for the foreseeable future:

- So far in 2021, Bitcoin Well has added 29 ATMs to our portfolio.
- In February, Bitcoin Well announced a brokered private placement of up to \$7 million, the proceeds from which will be used to accelerate global expansion, support the pursuit of synergistic acquisitions and reinforce our working capital. The financing is expected to close concurrently with the RTO closing.
- We also announced in February the development of a new corporate headquarters that will be a staple in the City of Edmonton. Our office will provide 35,000 square feet of collaborative workspace for Bitcoin Well to build community, inspire learning and innovation and be able to house our ongoing growth. The Company's headquarters will be a safe and inviting space for people to come and learn about Bitcoin.

The Company's 2021 plan is expected to leverage the skills and expertise of our all-star team, add new ATMs and enhance our service offerings which will continue supporting our growth trajectory. We believe Bitcoin Well is poised to drive further expansion of our business, revenue and customer base, while

benefitting from the macro-level industry discussions around bitcoin and its role aiding individuals to gain financial sovereignty.

Leading the Way

One of the many advantages of Bitcoin Well is that our business model is ‘non-custodial’, which means that at no time during a transaction are we holding client funds on their behalf. True to our credo that Bitcoin ATMs offer the fastest and safest ways to buy and sell bitcoin, the time lapse between when a customer deposits funds into our ATMs until they receive their bitcoin delivered to their wallet is approximately eight seconds. This sets Bitcoin Well apart from crypto-asset trading platforms (“CTP”s), which are custodial platforms (such as cryptocurrency exchanges) that facilitate trades in security tokens or crypto contracts, and are very different from Bitcoin Well.

At the end of March, 2021, Canadian securities regulators issued guidance that represents a landmark change in the regulatory landscape for CTPs and which will have a material impact on those businesses in Canada. Since we are non-custodial, these new regulations do not apply to Bitcoin Well and in fact, help to demonstrate the value of our trusted, convenient and high-integrity business model. Effective June 1, 2021, new compliance obligations will be required for all entities dealing in cryptocurrencies which is expected to become overly burdensome for smaller companies and increase acquisition opportunities for Bitcoin Well. Since we are already registered with the Canadian Government’s Financial Transactions and Reports Analysis Centre (“FINTRAC”), Bitcoin Well has established extremely rigorous compliance protocols and practices which protect the Company as well as our clients.

About Bitcoin Well

Bitcoin Well offers convenient, secure and reliable ways to buy and sell bitcoin through a trusted Bitcoin ATM network and suite of web-based transaction services. Bitcoin Well is profitable and positioned to become the first publicly traded Bitcoin ATM company, with an enterprising consolidation strategy to deliver accretive and cost-effective expansion in North America and globally. As leaders of the longest-running, founder-led Bitcoin ATM company, management of Bitcoin Well brings deep operational capabilities that span the entire value chain along with access to proprietary, cutting-edge software development that supports further expansion. Follow us on [LinkedIn](#), [Twitter](#), [YouTube](#), [Facebook](#) and [Instagram](#) to keep up to date with our business.

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Reader Advisory / Forward-Looking Statements

Statements in this press release regarding Bitcoin Well which are not historical facts are “forward-looking statements” that involve risks and uncertainties, such as the timing of expansion plans and activities, the closing of the RTO and the timing thereof, as well as various business objectives. Such information can generally be identified by the use of forwarding-looking wording such as “may”, “expect”, “estimate”, “anticipate”, “intend”, “believe” and “continue” or the negative thereof or similar variations. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties such as the risk that the closing may not occur for any reason. Actual results in each case could differ materially from those currently anticipated in such statements due to factors such as: (i) adverse market conditions and (ii) the need for additional financing. Except as required by law, Bitcoin Well does not intend to update any changes to such statements.

Investors are cautioned that, except as disclosed in the filing statement prepared in connection with the RTO, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon.

Non-IFRS Measures

The Company uses certain terms in this news release and within the MD&A, such as ‘adjusted EBITDA’, which do not have a standardized or prescribed meaning under International Financial Reporting Standards (IFRS), and, accordingly these measurements may not be comparable with the calculation of similar measurements used by other companies. For a reconciliation of each non-IFRS measure to its nearest IFRS measure, please refer to the “Cautionary Note Regarding Forward-Looking Information” section in the MD&A for applicable definitions, calculations, rationale for use and reconciliations to the most directly comparable measure under IFRS. Non-IFRS measures are provided as supplementary information by which readers may wish to consider the Company’s performance but should not be relied upon for comparative or investment purposes.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the RTO and has neither approved nor disapproved the contents of this press release.