

BITCOIN WELL ANNOUNCES STRATEGY FOR HIGHLY SCALABLE ECOSYSTEM OF PRODUCTS AND SERVICES WITH Q3 FINANCIAL RESULTS

Edmonton, Alberta – November 29, 2021 – Bitcoin Well (the “Company” or “BTCW”), is pleased to announce our financial and operating results for the third quarter and nine months ended September 30, 2021, and to introduce our new three-pillar strategic growth plan. The interim Financial Statements and Notes, as well as Management’s Discussion and Analysis (“MD&A”) are available on our website and have been filed on SEDAR.

“Bitcoin Well increased revenue by 193% and gross profit by 22% in the first nine months of 2021. This growth is exciting however, I am even more inspired by the path we have set to expand our ecosystem of products and services. These new offerings within our core business pillars will increase customer value and complement our growing network of over 200 ATMs.” said Adam O’Brien, Founder and CEO of Bitcoin Well. “While our ATM network represents a base business for us today, our expanding technology, SaaS software development and online services offer new scalability across the business, as we seek to deliver innovative payment rails that set the stage for long-term growth and diversity across the organization. We continue to forge new paths, create new partnerships, expand on our capital markets presence and establish an ecosystem to expand our offerings to existing customers.”

Financial Highlights Overview

	For the three months ended,			For the nine months ended,		
	Sept 30, 2021	Sept 30, 2020	% Change	Sept 30, 2021	Sept 30, 2020	% Change
Revenue (\$000s)	\$ 15,943	\$ 14,615	9%	\$ 85,201	\$ 29,105	193%
Gross Profit (\$000s)	\$ 745	\$ 1,826	(59)%	\$ 4,204	\$ 3,457	22%
Gross Profit Margin (%)	5%	12%	(58)%	5%	12%	(58)%
Net Loss	\$ (3,897)	\$ (758)	(414)%	\$ (8,231)	\$ (903)	(812)%
Adjusted EBITDA ¹ (\$000s)	\$ (2,003)	\$ 397	(605)%	\$ (2,020)	\$ 927	(318)%
New ATMs Added in Period	55	19	189%	129	39	231%

¹ Non-IFRS measure. See Advisories – “Non-IFRS measures”.

Q3 and Nine Months Financial Overview

- Revenue increased to \$15.9 million in Q3 2021, and to \$85.2 million for the nine-month period, which included a single over-the-counter (“OTC”) transaction that represented \$22.0 million in revenue in Q2. While not expected to recur at that level, the recent success of our OTC business demonstrates the economies of scale and the Company’s ability to offer large-scale transactions to individuals as a significant component of our offerings.
- Cash at the end of the quarter increased to \$6.1 million from \$4.1 million at year end 2020 - a 49% increase - and we had a working capital surplus of \$5 thousand at September 30, 2021 compared to a working capital deficit of \$2.9 million at December 31, 2020.

- Operating expenses in Q3 2021 reflect the impact of hiring a larger corporate team and implementing organizational enhancements required to support our aggressive expansion plans (some of which are detailed below), which contributed to negative Adjusted EBITDA¹ of \$2.0 million in the third quarter of 2021, and negative Adjusted EBITDA¹ of \$2.0 million in the first nine months of the year.
 - These losses are expected as we set the stage for anticipated scalable growth, while benefitting from the economies of scale that our bolstered team brings. The investments made into our organization and processes have already started to come to fruition, as exemplified by the expanded [RapidCash partnership](#) announced on November 18, 2021, as well as doubling our [in-person OTC presence](#) across Canada as announced November 10, 2021.
- Net loss totaled \$3.9 million for the quarter ended September 30, 2021, primarily a result of the increased expenses for the expanded team and a \$1.9 million non-cash, unrealized loss on the revaluation of cryptocurrency-based loans, which is an accounting requirement but does not have any impact on the Company's ability to operate or grow the business.

Q3 and Nine Months Strategic / Operational Overview

- 129 machines were added to our fleet during the nine months ended September 30, 2021, 55 of which were added in Q3 2021, leading to over 200 machines installed at the period end.
- 43 of the ATMs installed during the nine months ended September 30, 2021 are operating under our strategic Partner Program, which enables us to scale our ATM count more quickly and without significant capital expenditures or operating costs, supporting greater economies of scale while also protecting the balance sheet.
- During the first nine months of the year, execution of our strategic and diversified M&A strategy continued with acquisitions of, and investments into numerous opportunities:
 - Acquired the assets of Crypto Kiosk Inc. a cryptocurrency ATM operator in northern Ontario, including 11 cryptocurrency ATMs. This resulted in a direct injection of cash flow as we were able to use our existing team and existing fixed costs to support this growth;
 - Acquired 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. With Ghostlab in house, we expect to have the opportunity to capture incremental revenue without high capital costs, while leveraging research and development to generate high margin SaaS revenue to provide long-term, innovative solutions for the bitcoin industry.
 - Acquired Entreprises Equibytes Inc. ("Equibytes"), a money service business and bitcoin ATM operator based in Montreal, Quebec, further expanding our reach across

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

Canada. This led to the expansion of our In-Person services in Montreal, as announced on November 10, 2021.

- Acquired Paradime LDT, operating as AlphaVend, a Bitcoin ATM operator in the United Kingdom, which included 26 operated machines in England, Scotland and Wales;

Recent Developments

- Announced the grand opening of two new, white-glove OTC offices in Montreal (open) and Winnipeg (opening November 29, 2021), structured to test the market without a significant outlay of capital. Our existing Calgary OTC office (opened June 15, 2021) reached a point of profitability within 4 months, and we expect the new OTC locations, which are operating under a newly refined process and strong corporate team, to return capital even faster.
- Confirmed the Company reached a critical milestone with our 200th operated ATM in Canada, realized ahead of our internal forecasts.
- Enhanced our partnership with RapidCash ATM to expand exclusive operations of our Bitcoin ATM software on an anticipated 100+ newly deployed machines, providing incremental revenue potential to Bitcoin Well with no additional capital investment or further increases to our now bolstered team.
- Unveiled Bitcoin Academy, a free online educational curriculum of relevant and reliable information about Bitcoin, created in partnership with PowerED™ and local award-winning creative agency, Sticks & Stones, which we expect will overcome a significant barrier to entry for new customers.
- Deployed our Bitcoin Well online ecosystem, with the addition to purchase Bitcoin online, in a non-custodial fashion, with Visa Debit. This is the first step towards a full ecosystem of products including in person services and online services.
- As outlined in the Share Purchase Agreement (SPA) related to Paradime LDT, operating as AlphaVend, if we determine that compliance with any condition or term to obtain the Full FCA Registration is onerous, then we may elect to serve a notice of this determination to the sellers (the “Buyer Option”). We have elected to serve this notice which triggers the exclusive option for the sellers to purchase all of the issued and outstanding shares of AlphaVend, or walk away from the future considerations of the deal (the “Seller Option”). As a result we are not able to make a determination to the potential outcome of this process, or the potential impact it may have on the consolidated financial statements.

Introducing the Three Strategic Pillars of Bitcoin Well

At Bitcoin Well, our mission has been refined to reflect our commitment to thought leadership and customer security within the bitcoin industry. We have set out to shift the relationship that society has with money by offering an ecosystem of products and services that make bitcoin accessible and understood. Our ecosystem is comprised of three pillars, which we summarize below. A full outline of our three pillars and their anticipated contribution to the Company is included within our third quarter MD&A, available on [our website](#), or on SEDAR.

- **Pillar #1 | Non-Custodial Financial Services** (buy, sell and use bitcoin)
 - Through our non-custodial business model, we offer convenient, secure and reliable ways to buy and sell bitcoin through a trusted Bitcoin ATM network and suite of web-based and in-person transaction services. Our non-custodial service offerings now include ATMs (wholly owned or operated through the Partner Program), white-glove in-person OTC transactions, and select online services that we hope to integrate into our full online ecosystem, allowing customers to interact with their bitcoin in a self-custodied and secure fashion, with the same convenience of modern banking.
- **Pillar #2 | Technology Development**
 - Our Technology Development pillar is split into two functions: external and internal technology. Externally, ghostATM and future technologies are SaaS business offerings that we anticipate will start generating external revenue in 2022. These offerings are designed and intended to be highly scalable and have the potential to generate traditional SaaS margins. Internally, we now have the technological expertise to create self-serving technology and will be able to dedicate resources to technology that we expect will continue to enhance the customer experience, such as the newly developed and released Visa Debit bitcoin purchase functionality.
- **Pillar #3 | Education**
 - We build products and services that remove barriers to entry for new bitcoin consumers, which we believe will build trust with newcomers entering the space. Our most recent development is the Bitcoin Academy, a 6-module curriculum developed and distributed in partnership with PowerED™, by Athabasca University. In addition, we offer informative in-person consultations at our four OTC locations across Canada as well as free online training sessions for the community.

“Our multi-faceted growth plan is designed to change the landscape of self-custodied bitcoin ownership (direct ownership by the customer). Supported by transaction-based revenue from our growing suite of bitcoin ATMs, we continue to develop online offerings to facilitate the effortless use of bitcoin for all day-to-day money exchanges. It is my hope that the Bitcoin Well ecosystem will soon be a fluent and convenient network of physical and digital service offerings to ensure Bitcoin Well customers are able to buy, sell and use bitcoin in the fastest and safest way possible,” said Adam O’Brien, Founder and CEO

of Bitcoin Well. “We will continue to execute on our three pillars to facilitate widespread financial independence and drive further expansion and diversity to our revenue streams and customer base.”

About Bitcoin Well

Bitcoin Well ([TSX.V: BTCW](#)) 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. Bitcoin Well is on a mission to shift the relationship that society has with money by offering an ecosystem of products and services that make bitcoin accessible and understood. Follow us on [LinkedIn](#), [Twitter](#), [YouTube](#), [Facebook](#) and [Instagram](#) to keep up to date with our business.

Contact Information

For investor information, please contact:

Bitcoin Well

10142 82 Avenue NW
Edmonton, AB T6E 1Z4
bitcoinwell.com

Adam O’Brien, President & CEO or **Dave Bradley**, Chief Revenue Officer

Tel: 1 888 711 3866
ir@bitcoinwell.com

For media queries and further information, please contact:

Karen Smola, Director of Marketing
Tel: 587-735-1570
k.smola@bitcoinwell.com

Reader Advisories

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, third-party and partner expansion plans and activities, the obtaining of licenses and approvals from regulatory authorities, as well as various business objectives including but not limited to the result of our notice under the Paradime SPA. 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. 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; and (iii) changes in laws and regulations. Except as required by law, Bitcoin Well does not intend to update any changes to such statements.

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. See the table below for a reconciliation of each non-IFRS measure to its nearest IFRS measure or refer to the “Non-GAAP Measures” and “Selected Financial Information” sections 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.

Reconciliation of Adjusted EBITDA to net income (loss)

\$000s	For the three months		For the nine months	
	Sept 30,	Sept 30,	Sept 30,	Sept 30,
Net loss	\$ (3,897)	\$ (758)	\$ (8,231)	\$ (903)
Listing expense	-	-	1,477	-
Business acquisition and QT costs	303	336	867	574
Depreciation and accretion	262	172	804	384
Fair value change – crypto inventory	(54)	(37)	(63)	(5)
Fair value change – crypto loans	1,900	253	3,846	389
Foreign exchange	(7)	-	(9)	-
Income tax expense	(791)	-	(1,269)	-
Share based compensation	290	303	573	303
(Gain) loss on debt settlement	(9)	128	(15)	185
Adjusted EBITDA	\$ (2,003)	\$ 397	\$ (2,020)	\$ 927

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