



BITCOIN WELL

TSX.V:**BTCW** OTCQB:**BCNWF**

Management's Discussion and Analysis

For the years ended
December 31, 2025 and 2024

(Expressed in Canadian Dollars)

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") for Bitcoin Well Inc. ("Bitcoin Well", the "Company", "we", "us", or "our") was prepared as of March 4, 2026 to assist readers in understanding our financial performance for the years ended December 31, 2025 and 2024. This MD&A should be read in conjunction with the audited consolidated financial statements and notes thereto for the years ended December 31, 2025 and 2024 (the "Financial Statements"). The Financial Statements were prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

This MD&A contains forward-looking statements. Please see "Note Regarding Forward-Looking Statements" for a discussion of the risks, uncertainties and assumptions used to develop our forward-looking statements. Accounting principles applied under IFRS require us to make certain estimates and assumptions that affect the reported amount of assets, liabilities, revenue, expenses, and related disclosures. We believe our estimates and assumptions are reasonable based on the information available at the time that these estimates and assumptions are made. Actual results may differ from these estimates.

This MD&A refers to non-GAAP financial measures such as "Adjusted EBITDA" and "Adjusted Cash Flow" that we present to assist users in assessing our performance. Adjusted EBITDA and Adjusted Cash Flow do not have any standard meaning under IFRS and may not be comparable to similar measures presented by other issuers. These measures are further described under "Non-GAAP Financial Measures".

Accounting principles applied under IFRS require us to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosures. We believe our estimates and assumptions are reasonable based on the information available at the time that these estimates and assumptions are made. Actual results may differ from these estimates.

The address of the Company's registered office is 1700, 10175 - 101 Street NW, Edmonton, Alberta T5J 0H3. The Company's common shares are traded on the TSXV under the ticker symbol "**BTCW**", and on the OTCQB under the ticker symbol "**BCNWF**".

Additional information about Bitcoin Well, including our most recently filed audited consolidated financial statements and Annual Information Form, is available on the SEDAR+ website at www.sedarplus.ca.

The Board of Directors of the Company approved this MD&A on March 4, 2026.

KEY HIGHLIGHTS OF THE 4TH QUARTER AND YEAR ENDED DECEMBER 31, 2025

- Revenue of \$35.0 million for the 3-months ended December 31, 2025 (Q4 2024: \$30.1 million, +17%); and \$133.0 million for the year ended December 31, 2025 (2024: \$90.5 million, +47%).
 - Online Bitcoin Portal revenue of \$64.3 million in fiscal 2025 (+64%).
 - Bitcoin Well Infinite revenue of \$44.4 million in fiscal 2025 (+64%).
 - Over 64,000 unique users in the Bitcoin Portal as of December 31, 2025 (+100% from December 31, 2024).
 - Now serving over 13,000 yearly active customers with at least one revenue producing transaction per year.
 - Currently over 69,000 unique registrations on the Bitcoin Portal as of March 1, 2026.
- Gross profit of \$1.2 million for the 3-months ended December 31, 2025 (Q4 2024: \$1.2 million) and \$5.0 million for the year ended December 31, 2025 (2024: \$4.0 million, +25%).
 - Gross profit increased due to higher revenue.
 - Gross margin declined to 3.7% in fiscal 2025 from 4.4% in 2024 due to shifting sales mix towards the lower margin, but highly scalable Online Bitcoin Portal and Bitcoin Well Infinite.
- Adjusted EBITDA of negative \$0.7 million for the 3-months ended December 31, 2025 (Q4 2024: \$25 thousand) and negative \$1.4 million for the year ended December 31, 2025 (2024: negative \$1.7 million).



- Improvement in adjusted EBITDA in fiscal 2025 due to achieving higher revenue and gross profit.
- Decline in Adjusted EBITDA in Q4 2025 primarily due to additional investments in marketing and advertising initiatives and personnel to promote user growth on the Online Bitcoin Portal and Bitcoin Well Infinite.
- Net income of \$4.2 million for the 3-months ended December 31, 2025 (Q4 2024: net loss of \$9.8 million) and net loss of \$0.8 million for the year ended December 31, 2025 (2024: net loss of \$17.8 million). The large swings in net income are primarily due to non-cash fair value adjustments related to cryptocurrency loans.
- As at December 31, 2025, we held a net investment of approximately 69 bitcoin in our Bitcoin Treasury (fair value of \$8.3 million), purchased at an average purchase price of \$112,477 USD / \$157,897 CAD.
- On September 29, 2025, we completed an equity private placement and issued 122,471,380 units at a price of \$0.102 per unit for aggregate gross proceeds of \$12.5 million. We utilized the net proceeds from the private placement for further additions to our Bitcoin Treasury, working capital, and for general corporate purposes.

BUSINESS OVERVIEW

We are on a mission to enable independence. We do this by making bitcoin in self custody easy to use. Think of it as **"future-proofing money"**. In the future, people should be able to replace their bank with Bitcoin Well. We make bitcoin useful by coupling the convenience of modern banking with the benefits of bitcoin.

Bitcoin Well has three (3) unique business units including:

- Bitcoin ATM business (ATMs)
 - Started in 2014
 - Approximately 170 Bitcoin ATMs across Canada
 - Highest margin business unit



- Non-custodial bitcoin platform (Online Bitcoin Portal)
 - Launched in Q4 2022
 - Live in Canada and USA
 - Automatic self-custody (no bitcoin held on platform, safer for the customer)
 - High growth business unit

- Bitcoin Well Infinite
 - Split out from the Online Bitcoin Portal segment in Q1 2025 to become stand-alone
 - Facilitates large transactions (\$50,000 and above) for high net worth individuals and businesses
 - Operates natively in Canada
 - Operates in the USA and internationally through partnership
 - High touch personalized service experience
 - Low cost business unit

Bitcoin Well is the intersection (and problem solver) of three key focus areas of both traditional finance and the emerging cryptocurrency sector.

1. The Bitcoin protocol allows for the ability to self-custody money, but its infrastructure is slow and dependent on adoption. It can also be challenging to use.
2. Custodial exchanges are an excellent source to get access to bitcoin (and other cryptocurrencies), but due to their custodial nature are risky to the consumers and don't allow for the use of the newly acquired assets.
3. Banks make it very easy to use fiat money, but have taken an "anti-crypto" approach and actively prevent individuals from utilizing bitcoin or cryptocurrency from their accounts.

Bitcoin Well has a product ecosystem designed to allow people to interact with the complicated bitcoin protocol, with the same ease and convenience they are used to from modern banking platforms.



Bitcoin Treasury

In late 2024, we adopted a bitcoin treasury strategy, initially acquiring 7.53 BTC (our “Bitcoin Treasury”). In fiscal 2025, we completed several additional purchases, increasing our total Bitcoin Treasury to approximately 69 BTC at December 31, 2025, (fair value of \$8.3 million), purchased at an average purchase price of \$112,477 USD / \$157,897 CAD.

BUSINESS OUTLOOK AND STRATEGY

In 2025, we continued to prioritize the growth and expansion of our online business segments. Due to the significant increase in online sales, we also divided our online sales into two separate business units starting in Q1 2025: the Online Bitcoin Portal and the newly established Bitcoin Well Infinite business unit.

The Bitcoin Well Infinite business unit facilitates large bitcoin transactions (\$50,000 and above) for high-net-worth individuals and businesses. Operating in Canada, the USA, and internationally, this high touch segment offers a secure and personalized experience, designed to serve as a private banking-style solution for clients seeking long-term wealth preservation with a self custody first approach.

Growth Execution

We achieved significant business growth milestones in 2025, specifically with the Online Bitcoin Portal. We had over 64,000 unique customer registrations as of December 31, 2025, representing more than 100% growth compared to year-end 2024. We now also serve over 12,500 yearly active customers, which is qualified as a unique customer registration that makes at least one revenue producing transaction per year.

Highlights of our business growth and strategic milestones achieved over the past year included:

- **Total registered users** – Over 64,000 unique users signed up on the Online Bitcoin Portal as of December 31, 2025:
 - Q4 2025: Addition of 7,000 new user sign ups
 - Q3 2025: Addition of 8,100 new user sign ups
 - Q2 2025; Addition of 7,800 new user sign ups
 - Q1 2025: Addition of 7,000 new user sign ups
- **RPAA registration** – We completed registration as a PSP (Payment Service Provider) under the Bank of Canada's RPAA (Retail Payment Activities Act). This enables Bitcoin Well to continue performing third party customer payments which empower services like Bill Payments. We also released Cash Balances on the Online Bitcoin Portal, a feature allowing customers to hold Canadian dollar balances in their Bitcoin Well account and seamlessly move between fiat and bitcoin.
- **Bitcoin Well Tools** – We successfully utilized AI to launch a suite of useful bitcoin tools with search engine optimization to help customers discover Bitcoin Well's services. This includes the popular Bitcoin Retirement Calculator which allows anybody to select inputs which guide them towards buying bitcoin with retirement in mind.
- **Worldwide access for Bitcoin Well Infinite** – Our partnership arrangements have allowed the Company to expand the Bitcoin Well Infinite services globally. We have started to gain clientele in many countries around the world including the USA, Europe and UAE.



- **U.S. Infrastructure Migration** – Completed comprehensive infrastructure buildout, setting the stage for accelerated growth in the United States in 2026. The improvements coming in the 2026 year will be focused around improving customer limits and functionality. As we have over 30% of our customer registrations in the USA we believe this will be accretive for the Company.

Our revenue growth on the Online Bitcoin Portal and Bitcoin Well Infinite is expected to continue in fiscal 2026.

Bitcoin Treasury Growth Strategy

We are also well positioned to continue to add to our Bitcoin Treasury over the coming 12 months. We have an active ATM program of up to \$5,000,000 and a base shelf prospectus of up to \$25,000,000. We are also exploring other ways to further expand our bitcoin reserves as a way to increase the number of bitcoin (or sats) per share outstanding, including through additional equity private placements.

Our ultimate goal is to have Bitcoin Well hold enough BTC in the future to make us one of the largest productive bitcoin treasury companies in the world.

We expect to provide further updates on our Bitcoin Treasury initiatives in the coming quarters, subject to market conditions and regulatory approvals.

For the years ended December 31, 2025 and 2024

SELECTED FINANCIAL INFORMATION

	Three months ended		Year ended	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Revenue	\$ 35,021,324	\$ 30,059,063	\$ 132,958,820	\$ 90,513,400
Cost of coins	33,829,929	28,838,673	128,001,205	86,542,792
Gross profit	1,191,395	1,220,390	4,957,615	3,970,608
Gross profit margin	3.4%	4.1%	3.7%	4.4%
Operating expenses	1,929,248	1,194,717	7,355,870	5,626,498
Financing fees	839,756	612,264	3,200,050	2,567,439
Depreciation	109,367	97,127	434,716	651,902
Loss before other items	(1,686,976)	(683,718)	(6,033,021)	(4,875,231)
Other items	5,907,763	(9,144,434)	5,239,864	(12,901,886)
Net income (loss)	\$ 4,220,787	\$ (9,828,152)	\$ (793,157)	\$ (17,777,117)
Adjusted EBITDA⁽¹⁾	\$ (698,156)	\$ 25,673	\$ (1,421,864)	\$ (1,655,890)
Adjusted Cash Flow⁽¹⁾	(973,345)	(154,672)	(2,456,491)	(2,598,072)

Note 1: See "Non-IFRS Financial Measures".

As at	Dec 31, 2025	Dec 31, 2024
Cash	\$ 3,139,299	\$ 2,875,766
Working capital	7,986,989	16,046,995
Total assets	29,907,161	28,024,499
Shareholders' deficit	(7,545,275)	(12,993,531)
Long-term financial liabilities	\$ 15,809,716	\$ 29,633,849

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED DECEMBER 31, 2025

In Q4 2025, total revenue climbed to \$35.0 million, marking a 17% increase from \$30.1 million in 2024. The Online Bitcoin Portal generated the majority of the year-over-year growth, increasing by 29% to \$17.0 million, up from \$13.2 million in Q4 2024. Bitcoin Well Infinite revenue increased slightly to \$11.8 million from \$11.7 million in Q4 last year, while ATM sales saw a 22% increase, reaching \$6.2 million from \$5.1 million in Q4 2024.

Fourth quarter 2025 gross profit remained stable at \$1.2 million, consistent with the comparable quarter in 2024, supported by overall revenue growth. However, the gross margin decreased to 3.4% in Q4 2025, down from 4.1% in the prior year. This margin compression was a result of two factors: reduced margins on ATM sales during the quarter and a change in the sales mix. Specifically, lower-margin online and Bitcoin Well Infinite transactions now constitute a larger proportion of total sales compared to the higher-margin Bitcoin ATM sales, as the fees generated from online transactions are inherently lower than those from ATM sales.

As we continue to shift our business towards the more scalable high growth Online Bitcoin Portal and Bitcoin Well Infinite revenue streams with lower fees and higher usability, we anticipate a future gross profit margin between 1.0% and 5.0%. Given the changing landscape, increased competition, and our focus on making bitcoin accessible through a modern-banking experience, we believe that attracting more customers at a smaller margin will provide greater growth potential and the opportunity to introduce paid premium product enhancements in the future. Our gross margin within the Online Bitcoin Portal segment was 1.5% in Q4 2025 (Q4 2024 - 1.6%) and within the Bitcoin Well Infinite segment was 2.5% (Q4 2024 - 1.9%).

Operational expenses for Q4 2025, excluding depreciation and financing fees, rose to \$1.9 million from \$1.2 million in the previous year. The \$0.7 million increase was largely attributable to (i) \$0.4 million increase in marketing and advertising investments to promote user growth on the Online Bitcoin Portal and Bitcoin Well Infinite; (ii) \$0.2 million increase in salaries and wages as we added internal resources to support marketing and business growth; and (iii) \$0.1 million increase in software and technology related costs to support our growth and expansion with customers located in the United States.

Adjusted EBITDA for Q4 2025 was negative \$0.7 million, compared to break-even adjusted EBITDA in Q4 2024. The decline was attributable to the increase in operating expenses discussed above.

Financing fees rose to \$0.8 million in Q4 2025, up from \$0.6 million in the previous year. This increase was primarily attributed to higher outstanding balances on our line of credit and the issuance of \$2.0 million in convertible debentures in December 2024 which was used to add bitcoin to our Bitcoin Treasury. Our financing fees mainly comprise interest costs related to our convertible debt, cryptocurrency loans, and line of credit.

In Q4 2025, we reported net income of \$4.2 million, compared to a net loss of \$9.8 million in Q4 2024. This figure includes the impact of bitcoin price fluctuations, and therefore does not accurately reflect the Company's underlying financial performance. A more accurate representation is the loss before other items, which excludes fair value changes related to bitcoin-denominated assets and liabilities. This metric shows a loss of \$1.7 million in Q4 2025, compared to \$0.7 million in Q4 2024. The higher loss in Q4 2025 was primarily due to higher operating expenses, including higher investments in marketing and advertising costs to promote user growth on the Online Bitcoin Portal and Bitcoin Well Infinite

A significant factor in the net income for Q4 2025 was a \$5.6 million gain tied to the revaluation of cryptocurrency loans (compared to a \$8.1 million loss in Q4 2024). These non-cash gains and losses stem from IFRS requirements that mandate the revaluation of cryptocurrency loans at fair value at each reporting period's end, with changes recognized in profit and loss. While this mark-to-market accounting reflects the unrealized gain or loss at a specific time, it doesn't represent a realized gain or loss, doesn't impact cash, and isn't a direct reflection of business performance.

Conversely, our accounting policy under IFRS also requires the revaluation of digital assets at fair value at the end of each reporting period, with value increases recognized in other comprehensive income (unlike the revaluations of cryptocurrency loans). As a result, changes in the unrealized value of both cryptocurrency loans and digital assets can lead to significant fluctuations in net income (loss), which may not accurately represent the underlying operational performance of the business.

We use Adjusted EBITDA to exclude the variability caused by these revaluations and provide what we believe is a more accurate measure of business performance.

During the three months ended December 31, 2025, we recognized a \$8.1 million unrealized loss on digital assets in other comprehensive income, which was partially offset by a \$5.6 million gain on the revaluation of cryptocurrency loans.

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2025

Total revenue for the year ended December 31, 2025 increased to \$133.0 million, a significant 47% increase from the \$90.5 million reported in 2024. This growth was primarily fueled by higher transaction volumes across both the Online Bitcoin Portal and Bitcoin Well Infinite.

Both key segments demonstrated robust growth, with the Online segment's revenue increasing by 64% to \$64.3 million in fiscal 2025, up from \$39.2 million in the prior year. Similarly, Bitcoin Well Infinite also saw a 64% revenue increase, reaching \$44.4 million compared to \$27.0 million. In contrast, ATM sales of \$24.2 million for the year ended December 31, 2025 remained consistent with the prior year.

Gross profit increased to \$5.0 million in fiscal 2025 from \$4.0 million last year (+25%) due to the higher revenue. Gross margin declined, however, to 3.7% from 4.4% last year. Changes in sales mix, including higher revenue from the Online Bitcoin Portal and Bitcoin Well Infinite transactions, combined with flat revenue from higher margin ATM sales, caused the decline.

Operational expenses for fiscal 2025 (excluding depreciation and financing fees), rose to \$7.4 million from \$5.6 million in the previous year. This increase was largely attributable to \$1.0 million in non-recurring consulting and professional fees associated with implementing our new bitcoin treasury strategy. When these one-time costs are excluded, our operating expenses for 2025 increased by \$0.8 million, largely due to increased marketing and advertising investments for the Online Bitcoin Portal and Bitcoin Well Infinite (\$0.6 million increase in 2025).

Adjusted EBITDA saw a \$0.2 million improvement in 2025, reaching negative \$1.4 million compared to negative \$1.7 million in the previous year. The improvement was primarily due to the higher gross profit reported, partially offset by higher operating expenses, as discussed above.

Financing fees increased to \$3.2 million for the year ended December 31, 2025 from \$2.6 million in 2024 due to higher outstanding balances on our line of credit and the issuance of \$2.0 million in convertible debentures in December 2024.

During the year ended December 31, 2025, we recorded a \$2.1 million gain related to the revaluation of cryptocurrency loans (2024 - loss of \$14.0 million) and a \$2.5 million realized gain on the sale of digital assets (2024 - also a gain of \$2.5 million). As noted earlier in this MD&A, these non-cash gains and losses are a result of IFRS requiring that we revalue our cryptocurrency loans at fair value at the end of each reporting period with the change recognized in profit and loss. Offsetting these gains was a \$6.9 million unrealized loss on digital assets recognized in other comprehensive income.

Due to these revaluation adjustments, we generated a modest net loss of \$0.8 million in fiscal 2025, compared to a net loss of \$7.1 million last year. Excluding other items, our loss before other items was \$6.0 million for the year ended December 31, 2025 compared to a loss of \$4.9 million in 2024.

For the years ended December 31, 2025 and 2024

SUMMARY OF QUARTERLY RESULTS

	2024 - Q1		2024 - Q2		2024 - Q3		2024 - Q4	
Revenue	\$	16,181,120	\$	23,262,793	\$	21,010,424	\$	30,059,063
Gross profit		802,811		1,042,109		905,298		1,220,390
Gross profit %		5%		4%		4%		4%
Net loss		(8,124,693)		1,124,954		(949,226)		(9,828,152)
Adjusted EBITDA		(430,080)		(640,116)		(611,367)		25,673
EPS - basic	\$	(0.04)	\$	0.01	\$	(0.00)	\$	(0.05)
EPS - diluted		(0.04)		0.01		(0.00)		(0.05)
Common shares outstanding								
Basic		201,538,615		214,530,625		215,239,994		217,917,953
Diluted		201,538,615		221,544,953		215,239,994		217,917,953
	2025 - Q1		2025 - Q2		2025 - Q3		2025 - Q4	
Revenue	\$	31,802,012	\$	32,100,176	\$	34,035,308	\$	35,021,324
Gross profit		1,084,450		1,363,095		1,318,675		1,191,395
Gross profit %		3%		4%		4%		3%
Net income (loss)		3,293,498		(4,164,212)		(4,143,230)		4,220,787
Adjusted EBITDA		(354,693)		(113,906)		(255,109)		(698,156)
EPS - basic	\$	0.01	\$	(0.02)	\$	(0.02)	\$	0.01
EPS - diluted		0.01		(0.02)		(0.02)		0.01
Common shares outstanding								
Basic		219,812,080		221,753,749		228,260,618		349,791,048
Diluted		263,186,871		221,753,749		228,260,618		387,976,469

In Q4 2025, revenue saw a slight increase, rising to \$35.0 million from \$34.0 million in Q3 2025. This growth was primarily driven by higher revenue from the Bitcoin Well Infinite business segment. However, despite the revenue increase, gross profit declined from \$1.3 million in Q3 2025 to \$1.2 million in Q4 2025 due to a lower gross margin. Adjusted EBITDA declined to negative \$0.7 million, compared to negative \$0.3 million in the prior quarter. This was a result of higher operating expenses, specifically in marketing and advertising, salaries and wages, and software and technology-related costs supporting marketing and business growth initiatives.

A significant shift occurred in net income, which turned positive at \$4.2 million in Q4 2025, compared to a net loss of \$4.1 million in Q3 2025. This major variance was largely due to the fair value changes in cryptocurrency loans. Specifically, Q4 2025 included a fair value revaluation gain of \$5.6 million on these loans, contrasting sharply with the revaluation loss of \$1.9 million recorded in Q3 2025.

In Q3 2025, our revenue rose to \$34.0 million from \$32.1 million in the previous quarter, driven primarily by increased ATM sales and growth in our Online Bitcoin Portal. Despite this, gross profit remained relatively stable compared to the prior quarter. This was due to a reduced gross margin on ATM sales, which was negatively impacted by a non-recurring cash shrinkage of \$0.1 million in Q3 2025, resulting from ATM thefts. This non-recurring loss also contributed to a slight weakening in Adjusted EBITDA for the quarter.

In Q2 2025, revenue saw a slight increase from the previous quarter, reaching \$32.1 million. This was primarily driven by a \$1.0 million rise in ATM sales, while transaction volumes for the Online Bitcoin Portal and Bitcoin Well Infinite experienced a slight decrease. Consequently, gross profit improved by 26% to \$1.4 million, leading to an improved Adjusted EBITDA of negative \$0.1 million, compared to negative \$0.4 million in the prior quarter.

However, the Company reported a net loss of \$4.2 million in Q2 2025, a significant shift from the net income of \$3.3 million in Q1 2025. This variance was largely attributable to fair value changes in cryptocurrency loans and realized gains from the disposal of digital assets. Specifically, Q2 2025 saw a fair value revaluation loss of \$3.9 million on cryptocurrency loans, in contrast to a revaluation gain of \$5.6 million recorded in Q1 2025.

The increase in revenue from \$30.1 million in Q4 2024 to \$31.8 million in Q1 2025 was primarily driven by growth in both the Online Bitcoin Portal and Bitcoin Well Infinite. This growth was partially offset by lower ATM transaction volumes. Gross profit decreased from \$1.2 million in Q4 2024 to \$1.1 million in Q1 2025 due to lower ATM sales. Net income improved from a loss of \$9.8 million in Q4 2024 to a positive \$3.3 million in Q1 2025, primarily due to favourable fair value changes related to cryptocurrency loans and realized gains on the disposal of digital assets.

Q4 2024 revenue grew 43% to \$30.1 million from \$21.0 million in Q3 2024, due to growth in the Online and Bitcoin Well Infinite business segments. Gross profit also increased by 35%, from \$0.9 million to \$1.2 million. Due to the strong revenue performance and managed general, administrative, and other operating costs, we achieved a positive adjusted EBITDA of \$26 thousand in Q4 2024. The significant net loss of \$9.8 million in Q4 2024 was mainly attributed to non-cash revaluation adjustments. These adjustments primarily related to cryptocurrency loans (\$8.1 million) and convertible debt (\$1.2 million).

Our revenue in Q3 2024 decreased to \$21.0 million from \$23.3 million in the prior quarter primarily due to lower ATM transaction volumes. Our gross profit declined to \$0.9 million from \$1.0 million in Q2 2023 due to the lower ATM sales noted. Offsetting a portion of the gross profit decline was growth in gross profit from our Online and Bitcoin Well Infinite business segments.

Revenue in Q2 2024 increased to \$23.3 million from \$16.2 million in the prior quarter, driven by significant growth on the Online Bitcoin Portal. Gross profit grew to \$1.0 million from \$0.8 million in Q1 2024 (+30%) due to the revenue increase.

We showcase Adjusted EBITDA in each quarter as net income (loss) includes mark to market gains or losses the revaluation of cryptocurrency loans and are not always a good reflection of our business.

LIQUIDITY & CAPITAL RESOURCES

We define the capital that we manage as our shareholders' equity, loans payable – cryptocurrency, convertible debt and line of credit. Our objectives when managing capital are:

- Maintaining appropriate liquidity reserves and access to capital.
- Ensuring sufficient liquidity to support our corporate and administrative functions as well as being able to execute on strategic initiatives.
- Minimizing the impact of the current market and economic conditions through active capital management.

We manage our capital structure in a manner that provides sufficient funding for operational and capital expenditure activities. Funds are secured, when necessary, through debt funding or equity capital raised by means of private placements or the ATM Program. However, there can be no assurances that we will be able to obtain debt or equity capital in the future.

Working Capital

Our working capital saw an \$8.0 million decrease, falling to \$8.0 million as of December 31, 2025, from \$16.0 million at December 31, 2024. The primary drivers of this reduction were the reclassification of certain financial instruments from long-term to current liabilities, specifically \$7.8 million in cryptocurrency loans and \$1.1 million in convertible debt, due to their upcoming maturity dates in 2026. It is important to note, however, that these instruments contain automatic one-year renewal clauses unless lenders give prior notice. We currently anticipate that these loans and convertible debt will be extended.

This overall decline was partially mitigated by a \$2.2 million increase in digital asset balances, mainly due to new investments in our Bitcoin Treasury.

Our ability to continue as a going concern and realize our assets and discharge our liabilities in the normal course of business is dependent upon maintaining a positive level of cash and working capital as well as keeping our convertible debt, line of credit and cryptocurrency loans in good standing. During the year ended December 31, 2025, we executed the below capital raising initiatives to improve our liquidity position.

Equity Private Placement

On September 29, 2025, and pursuant to an equity private placement, we issued 122,471,380 units (the "Units") at a price of \$0.102 per Unit for aggregate gross proceeds of \$12.5 million. The gross proceeds included 37.31 bitcoin, valued at \$5.9 million and cash of \$6.6 million. Issuance costs of \$0.25 million were also incurred, resulting in net proceeds of \$12.25 million.

Each Unit consisted of: (i) one common share; and (ii) one common share purchase warrant. Each warrant is exercisable to acquire one additional common share at an exercise price of \$0.1875 at any time until September 29, 2027.

The equity private placement's net proceeds were allocated to three areas: bolstering our Bitcoin Treasury, increasing working capital, and supporting general corporate activities. A significant portion of these proceeds was used to grow our Bitcoin Treasury from 11 bitcoin last year to 69 bitcoin as of December 31, 2025.

ATM Program

On March 28, 2025, we commenced an at-the-market equity distribution program (the "ATM Program") pursuant to a prospectus supplement dated March 28, 2025 to our short form base shelf prospectus dated March 6, 2025, filed with securities regulatory authorities. The ATM Program is being conducted pursuant to the terms of an equity distribution agreement with Haywood Securities Inc. (the "Agent"), under which we may from time to time sell common shares for aggregate gross proceeds of up to \$5,000,000 at prevailing market prices at the time of sale.

All shares sold under the ATM Program will be sold through the TSXV or other recognized Canadian marketplace at prevailing market prices at the time of sale. The ATM Program is effective until the earlier of March 28, 2027 and the completion of the issuance and sale of all of the shares issuable pursuant to the ATM Program, subject to earlier termination by Company or the Agent in accordance with the terms of the distribution agreement.

The ATM Program is intended to provide us with additional financing flexibility should it be required in the future. The volume and timing of distributions under the ATM Program, if any, will be determined in our sole discretion. As Shares distributed under the ATM program will be sold at the prevailing market price at the time of sale, prices may vary among purchasers during the term of the ATM Program.

During the full year ended December 31, 2025, we issued and sold 1,926,000 common shares under the ATM Program at an average price of \$0.15 per share, for gross proceeds of \$289,249. Commissions and other related costs of \$11,036 were paid to the Agent in connection with these distributions, resulting in net proceeds of \$278,213. We did not sell any common shares under the ATM program in Q4 2025.

We intend to use the net proceeds from the ATM Program, together with our current cash resources, to fund general corporate purposes, including ongoing operations and/or working capital requirements; to buy bitcoin as part of our Bitcoin Treasury strategy; to repay indebtedness outstanding from time to time; to complete future acquisitions; to fund research and development, intellectual property development; or for other corporate purposes.

OFF-BALANCE SHEET ARRANGEMENTS

We have not entered into any off-balance sheet arrangements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

RISK MANAGEMENT

We are exposed to various financial risks, which could affect our ability to achieve our strategic objectives. The main objectives of our risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which we are exposed are described below.

a) Credit Risk

Credit risk is the risk that a counterparty will be unable to pay any amounts owed to the Company. Assets that are subject to credit risk consist primarily of cash, digital assets, and accounts receivable.

We limit our exposure to credit loss related to cash by placing our cash with high quality financial institutions. We are also exposed to the risk of loss from theft of cash held in ATM machines or in transit from ATM machines to financial institutions. This risk is mitigated by having no concentration of cash in any one location, the regular collection of cash from ATM machines and by using reputable service organizations to transport cash from our ATM machines to financial institutions.

Credit risks related to our digital assets include that a portion of these assets are held by third parties, including lenders and liquidity partners. We are also exposed to the risk of loss associated with digital assets held in our controlled wallets. To mitigate these risks, we have implemented rigorous levels of internal controls to ensure the safety and security of our digital assets, including but not limited to multi-signature wallets, the use of cold storage wallets, and signing authority limitations.

We may, from time to time, hold a net asset position with our liquidity partners. We limit this exposure to potential credit loss by ensuring we are working with liquidity partners who have a high standard of care, and that a reasonable degree of oversight and review over their internal controls has been maintained, including the requirement of a current Systems and Organization Controls 2 ("SOC 2") report in order for us to work with the liquidity partner.

A significant portion of our digital assets are also held by a lender as collateral for the line of credit. We do not hold, or have rights to the potential economic benefits of the cryptocurrency assets that comprise the collateral for the duration of the line of credit. The lender is also not required to deposit the collateral with a custodial service for safekeeping, and the lender can pledge, sell, lend, or transfer the collateral to third parties.

b) Liquidity Risk

Liquidity risk is the risk that we are not able to meet our financial obligations as they come due. As at December 31, 2025 we had a positive working capital balance of \$8.0 million (December 31, 2024 – \$16.1 million) and cash balances of \$3.1 million (December 31, 2024 – \$2.9 million). Our short-term liabilities at December 31, 2025 were \$21.6 million (December 31, 2024 – \$11.4 million).

Accounts payable, accrued liabilities, deferred revenue, lease liabilities, current portion of convertible debt, and acquisition consideration payable are expected to be paid or extinguished within the next 12 months, as they become due.



The line of credit is expected to continue to be extended as required by the Company and agreed to by the lenders. The current portion of convertible debt (excluding \$0.4 million related to the current portion of the royalty liability, which is anticipated to be paid) that are scheduled to mature in Q1 2026 also carry automatic one year extensions. Subsequent to December 31, 2025, the maturity dates of these convertible debentures were automatically extended for an additional year. Note there is no guarantee the tranches advanced under the line of credit or the convertible debentures will continue to be extended in the future.

We also expect to extend the maturity date of the loans payable - cryptocurrency that are scheduled to mature in fiscal 2026 or repay the balances utilizing digital assets currently on hand.

Line of Credit

Our line of credit is subject to minimum collateral covenants, which if insufficient, could result in default, and the requirement to immediately repay any balances outstanding. Should such an event occur, the lender may also dispose of the digital assets that it currently holds as collateral for the line of credit.

The line of credit requires us to hold a mix of cryptocurrency assets and cash (collectively the "Collateral") with the lender such that the debt outstanding will not exceed 70% of the Collateral (the "Loan to Value"). If the Loan to Value exceeds 70%, the lender may require the Company to deposit additional collateral with the lender to reduce the Loan to Value to 50%.

If the Loan to Value exceeds 80%, the Company will be in default and the lender will be able to immediately demand repayment of the line of credit and exercise all of its rights and remedies available to collect on the outstanding balance, including liquidating the collateral held.

As of December 31, 2025, our line of credit was secured by 158 Bitcoin, which had a fair value of \$19.0 million. This represented a Loan to Value ratio of 57%.



Subsequent to the year-end, the Loan to Value ratio related to the line of credit was negatively impacted by a significant decline in the value of Bitcoin. Consequently, we provided the lender with additional Bitcoin as collateral. As at March 4, 2026, the lender held approximately 202 Bitcoin as security over the line of credit, representing a Loan to Value of 54%.

Our approach to managing liquidity risk is to ensure that we will have sufficient liquidity to meet liabilities when due. During the year ended December 31, 2025, we established the ATM Program that allows the Company to issue and sell, at our discretion, up to \$5.0 million of common shares to the public from time to time. When executed, the ATM program will provide us with additional capital resources and liquidity. We also completed an equity private placement for net proceeds of \$12.2 million in September 2025.

We may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of our shareholders and may result in dilution to the value of such interests.

c) Foreign Currency Risk

We are exposed to foreign currency risk in relation to our line of credit, which is denominated in USD. Based on the balance of the line of credit denominated in USD at December 31, 2025, a 5% increase or decrease in the exchange rate would result in a gain or loss of \$0.5 million. We are not currently exposed to any other significant foreign exchange risk.



d) Digital Asset and Market Risk

Digital asset and market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. We are exposed to market risk on cryptocurrency held as digital assets, inventory, and cryptocurrency loans.

Cryptocurrency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation, and global political and economic conditions.

The prices of most cryptocurrencies are expected to remain volatile, due to continued speculation, conflicting media coverage, potential regulatory actions, and lawsuits against industry participants.

A decline in the market prices for cryptocurrencies could negatively impact our future operations. We have not hedged the conversion of our inventory into sales. Cryptocurrencies have a limited history, and the fair value historically has been volatile. Historical performance of cryptocurrencies is not indicative of their future price performance. Our inventory consists primarily of Bitcoin and Ethereum.

With a 10% change to the price of bitcoin, our digital assets and inventory at December 31, 2025 would increase or decrease by \$2.5 million and \$0.1 million, respectively, and our loans payable - crypto currency would increase or decrease by \$1.7 million.

e) Interest Rate Risk

We are exposed to interest rate cash flow risk associated with our Debenture A and Debentures B as these instruments bear interest at a variable market rate. With a 100 basis point change in market interest rates, our interest expense for the year ended December 31, 2025 related to these debts would increase or decrease by \$52 thousand.

We are not exposed to significant interest rate risk on our line of credit, Debenture C, and loans payable - crypto currency as the majority of these liabilities incur interest at a fixed rate.

RELATED PARTY TRANSACTIONS

Our related party balances and transactions include:

- Loans payable in cryptocurrency consisting of 40 bitcoins, valued at \$4.8 million outstanding at December 31, 2025 with the Chief Executive Officer of the Company. Interest incurred on this cryptocurrency loan for the year ended December 31, 2025 was \$173 thousand (2024 - \$202 thousand);
- Loans payable in cryptocurrency consisting of 10 bitcoins valued at \$1.2 million outstanding at December 31, 2025 with Beyond the Rhode Corp (BTR), a company controlled by Terry Rhode, a director of Bitcoin Well. Interest incurred on this cryptocurrency loan for the year ended December 31, 2025 was \$145 thousand (2024 - \$95 thousand);
- During the year ended December 31, 2025, we incurred \$0.5 million in interest on a \$4.1 million convertible debenture owed to BTR. This was a decrease from the \$0.6 million in interest incurred in the comparative year ended December 31, 2024. Royalties payable related to the debenture were \$122 thousand for the year ended December 31, 2025, compared to \$67 thousand in 2024.

During the three months ended March 31, 2025, BTR agreed to waive all royalty payments otherwise due in exchange for an extension of the royalty for an additional period of 3 months.

- In the year ended December 31, 2025, we incurred \$72 thousand of interest expense related to the Debentures C held by BTR. This excludes accretion expense and compares to \$nil in 2024. As of December 31, 2025, BTR held a principal amount of \$900,000 of the Debentures C.
- Salaries, fees, and other short term benefits paid to executive officers and directors for the year ended December 31, 2025 was \$0.7 million (2024 - \$0.6 million);

For the years ended December 31, 2025 and 2024

- Share based payments expense related to executive officers and directors for the year ended December 31, 2025 was negative \$50 thousand (2024 - \$82 thousand). The expense recovery in 2025 was due to previously accrued expenses related to the February 2024 stock options grant being reversed as the vesting conditions for those options was not achieved.
- During the year ended December 31, 2025, the Chief Executive Officer of the company purchased \$69 thousand (2024 - \$nil) and sold \$97 thousand (2024 - \$19 thousand) of cryptocurrency through the Company's online platform.
- During the year ended December 31, 2025, a company of which the Chief Executive Officer of the company owns 33%, provided marketing and advertising services to the Company in the amount of \$7 thousand (2024 - \$nil), sold \$127 thousand (2024 - \$19 thousand) of cryptocurrency and purchased \$1 thousand (2024 - \$nil) of cryptocurrency, through the Company's online platform.

DISCLOSURE OF OUTSTANDING SHARE DATA

As of the date of this MD&A, we have issued and outstanding 355,948,974 common shares. In addition, we had the following securities potentially convertible into common shares:

- i) 14,898,835 stock options, exercisable to acquire common shares at prices ranging from \$0.05 to \$0.31 per option;
- ii) 122,471,380 warrants exercisable to acquire common shares at a price of \$0.1875 per share, expiring on September 29, 2027;
- iii) 23,291,985 warrants exercisable to acquire common shares at a price of \$0.18 per share, expiring on September 1, 2026;
- iv) 6,140,000 warrants, exercisable to acquire common shares at a price of \$0.05 per share, expiring on September 7, 2028;
- v) 6,906,684 warrants, exercisable to acquire common shares at a price of \$0.275 per share, expiring on March 22, 2027;
- vi) 8,980,956 warrants, exercisable to acquire common shares at a price of \$0.30 per share, expiring on December 30, 2029;

- vii) 878,603 agent options, exercisable to acquire 878,603 common shares at a price of \$0.175 per share and 878,603 warrants, exercisable at a price of \$0.275 per share, expiring on March 22, 2027;
- viii) 334,782 agent options, exercisable to acquire 334,782 common shares at a price of \$0.23 per share and 334,782 warrants, exercisable at a price of \$0.30 per share, expiring on December 30, 2029;
- ix) Convertible debt in the principal amount of \$4.1 million convertible into 16,400,000 common shares at a price of \$0.25 per share;
- x) Convertible debt in the principal amount of \$1.1 million convertible into 7,471,567 common shares at a price of \$0.15 per share; and
- xi) Convertible debt in the principal amount of \$2.0 million convertible into 8,695,652 common shares at a price of \$0.23 per share.

RISKS AND UNCERTAINTIES

Our business is subject to risks and uncertainties. Prior to making any investment decisions regarding Bitcoin Well, investors should carefully consider, among other things, the risks described herein and in the "Risk Factors" section of our Annual Information Form for the year ended December 31, 2025, which are incorporated by reference herein.

These risks and uncertainties are not exhaustive. Additional risks presently known or currently deemed immaterial may also impair our business operations. If any of the events described in our risk factors actually occur, our overall business, operating results and financial condition could be materially adversely affected.

COMPETITION

We are exposed to the risk of increased competition in the Bitcoin ATM industry. We have addressed this risk by developing proprietary software for our ATMs, which operationally set them apart from our competitors, offering a superior customer experience, as well as partnering and contracting with top-tier hosts to place ATMs in the best possible locations, with exclusivity terms. Further, we have developed the Online Bitcoin portal to allow for users to buy, sell and use bitcoin from the convenience of their house, similar to an online banking platform.

The regulatory environment in which we operate is always changing and presents new challenges. We have established ourselves as a leader in regulatory understanding and compliance, and through our strategic partnerships with industry leading compliance and regulatory experts, we understand the regulatory landscape and the expected changes to the playing field. This proactive approach allows us to plan ahead and adapt our service offerings accordingly. Having invested time and resources in understanding this risk has allowed us to operate at a significant advantage over much of the competition in the Bitcoin ATM industry.

ADDITIONAL FUNDING REQUIREMENTS

Further expansion of our business in Canada and the United States will require additional capital, and the ongoing costs of operations may not generate positive cash flow for the near or long term. Although we believe we have adequate funds to operate for the foreseeable future, there is no assurance that we will be successful in obtaining the required financing for these or other purposes, including for general working capital. Our ability to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions and business success. There can be no assurance that we will be successful in our efforts to secure any additional financing or additional financing on terms satisfactory to management.

If additional financing is raised by issuance of additional shares from treasury, control may change, and shareholders may suffer dilution. If adequate funds are not available, or are not available on acceptable terms, we may be required to scale back our current business plan or cease operating.

MARKET RISK FOR SECURITIES

The market price for our common shares may be subject to wide fluctuations. Factors such as government regulation, cryptocurrency price fluctuations, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of our securities. The stock market has, from time to time, experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies. There also can be no assurance that an active trading market for our common shares will be sustained in the future.

BITCOIN AND CRYPTOCURRENCY INDUSTRY

The further development and acceptance of the bitcoin and other cryptocurrency industry is subject to a variety of factors that are difficult to anticipate and evaluate. The use of bitcoin and other cryptocurrencies to buy and sell goods and services, among other things, is a new and rapidly evolving industry.

Although it is widely predicted that bitcoin (and potentially other cryptocurrencies) will become a leading class of digital asset, it cannot be assured that this will in fact occur. Any slowing or stopping of the development in the acceptance of bitcoin and other cryptocurrencies may adversely affect an investment in us. For a number of reasons, including for example the lack of recognized security technologies, inefficient or unwilling processing of payment transactions by the existing financial system, limited user-friendliness, inconsistent quality, and lack of clear universally applicable regulation as well as uncertainties regarding proprietary rights and other legal issues, bitcoin and other cryptocurrency activities may in fact prove in the long run to be an unprofitable means for businesses.

Factors affecting the further development of the bitcoin and other cryptocurrency industry include: (i) continued worldwide growth in the adoption and use of bitcoin and other cryptocurrencies; (ii) government and quasi-government regulation of bitcoin and other cryptocurrencies and their use, or restrictions on or regulation of access to and operation of bitcoin and other cryptocurrency systems; (iii) changes in consumer demographics and public tastes and preferences; (iv) the availability and popularity of other forms or methods of buying and selling goods and services; and (v) the regulatory environment and general economic conditions and the regulatory environment related to bitcoin and other cryptocurrencies.

A decline in the popularity or acceptance of bitcoin and other cryptocurrencies would harm our business.

SUBJECTION TO REGULATORY ACTIONS OR CHANGES

As cryptocurrencies have grown in both popularity and market size, governments around the world have reacted differently to bitcoin and other cryptocurrencies, with certain governments deeming them illegal while others have allowed their use and trade. Ongoing and future regulatory actions may alter, perhaps to a materially adverse extent, our ability to continue to operate. The effect of any future regulatory change on the ability to buy and sell bitcoin and other cryptocurrencies is impossible to predict, but such change could be substantial and have a material adverse effect on us.

Governments may in the future take regulatory actions that prohibit or severely restrict the right to acquire, own, hold, sell, use or trade bitcoin or other cryptocurrencies or to exchange cryptocurrencies for fiat currency. By extension, similar actions by other governments, may result in the restriction of the acquisition, ownership, holding, selling, use or trading in our common shares. Such a restriction could result in us having to liquidate our cryptocurrency inventory at unfavorable prices and may adversely affect our shareholders.

IMPACT OF BITCOIN AND OTHER CRYPTOCURRENCY VALUE MAY AFFECT OPERATIONS

The markets for bitcoin and other cryptocurrencies have experienced much larger fluctuations than other markets, and there can be no assurances that erratic swings in price will slow in the future. In the event that the price of bitcoin or other cryptocurrencies declines, the value of an investment in us will likely decline. Several factors may affect the price and volatility of bitcoin and other cryptocurrencies including, but not limited to: (i) global bitcoin and other cryptocurrency demand, depending on the acceptance of bitcoin and/or other cryptocurrencies by retail merchants and commercial businesses; (ii) the perception that the use and holding of bitcoin or other cryptocurrencies is safe and secure, and the related lack of or inconsistency in regulatory restrictions, particularly across various jurisdictions; (iii) heightened regulatory measures restricting the use of bitcoin and/or other cryptocurrencies as a form of payment or the purchase of bitcoin and/or other cryptocurrencies; (iv) investor's expectations with respect to the rate of inflation; (v) interest rates; (vi) currency exchange rates, including exchange rates between various cryptocurrencies and fiat currency;

(vii) fiat currency withdrawal and deposit policies on cryptocurrency exchanges and liquidity on such cryptocurrency exchanges; (viii) interruption of services or failures of major cryptocurrency exchanges; (ix) general governmental monetary policies, including trade restrictions, and currency revaluations; (x) global or regional political, economic or financial events and situations, including increased threat of terrorist activities; and/or (xi) self-fulfilling expectations of changes in the bitcoin and/or other cryptocurrency market.

As well, momentum pricing is typically associated with assets whose valuation, as determined by the investing public, accounts for anticipated future appreciation in value. Momentum pricing of bitcoin or other cryptocurrencies may result in speculation regarding future appreciation in their value. As a result, changing investor confidence could adversely affect an investment in us.

CHANGES IN PRICING OF INPUTS

Given the market fluctuation in the price of bitcoin, the margin and fee the Company charges may not be sufficient to cover the cost of bitcoin, and the Company could, at times, be selling bitcoin at a lower price for which it was purchased at. To address this risk, the Company holds enough bitcoin as inventory to perform one inventory cycle. In addition, the Company has auto-trader functionality on its products, in that transactions are automatically traded on its cryptocurrency exchanges, in real-time, as transactions are occurring. Thus the Company's risk to the change in pricing of its inputs is restricted to the time it takes the Company to perform a full cycle of its inventory.

RESTRICTIONS ON BANKING

A number of companies that provide cryptocurrency-related services have been unable to find banks that are willing to provide them with bank accounts and banking services. Similarly, a number of such companies have had their existing bank accounts closed by their banks. Banks may refuse to provide bank accounts and other banking services to cryptocurrency-related companies or companies that accept cryptocurrencies for a number of reasons, such as perceived compliance risks or costs. The usefulness of cryptocurrencies as a payment system and the public perception of cryptocurrencies could be damaged if banks were to close the accounts of key businesses providing cryptocurrency-related services.

ACCEPTANCE OF BITCOIN AND OTHER CRYPTOCURRENCIES

Currently, there is a relatively small use of cryptocurrencies in the retail and commercial marketplace in comparison to relatively large use by speculators, thus contributing to price volatility that could adversely affect our operations, investment strategies, and profitability. As relatively new products and technologies, bitcoin and other cryptocurrencies have not been widely adopted as a means of payment for goods and services by major retail and commercial outlets. Conversely, a significant portion of bitcoin and other cryptocurrency demand is generated by speculators and investors seeking to profit from the short-term or long-term holding of cryptocurrencies.

The relative lack of acceptance of cryptocurrencies in the retail and commercial marketplace limits the ability of end-users to use them to pay for goods and services. A lack of expansion by cryptocurrencies into retail and commercial markets, or a contraction of such use, may result in increased volatility or a reduction in their market prices, either of which could adversely impact our business.

MISUSE OF BITCOIN AND OTHER CRYPTOCURRENCIES

Since the existence of cryptocurrencies, there have been attempts to use them for speculation or malicious purposes. Although law makers increasingly regulate the use and applications of bitcoin and other cryptocurrencies, and software is being developed to curtail speculative and malicious activities, there can be no assurances that those measures will sufficiently deter those and other illicit activities in the future. Advances in technology, such as quantum computing, could lead to a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) being able to alter the blockchain on which bitcoin and other cryptocurrency transactions rely. In such circumstances, the malicious actor or botnet could control, exclude or modify the ordering of transactions, or generate new cryptocurrency or transactions using such control. The malicious actor or botnet could double spend its own cryptocurrency and prevent the confirmation of other users' transactions for so long as it maintains control. Such changes could adversely affect an investment in us.

UNINSURABLE RISKS

We intend to insure our operations in accordance with technology industry practice. However, given the novelty of the business, such insurance may not be available, uneconomical, or the nature or level may be insufficient to provide adequate insurance coverage. We may become subject to liability for hazards against which we cannot insure or against which we may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce or eliminate the funds available for operations. Payments of liabilities for which we do not carry insurance may have a material adverse effect on our financial position.

CONCENTRATION RISK

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. Currently, we have our investments highly concentrated in a single cryptographic asset, bitcoin. This risk exposure is mitigated in part, by having our loans payable – cryptocurrency also denominated in bitcoin.

SECURITY RISK

Bitcoins are controllable only by the possessor of the private key relating to the local or online digital wallet in which the bitcoin is held. The bitcoin network requires a public key relating to a digital wallet to be published when used in a spending transaction and, if keys are lost or destroyed, this could prevent trading of the corresponding bitcoins. Security breaches, computer malware and computer hacking attacks have been a prevalent concern in the bitcoin exchange market since the launch of the bitcoin network. Any security breach caused by hacking could cause loss of bitcoin investments.

BITCOIN NETWORK RISK

The open-source structure of the bitcoin network protocol means that the core developers of the bitcoin network and other contributors are generally not perceived to be directly compensated for their contributions in maintaining and developing the bitcoin network protocol.

EXPOSURE TO RISKS ASSOCIATED WITH BITCOIN TREASURY

Our bitcoin treasury strategy exposes us to various risks associated with bitcoin. Bitcoin is a highly volatile asset and has experienced significant price fluctuations. Bitcoin does not pay interest or dividends, and we generally can only generate cash from bitcoin held as treasury reserves if we sell bitcoin or enter into transactions designed to generate funds using our bitcoin holdings. Even if we pursue any such transactions, we may be unable to create income streams or otherwise generate funds using our bitcoin holdings, and any such transactions may subject the Company to additional risks, including counterparty, liquidity, regulatory and operational risks. Our bitcoin holdings may significantly affect our financial results and, to the extent we increase our bitcoin holdings, could have an even greater impact on its financial results and on the market price of our common shares.

ASSET CONCENTRATION IN BITCOIN

Our assets may become increasingly concentrated in bitcoin as a result of the Bitcoin Treasury. Such concentration limits our ability to mitigate risk that could otherwise be achieved by holding a more diversified portfolio of treasury assets. Any significant declines in the price of bitcoin would have a more pronounced impact on our financial condition than if we held a more diversified portfolio of assets. Concentration in bitcoin may also affect our ability to access financing, the terms on which we may obtain financing, and the market price of our common shares.

NON-IFRS FINANCIAL MEASURES

This MD&A contains certain financial measures that do not have any standardized meaning prescribed by IFRS. These financial measures may, therefore, not be comparable to similar measures presented by other issuers. Investors are cautioned that these measures should not be construed as an alternative to net income or to cash provided by or used in operating, investing, and financing activities determined in accordance with IFRS, as indicators of our performance. We provide these measures to assist investors in determining our ability to generate income and cash provided by operating activities. We list and define these measures below:

Adjusted EBITDA

Adjusted EBITDA is defined as net income (loss), excluding: finance fees, income tax expense or recovery, depreciation, share-based compensation, gain or loss on changes in fair value of digital assets and cryptocurrency inventory, gains or losses on the fair value adjustment of cryptocurrency loans and convertible debt, gain or loss on debt settlements, impairment of goodwill, gains and losses on the sale of property and equipment, foreign exchange gains and losses, and costs associated with one-time transactions (such as restructuring costs, non-recurring start-up costs, or business acquisition related costs).

Adjusted Cash Flow

Adjusted Cash Flow is defined as Adjusted EBITDA less financing fees, excluding non-cash interest related items. Non-cash interest items include interest on cryptocurrency loans and convertible debt that were settled in common shares or are intended to be settled in common shares, non-cash interest on the line of credit where the accrued interest is added to the principal balance of the loan, and accretion expense on convertible debt.

For the years ended December 31, 2025 and 2024

A reconciliation of net loss to Adjusted EBITDA and Adjusted Cash Flow for each of the periods presented in this MD&A follows:

	Three months ended		Year ended	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Net income (loss)	\$ 4,220,787	\$ (9,828,152)	\$ (793,157)	\$ (17,777,117)
Financing fees	839,756	612,264	3,200,050	2,567,439
Depreciation	109,367	97,127	434,716	651,902
Fair value change - crypto loans ⁽¹⁾	(5,611,216)	8,100,878	(2,064,991)	13,974,453
Share based compensation	(531,136)	142,024	(287,727)	467,952
Foreign exchange (gain) loss	(126,845)	492,913	(489,136)	599,760
Loss (gain) on debt settlement	-	937	-	(19,063)
Loss (gain) on disposal of property and equipment	845	609	3,302	(481)
Fair value change - crypto inventory ⁽¹⁾	386,971	(488,006)	143,613	(784,679)
Fair value change - convertible debt	(26,382)	1,194,636	(66,482)	1,194,636
Realized gain on digital assets ⁽¹⁾	-	(299,557)	(2,478,443)	(2,530,692)
Non-recurring start-up costs ⁽²⁾	39,697	-	976,391	-
Adjusted EBITDA	\$ (698,156)	\$ 25,673	\$ (1,421,864)	\$ (1,655,890)
Less: financing fees	(839,756)	(612,264)	(3,200,050)	(2,567,439)
Add: non-cash interest items ⁽³⁾	564,567	431,919	2,165,423	1,625,257
Adjusted Cash Flow	\$ (973,345)	\$ (154,672)	\$ (2,456,491)	\$ (2,598,072)

- (1) Non-cash, fair value change on the revaluation of cryptocurrency loans is largely offset by revaluation changes in inventory and gains (losses) on digital assets, which are recorded in both income (if realized) and other comprehensive income (if unrealized).
- (2) Non-recurring start-up costs relate to professional and consulting fees incurred in establishing the Company's bitcoin treasury reserve.
- (3) Non-cash interest items include interest on cryptocurrency loans and convertible debt that were settled in common shares or are intended to be settled in common shares, non-cash interest on the line of credit where the accrued interest is added to the principal balance of the loan, and accretion expense on convertible debt.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

The information provided in this MD&A, including information incorporated by reference, may contain "forward-looking statements" about the Company. In addition, the Company may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Company that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words.

Forward-looking statements contained herein include, but are not limited to statements in respect of: revenue growth from the Online Bitcoin Portal and Bitcoin Well Infinite; estimated gross margin ranges in the future; future renewal or extension of existing cryptocurrency loans or tranches advanced under the line of credit, and Bitcoin Well's business plans, strategy and outlook.

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, including, but not limited to the following: economic and financial conditions, volatility in the capital or credit markets; the level of demand and financial performance of the cryptocurrency and digital asset industry, the occurrence of force majeure events; the extent to which the Company is successful in gaining new long-term users or retaining existing users; developments and changes in laws and regulations, disruptions to the Company's technology network; inability to obtain financing; competitive factors; and such other factors as discussed in the "Risks and Uncertainties" section of this MD&A.

Consequently, all forward-looking statements made in this MD&A and other documents of the Company, as applicable, are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Company. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Company and/or persons acting on its behalf may issue. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation.