

BITCOIN WELL REPORTS SECOND QUARTER 2022 RESULTS

Edmonton, Alberta – August 11, 2022 – Bitcoin Well Inc. (the “Company” or “Bitcoin Well”) (TSXV: BTCW), today announced the financial and operating results for the second quarter ended June 30, 2022. The Interim Financial Statements as well as Management’s Discussion and Analysis (“MD&A”) are available on our website and have been filed on SEDAR.

Revenues and Gross Profit from our ATMs across Canada and over the counter (“OTC”) in-person offices have remained strong over the last four quarters amidst a volatile market sentiment for cryptocurrencies. Revenue in the second quarter of 2022 increased by 52% and Gross Profit increased by 10% when compared to the first quarter of 2022 mainly due to the diversity of revenue streams we have been focused on growing for the past two years. Going forward in 2022, we are anticipating conservative monthly growth in our in-person services and have significantly reduced expenses to a manageable level within those conservative forecasts to improve our Adjusted EBITDA.

“Our business has been navigating the crypto market downturn effectively. Albeit modest, we were focused on increasing our gross profit and were successful in doing that in the second quarter despite the overall crypto market decreasing from all time highs,” said Adam O’Brien, Founder & CEO of Bitcoin Well. “We are continuing to focus on increasing our gross profit in the third quarter and are excited to show the markets what we can do. I have successfully led this organization through multiple ‘crypto winters’ and will employ similar cash preservation and building strategies through this one as I have in the past.”

Financial Overview

	For the three months ended,		For the six months ended,	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Revenue (\$000s)	\$ 20,586	\$ 41,734	\$ 34,115	\$ 69,259
Gross profit (\$000s)	\$ 1,066	\$ 1,157	\$ 2,031	\$ 3,460
Adjusted EBITDA ¹ (\$000s)	\$ (1,587)	\$ (845)	\$ (3,636)	\$ (17)
Net income (loss) (\$000s)	\$ (1,095)	\$ 30	\$ (3,156)	\$ (4,333)
Total ATMs	248	169	248	169

¹ See Non-IFRS Measures.

Second Quarter 2022 Results

- Revenue in the second quarter and first six months of 2022 were \$21.1 million and \$35.1 million lower compared to the same periods last year. Revenues in the second quarter of 2021 included in-person transactions of \$22 million with one customer, which was not expected to recur. Excluding this non-recurring transaction, revenues in the second quarter of 2022 increased by 4% compared to the same period last year.
- Gross profit in the second quarter of 2022 was similar to the same period last year even though revenues were significantly lower. Gross profit margins in the second quarter of 2022 remained strong at 7% compared to 8% in the same period last year.
- Adjusted EBITDA in the second quarter and first six months of 2022 were \$1 million and \$3.3 million lower compared to the same periods last year. In the first six months of 2022, the Company has streamlined operations, and implemented cost cutting decisions, including a reduction in the number of employees. These actions are expected to significantly lower salary & wages and general & administrative expenses going forward, resulting in an improved Adjusted EBITDA.
- Net loss in the second quarter of 2022 of \$1.1 million included \$3.3 million of restructuring costs that were not in the normal course of business. These costs mainly relate to staff reductions and associated severance costs, office facilities, as well as costs associated with a pause in the ghostATM B2B product development. The Company has streamlined operations, and implemented cost cutting decisions, including a reduction in the number of employees. These actions are expected to significantly lower salary & wages and general & administrative expenses going forward.

Recent Business Developments

- Continued to expand our online ecosystem in the second quarter of 2022. We added e-transfer as a second payment rail to our online offerings, allowing our users to buy bitcoin in the fastest and safest way possible. Currently, Bitcoin Well users can buy bitcoin online with VISA debit or Interac e-Transfer. This online ecosystem:
 - Allows users to sell bitcoin and receive CAD directly into their bank,
 - Enables payment of any Canadian bill or Credit Card in bitcoin and other cryptocurrencies,
 - Emphasizes a user-custodied journey which eliminates the risks associated with other competing online custodial offerings, and
 - Are available in WellWallet™, our user-custodied Bitcoin Wallet App, and online at www.bitcoinwell.com.

- Added 9 Bitcoin ATMs to our operating fleet in the second quarter of 2022. We now have 248 ATMs operating across Canada. This includes 75 ATMs under our Partner Program, which allows us to scale our ATM count quicker and add incremental revenue potential with minimal capital expenditure. We expect continued gross profit contributions from the Partner Program with ongoing growth, including our previously announced expansion with Rapid Cash ATM Ltd. into over 100 additional locations in 2022, less than 30 of which have been completed to date.

Issued the third tranche in the amount of \$1.5 million of a secured convertible debenture agreement for up to \$5 million. The \$1.5 million was received on July 4, 2022. In the first quarter of 2022, the first and second tranches for a total of \$3.5 million were issued. 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. 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. 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.

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 ended,		For the six months ended,	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Net income (loss)	\$ (1,095)	\$ 30	\$ (3,156)	\$ (4,333)
Listing expense	-	1,477	-	1,477
Business acquisition and QT transaction costs	-	467	-	564
Depreciation and accretion	714	274	1,395	542
Fair value change–cryptocurrency	(4,777)	(3,313)	(4,915)	1,946
Restructuring	3,308	-	3,308	-
Income tax expense (recovery)	284	17	(294)	(478)
Share based compensation	38	207	111	282
Gain on debt settlement	(58)	(1)	(87)	(6)
Other	-	(4)	1	(11)
Adjusted EBITDA	\$ (1,587)	\$ (845)	\$ (3,636)	\$ (17)

This news release should be read in concert with the full disclosure documents. The Bitcoin Well Unaudited Condensed Consolidated Interim Financial Statements and Management's Discussion and Analysis for the three months ended June 30, 2022 will be available on the Bitcoin Well website (www.bitcoinwell.com), via SEDAR (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 enable independence by offering an ecosystem of products and services that give users the convenient control of their bitcoin. This ecosystem will future-proof money by including self custodial financial offerings (both in-person and online) 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/locations.

Bitcoin Well Contact Information

To book a virtual meeting with Founder & CEO Adam O'Brien please use the following link: <https://calendly.com/adamobitcoin/meet-adam>

For additional investor & media information, please contact:

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

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.