

BITCOIN WELL ANNOUNCES STRATEGIC ACQUISITION OF GHOSTLAB INC. SOFTWARE DEVELOPMENT COMPANY

EDMONTON, Alberta, August 11, 2021 – Bitcoin Well Inc. (TSXV: BTCW) (“Bitcoin Well” or the “Company”), a company offering convenient, secure and reliable ways to buy, sell and use bitcoin through a trusted Bitcoin ATM network and suite of web-based transaction services, is pleased to announce that it has entered into a share purchase agreement on August 8, 2021 for the acquisition of Ghostlab Inc. (“Ghostlab”), a software company that designs and develops software to improve the functionality and accessibility of modern financial technology and services, including Bitcoin ATM machines.

“Bitcoin Well’s potential acquisition of Ghostlab will bring technology that makes bitcoin more accessible and user friendly for the general public,” said Julian Klymochko, Chairman of Bitcoin Well. “When acquired, the Ghostlab division of Bitcoin Well will expand the future potential SaaS revenue stream for Bitcoin Well, including from ATM software, merchant services and additional crypto asset digital services.”

Ghostlab Acquisition Overview

Built by bitcoin entrepreneurs, for bitcoin entrepreneurs, Ghostlab works behind the scenes, building software solutions for innovative financial service providers and has been the trusted software provider to Bitcoin Well. Ghostlab enables, or intends to enable, its customers to offer additional functionality within existing businesses, hardware, and platforms, and provides software which allows the operator’s users to access bitcoin. Adam O’Brien and Dave Bradley (prior to his involvement with Bitcoin Well) co-founded Ghostlab in 2019. On January 1, 2020, Bitcoin Well spun-out its proprietary software development arm to Ghostlab and Ghostlab rebuilt the existing software as well as developed Ghostlabs’ proprietary ATM software that enables bitcoin to be more accessible and usable to the average person, but most importantly, makes it easier for operators to manage their businesses. Ghostlab was able to prove out the software concepts to the point where Bitcoin Well believes that the software development arm has been accordingly de-risked and it would be in the best interests of the Company for Ghostlab to be directly contributing to the service offerings provided by Bitcoin Well.

The purchase price for the non-arm’s length acquisition of 100% of the issued and outstanding shares of Ghostlab is based on an enterprise value of up to \$3.2 million, subject to the adjustments discussed below, and includes the assumption of approximately \$1.8 million in negative equity. The aggregate consideration payable for Ghostlab will be as follows:

- a) An amount equal to \$800,000 payable in common shares of Bitcoin Well (“Common Shares”);
- b) The assumption of negative equity of approximately \$1.8 million;
- c) An earn-out of up to \$600,000 payable in Common Shares (the “Earnout”). The Earnout is payable in equal installments of \$150,000 predicated on achieving Net Revenue (as defined in the agreement¹) of \$600,000, \$1.5 million, \$3.6 million, and \$8.0 million, respectively within a 12 month period, prior to the fourth anniversary of the acquisition’s Effective Date.

¹ The share of the transaction, commission or subscription commission revenue earned by Bitcoin Well utilizing Ghostlab’s software regardless of whether the ATM machine or website was owned or operated by Bitcoin Well or a third party.

In the event the negative shareholders' equity of Ghostlab exceeds \$1.8 million, the amount of the Earnout shall be reduced proportionately for every dollar of negative equity in excess of \$1.8 million.

The number of Common Shares issuable pursuant to this acquisition, including pursuant to the Earnout, will be determined using the closing price of the Common Shares on the TSXV Venture Exchange ("TSXV") on the 11th day of trading of Bitcoin Well, or such other price as may be prescribed by the TSXV. As the Common Shares commenced trading on July 30, 2021, this mechanism shall allow for 10 full trading days of the Bitcoin Well Common Shares to occur prior to setting the price per Common Share for the transaction.

Each of Adam O'Brien, Chief Executive Officer of Bitcoin Well and Dave Bradley, Chief Revenue Officer of Bitcoin Well, own 100% of the common shares of Ghostlab. Therefore, the transaction is a related party transaction under Multilateral Instrument 61-101. For the transaction, Bitcoin Well is relying on the exemptions contained in sections 5.5(a) and 5.7(a), respectively, of Multilateral Instrument 61-101 from the valuation and minority shareholder requirements of that instrument as they apply to related party transactions since the fair market value of the acquisition is significantly less than 25% of the market capitalization of Bitcoin Well. The acquisition of Ghostlab was approved by the board upon recommendation of the independent special committee in accordance with the Company's related-party transaction policy.

Completion of the acquisition of Ghostlab is subject to, among other things, customary closing conditions and regulatory approvals, including the approval of the TSXV. There can be no assurance that these conditions precedent will be satisfied or that the proposed acquisition will be completed as proposed or at all.

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. The Company generates revenue and based on management's assessment of publicly-available data, is the first publicly traded Bitcoin ATM company in the world, 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 in Canada, 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. Sign up for our newsletter and follow us on [LinkedIn](#), [Twitter](#), [YouTube](#), [Facebook](#), [TikTok](#) 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 completion of the Ghostlab acquisition and the terms thereof, the price per share of Bitcoin Well issued under the Ghostlab acquisition, the number of shares to be issued pursuant to the transaction, the payment of the Earnout, the anticipated income stream to be generated for Bitcoin Well as well as various other 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. The forward-looking statements in this press release were made in reliance of certain assumptions made by management, including assumptions regarding, among other things, the bitcoin market, the market for third party users of Ghostlab software, the ability to protect intellectual property, Ghostlab's competitive advantages and the ability of Bitcoin Well to manage growth of its business as a result of the proposed transaction. 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 Ghostlab acquisition is not completed or is not completed on the terms outlined in the share purchase agreement. Actual results in each case could differ materially from those currently anticipated in such statements due to factors such as: (i) adverse market conditions; (ii) the need for additional financing; (iii) difficulties obtaining TSXV approval of the Ghostlab acquisition; and (iv) changes in laws and regulations. These forward-looking statements are made as of the date of the press release and except as required by law, Bitcoin Well does not intend to update any changes to such statements whether as a result of new information, future events or otherwise. These factors should not be construed as exhaustive.

Neither TSXV nor its Regulation Services Provider (as that term is defined in policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.