

## BITCOIN WELL REPORTS 2021 FINANCIAL RESULTS AND ANNOUNCES CLOSING OF SECOND TRANCHE OF SECURED DEBENTURE FINANCING

**Edmonton, Alberta – March 21, 2022 – Bitcoin Well Inc.** (the “Company” or “Bitcoin Well”) (TSXV: BTCW), today announced our financial and operating results for the fourth quarter and twelve months ended December 31, 2021 and the closing of the second tranche under the Company’s secured convertible debenture (the “Convertible Debenture”) in the principal amount of \$2 million on March 17, 2022.

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 92% in 2021 as a result of the expansion of white glove service at our in-person offices in Western Canada. The next step is to expand our online ecosystem of products to eventually serve a global market,” said Adam O’Brien, Founder and CEO of Bitcoin Well. “While our network of more than 220 Bitcoin ATMs and in-person offices represent a base business for us today, our expanding technological offerings will create new scalability and better user value across the business.”

### Financial Overview

	For the three months ended,			For the twelve months ended,		
	Dec 31, 2021	Dec 31, 2020	% Change	Dec 31, 2021	Dec 31, 2020	% Change
Revenue (\$000s)	<b>\$ 14,411</b>	\$ 22,866	(37)%	<b>\$ 99,613</b>	\$ 51,971	92%
Gross profit (\$000s)	<b>\$ 968</b>	\$ 3,834	(75)%	<b>\$ 5,173</b>	\$ 7,292	(29)%
Adjusted EBITDA <sup>1</sup> (\$000s)	<b>\$ (2,333)</b>	\$ 2,037	(215)%	<b>\$ (4,353)</b>	\$ 2,994	(241)%
Net loss	<b>\$ (5,372)</b>	\$ (1,840)	(192)%	<b>\$ (13,603)</b>	\$ (2,743)	(396)%
New ATMs Added in Period	<b>40</b>	23		<b>142</b>	52	

<sup>1</sup> See Non-IFRS Measures.

### Fourth Quarter and Full Year 2021 Results

- Revenue was \$99.6 million in the full year 2021, \$47.6 million or 92% higher compared to 2020. Higher revenue was mainly due to an increase in Over the Counter (OTC) customer transactions.

- In the fourth quarter of 2021, revenue was \$14.4 million compared to \$22.9 million in the same period last year. Lower revenue was mainly due to a decrease in ATM volume partially offset by an increase in OTC volume.
- Gross profit was \$1 million and \$5.2 million in the fourth quarter and full year 2021 respectively, compared to \$3.8 million and \$7.3 million in the same periods in 2020. OTC sales typically represent larger transactions at a lower fee compared to ATM transactions. This change in sales mix in the fourth quarter and full year 2021 resulted in lower gross profit.
- Adjusted EBITDA was a loss of \$2.3 million and \$4.4 million in the fourth quarter and full year 2021 respectively, compared to a gain of \$2 million and \$3 million in the same periods in 2020. Lower Adjusted EBITDA was mainly due to lower gross profit and higher operating expenses resulting from an increased headcount, professional fees related to legal fees for our business acquisitions, and technology investments to strengthen the future of the organization in 2022 and beyond. These organizational enhancements are expected to set the stage for anticipated online and mobile app-based scalable growth, additions to our ATM network, and the pursuit of targeted business acquisition opportunities both in Canada, and internationally.
- Net loss was \$5.4 million and \$13.6 million in the fourth quarter and full year 2021 respectively, compared to a net loss of \$1.8 million and \$2.7 million in the same periods in 2020. Net loss included a non-cash, fair value change on the revaluation of cryptocurrency loans which are more than offset by a revaluation gain on digital assets recorded in Other Comprehensive Income of \$2.1 million and \$7.2 million in the fourth quarter and full year 2021. It also included a non-cash impairment of \$1.3 million related to the ceasing of operations in the UK, and \$1.5 million of listing expenses related to taking Bitcoin Well public in 2021.

### **Recent Business Developments**

- Added 142 Bitcoin ATMs to our operating fleet in 2021, 40 of which were added in the fourth quarter of 2021. We now have more than 220 ATMs operating across Canada. We 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.
- Completed a services agreement in January 2022 with Memory Express to process bitcoin payments for Memory Express' online customers. Bitcoin Well will also be installing Bitcoin ATMs in Memory Express stores across Canada.
- Signed a letter of intent in January 2022 with Greater Property Group, a Canada-wide real estate company, to negotiate a definitive Joint Venture agreement to work together helping customers use bitcoin and other cryptocurrencies to buy and sell residential and commercial real estate.

### **Convertible Debenture Financing – Second Tranche Issued**

In February, Bitcoin Well issued a secured convertible debenture for up to \$5 million to fund the enhancement of the existing Bitcoin Well online product, and for user acquisition and general working capital. The Bitcoin Well ecosystem of products and services will offer users the ability to buy, sell and use bitcoin online with self-custodied blockchain technology and through a proprietary mobile app.

The Convertible Debenture will be issued in up to three tranches. The first tranche in the principal amount of CDN\$1.5 million was issued on February 23, 2022. A second tranche in the principal amount of CDN\$2.0 million was issued on March 17, 2022. At the option of the holder, the principal amount of the Convertible Debenture is convertible into common shares of Bitcoin Well (the “Common Shares”) at a conversion price of \$0.30 per Common Share, subject to adjustments in certain circumstances. Any such adjustments will be subject to TSXV review and acceptance. Bitcoin Well has the right to force conversion of the principal amount if the volume weighted average trading price for the Common Shares for ten (10) trading days equals or exceeds \$0.60 per Common Share. The Convertible Debenture bears interest at a rate of 10% per annum and matures on February 23, 2025, subject to two automatic one year extensions.

For more information regarding the Convertible Debenture, please see the Bitcoin Well news release issued on February 24, 2022.

### **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 loss

<b>\$000s</b>	<b>For the three months ended,</b>		<b>For the twelve months ended,</b>	
	<b>Dec 31, 2021</b>	Dec 31, 2020	<b>Dec 31, 2021</b>	Dec 31, 2020
Net loss	<b>\$ (5,372)</b>	\$ (1,840)	<b>\$ (13,603)</b>	\$ (2,743)
Listing expense <sup>(1)</sup>	-	-	<b>1,477</b>	-
Goodwill impairment loss <sup>(2)</sup>	<b>1,306</b>	-	<b>1,306</b>	-
Business acquisition and QT costs	<b>(74)</b>	245	<b>793</b>	819
Depreciation and accretion	<b>580</b>	154	<b>1,384</b>	538
Fair value change – crypto loans <sup>(3)</sup>	<b>512</b>	3,338	<b>4,295</b>	3,751
Income tax expense/(recovery)	<b>740</b>	325	<b>(529)</b>	326
Share based compensation	<b>(42)</b>	-	<b>530</b>	303
Other	<b>16</b>	(185)	<b>(7)</b>	-
Adjusted EBITDA	<b>\$ (2,333)</b>	\$ 2,037	<b>\$ (4,353)</b>	\$ 2,994

(1) Listing expenses related to taking Bitcoin Well public in 2021.

(2) Goodwill impairment loss related to the ceasing of operations in the UK.

(3) Non-cash, fair value change on the revaluation of cryptocurrency loans which are more than offset by a revaluation gain on digital assets recorded in Other Comprehensive Income of [\$2.1] million and [\$7.2] million in the fourth quarter and full year 2021.

This news release should be read in concert with the full disclosure documents. The Bitcoin Well consolidated financial statements and management's discussion and analysis for the year ended December 31, 2021 will be available on the Bitcoin Well website ([www.bitcoinwell.com](http://www.bitcoinwell.com)), via SEDAR ([www.sedar.com](http://www.sedar.com)) or can be requested from the Company.

### About Bitcoin Well

Bitcoin Well offers convenient, secure and reliable ways to buy, sell and use bitcoin. 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. This ecosystem includes non-custodial financial offerings (both in-person and online); technology development, including SaaS and internal technology developments through Ghostlab, the technology arm of the business; and educational resources designed with the needs of both the customers, and the industry, in mind.

Sign up for our [newsletter](#) and follow us on [LinkedIn](#), [Twitter](#), [YouTube](#), [Facebook](#), and [Instagram](#) to keep up to date with our business. For OTC location information visit [bitcoinwell.com/appointment/](http://bitcoinwell.com/appointment/).

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### **Forward-Looking Information**

*Certain statements contained in this news release may constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", or the negative thereof and similar expressions. Forward-looking information involves 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 information.*

*Bitcoin Well actual results could differ materially from those anticipated in this forward-looking information as a result of regulatory decisions, competitive factors in the industries in which Bitcoin Well operates, prevailing economic conditions, and other factors, many of which are beyond the control of Bitcoin Well.*

*Bitcoin Well believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon.*

*Any forward-looking information contained in this news release represents Bitcoin Well expectations as of the date hereof, and is subject to change after such date. Bitcoin Well disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.*

*For more information, see the Cautionary Note Regarding Forward Looking Information found in the Bitcoin Well quarterly Management Discussion and Analysis.*