



**BITCOIN WELL**

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

Unaudited Condensed Consolidated Interim Financial Statements

For the Three and Nine months ended September 30, 2025 and 2024

| As at                                              | Note | September 30, 2025   | December 31, 2024 |
|----------------------------------------------------|------|----------------------|-------------------|
| <b>Assets</b>                                      |      |                      |                   |
| <b>Current assets</b>                              |      |                      |                   |
| Cash                                               |      | \$ 9,070,372         | \$ 2,875,766      |
| Accounts receivable                                |      | 153,015              | 576,463           |
| Digital assets                                     | 3    | 28,084,528           | 22,374,404        |
| Inventory                                          | 6    | 1,691,998            | 1,378,640         |
| Deposits and prepaid expenses                      |      | 351,905              | 225,903           |
|                                                    |      | <b>39,351,818</b>    | 27,431,176        |
| <b>Non-current assets</b>                          |      |                      |                   |
| Property and equipment                             |      | 119,165              | 379,671           |
| Right of use assets                                |      | 56,923               | 38,672            |
| Intangible assets                                  |      | 50,769               | 69,553            |
| Goodwill                                           |      | 105,427              | 105,427           |
| <b>Total assets</b>                                |      | <b>\$ 39,684,102</b> | \$ 28,024,499     |
| <b>Liabilities</b>                                 |      |                      |                   |
| <b>Current liabilities</b>                         |      |                      |                   |
| Accounts payable and accrued liabilities           |      | \$ 1,024,012         | \$ 562,134        |
| Deferred revenue                                   |      | 232,673              | 734,893           |
| Lease liability - current                          |      | 33,527               | 32,403            |
| Acquisition consideration payable                  |      | 154,691              | 167,260           |
| Convertible debt - current                         | 7    | 1,433,940            | 243,698           |
| Line of credit                                     | 8    | 10,811,232           | 9,643,793         |
| Loans payable - cryptocurrency                     | 5    | 10,322,315           | -                 |
|                                                    |      | <b>24,012,390</b>    | 11,384,181        |
| <b>Non-current liabilities</b>                     |      |                      |                   |
| Lease liability - long term                        |      | 24,590               | 8,884             |
| Convertible debt                                   | 7    | 6,240,123            | 7,397,069         |
| Loans payable - cryptocurrency                     | 5    | 12,704,972           | 22,187,896        |
| Loans payable - long term                          |      | 40,000               | 40,000            |
| <b>Total liabilities</b>                           |      | <b>43,022,075</b>    | 41,018,030        |
| <b>Shareholders' deficit</b>                       |      |                      |                   |
| Share capital                                      | 12   | 28,714,366           | 15,365,507        |
| Contributed surplus                                | 12   | 4,071,464            | 3,912,707         |
| Convertible debt - equity                          |      | 316,881              | 316,881           |
| Warrants                                           | 12   | 873,240              | 872,520           |
| Accumulated deficit                                |      | (57,509,154)         | (52,495,210)      |
| Accumulated other comprehensive income             |      | 20,195,230           | 19,034,064        |
| <b>Total shareholders' deficit</b>                 |      | <b>(3,337,973)</b>   | (12,993,531)      |
| <b>Total liabilities and shareholders' deficit</b> |      | <b>\$ 39,684,102</b> | \$ 28,024,499     |

The accompanying notes are an integral part of these consolidated financial statements.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss  
(Expressed in Canadian dollars, except for number of and earnings per share)

|                                                   |      | Three months ended |                | Nine months ended |                |
|---------------------------------------------------|------|--------------------|----------------|-------------------|----------------|
|                                                   |      | September 30,      | September 30,  | September 30,     | September 30,  |
|                                                   | Note | 2025               | 2024           | 2025              | 2024           |
| Revenue                                           |      |                    |                |                   |                |
| Sales revenue                                     | 13   | \$ 34,035,308      | \$ 21,010,424  | \$ 97,937,496     | \$ 60,454,337  |
| Cost of coins                                     |      | (32,716,633)       | (20,105,126)   | (94,171,276)      | (57,704,119)   |
| Gross profit                                      |      | 1,318,675          | 905,298        | 3,766,220         | 2,750,218      |
| Expenses                                          |      |                    |                |                   |                |
| General and administration                        | 14   | 686,766            | 679,178        | 1,932,258         | 2,231,340      |
| Salaries and wages                                |      | 253,967            | 255,884        | 742,586           | 716,413        |
| Depreciation                                      |      | 109,060            | 134,310        | 325,349           | 554,775        |
| Financing fees                                    | 5, 7 | 849,528            | 633,995        | 2,360,294         | 1,955,175      |
| Marketing and advertising                         |      | 356,444            | 463,576        | 1,123,273         | 927,393        |
| Professional fees                                 |      | 1,066,531          | 44,629         | 1,252,370         | 370,262        |
| Software                                          |      | 146,770            | 73,398         | 376,135           | 186,373        |
|                                                   |      | 3,469,066          | 2,284,970      | 8,112,265         | 6,941,731      |
| Loss before other items                           |      | (2,150,391)        | (1,379,672)    | (4,346,045)       | (4,191,513)    |
| Other items                                       |      |                    |                |                   |                |
| Fair value change - cryptocurrency loans          | 5    | (1,889,333)        | 43,366         | (3,546,225)       | (5,873,575)    |
| Share based compensation                          |      | (107,500)          | (62,515)       | (243,409)         | (325,928)      |
| Foreign exchange (loss) gain                      |      | (138,258)          | 79,012         | 362,291           | (106,847)      |
| Gain on debt settlement                           |      | -                  | -              | -                 | 20,000         |
| (Loss) gain on disposal of property and equipment |      | (2,457)            | (2,607)        | (2,457)           | 1,090          |
| Fair value change - cryptocurrency inventory      |      | 130,296            | (159)          | 243,358           | 296,673        |
| Fair value change - convertible debt              |      | 14,413             | -              | 40,100            | -              |
| Realized gain on digital assets                   |      | -                  | 373,349        | 2,478,443         | 2,231,135      |
| Net loss                                          |      | (4,143,230)        | (949,226)      | (5,013,944)       | (7,948,965)    |
| Other comprehensive income                        |      |                    |                |                   |                |
| Revaluation gain (loss) on digital assets         | 3    | 1,956,011          | (423,763)      | 1,161,166         | 3,316,382      |
| Total comprehensive loss                          |      | (2,187,219)        | \$ (1,372,989) | (3,852,778)       | \$ (4,632,583) |
| Net loss per common share                         |      |                    |                |                   |                |
| Basic                                             |      | (0.02)             | \$ (0.00)      | (0.02)            | \$ (0.04)      |
| Diluted                                           |      | (0.02)             | \$ (0.00)      | (0.02)            | \$ (0.04)      |
| Weighted average common shares outstanding:       |      |                    |                |                   |                |
| Basic                                             |      | 228,260,618        | 215,239,994    | 223,306,430       | 210,537,367    |
| Diluted                                           |      | 228,260,618        | 215,239,994    | 223,306,430       | 210,537,637    |

The accompanying notes are an integral part of these consolidated financial statements.

Condensed Consolidated Interim Statements of Cash Flows  
(Expressed in Canadian dollars)

| Nine months ended September 30                             | 2025                | 2024                |
|------------------------------------------------------------|---------------------|---------------------|
| <b>Cash provided by (used in):</b>                         |                     |                     |
| <b>Operating activities</b>                                |                     |                     |
| Net loss                                                   | \$ (5,013,944)      | \$ (7,948,965)      |
| Adjustments for:                                           |                     |                     |
| Depreciation                                               | 325,349             | 554,775             |
| Fair value change - cryptocurrency loans                   | 3,546,225           | 5,873,575           |
| Fair value change - cryptocurrency inventory               | (243,358)           | (296,673)           |
| Fair value change - convertible debenture                  | (40,100)            | -                   |
| Accretion expense - convertible debenture                  | 73,977              | -                   |
| Realized gain on digital assets                            | (2,478,443)         | (2,231,135)         |
| Loss (gain) on disposal of property and equipment          | 2,457               | (1,090)             |
| Foreign exchange (gain) loss                               | (299,902)           | 106,847             |
| Share based compensation                                   | 243,409             | 325,928             |
| Gain on debt settlement                                    | -                   | (20,000)            |
|                                                            | <b>(3,884,330)</b>  | <b>(3,636,738)</b>  |
| Changes in non-cash working capital items:                 |                     |                     |
| Accounts receivable                                        | 423,448             | 1,848               |
| Deposits and prepaid expenses                              | (128,694)           | 486,216             |
| Inventory                                                  | (70,000)            | 10,017              |
| Accounts payable and accrued liabilities                   | 1,145,103           | 201,862             |
| Deferred revenue                                           | (502,220)           | 66,278              |
| <b>Cash used in operating activities</b>                   | <b>(3,016,693)</b>  | <b>(2,870,517)</b>  |
| <b>Investing activities</b>                                |                     |                     |
| Purchase of property and equipment                         | (15,306)            | -                   |
| Proceeds from disposal of property and equipment           | -                   | 5,527               |
| Proceeds on disposal of digital assets                     | 3,240,550           | 3,059,837           |
| Purchase of digital assets                                 | (5,311,063)         | (677,477)           |
| Proceeds on disposal of investments                        | -                   | 12,365              |
| <b>Cash (used in) provided by investing activities</b>     | <b>(2,085,819)</b>  | <b>2,400,252</b>    |
| <b>Financing activities</b>                                |                     |                     |
| Repayment of cryptocurrency loans                          | (2,706,835)         | (2,363,814)         |
| Payments of acquisition consideration payable              | (12,569)            | (14,667)            |
| Repayment of loans                                         | -                   | (40,000)            |
| Proceeds from line of credit                               | 1,470,492           | 783,224             |
| Repayment of lease liability                               | (34,632)            | (25,248)            |
| Shares issued pursuant to exercise of options and warrants | 51,881              | 38,998              |
| Shares issued pursuant to at-the-money financing           | 262,686             | -                   |
| Shares issued pursuant to equity private placement         | 12,266,095          | 1,983,370           |
| <b>Cash provided by financing activities</b>               | <b>11,297,118</b>   | <b>361,863</b>      |
| <b>Change in cash</b>                                      | <b>6,194,606</b>    | <b>(108,402)</b>    |
| Cash, beginning of period                                  | 2,875,766           | 1,668,922           |
| <b>Cash, end of period</b>                                 | <b>\$ 9,070,372</b> | <b>\$ 1,560,520</b> |

The accompanying notes are an integral part of these consolidated financial statements.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity  
(Expressed in Canadian dollars, except for number of shares)

|                                                | Note | Share Capital                 |                      | Contributed<br>Surplus | Convertible<br>Debt -<br>Equity | Warrants          | Accumulated<br>Deficit | Accumulated<br>Other<br>Comprehensive<br>Income | Total                  |
|------------------------------------------------|------|-------------------------------|----------------------|------------------------|---------------------------------|-------------------|------------------------|-------------------------------------------------|------------------------|
|                                                |      | Number of<br>Common<br>Shares | Amount               |                        |                                 |                   |                        |                                                 |                        |
| <b>Balance at December 31, 2023</b>            |      | <b>200,160,478</b>            | <b>\$ 13,246,686</b> | <b>\$ 3,332,772</b>    | <b>\$ -</b>                     | <b>\$ 620,948</b> | <b>\$ (34,718,093)</b> | <b>\$ 8,367,101</b>                             | <b>\$ (9,150,586)</b>  |
| Shares issued - services received              | 12   | 2,540,887                     | 246,339              | -                      | -                               | -                 | -                      | -                                               | 246,339                |
| Shares and warrants issued - private placement | 12   | 13,781,368                    | 1,618,035            | 156,556                | -                               | 208,779           | -                      | -                                               | 1,983,370              |
| Shares issued - warrants exercised             | 12   | 860,000                       | 76,364               | -                      | -                               | (33,364)          | -                      | -                                               | 43,000                 |
| Shares issued - options exercised              | 12   | 1,071,629                     | 129,300              | (81,399)               | -                               | -                 | -                      | -                                               | 47,901                 |
| Share based compensation                       | 12   | -                             | -                    | 467,952                | -                               | -                 | -                      | -                                               | 467,952                |
| Net loss for the period                        |      | -                             | -                    | -                      | -                               | -                 | (17,777,117)           | -                                               | (17,777,117)           |
| Revaluation gain on digital assets             |      | -                             | -                    | -                      | -                               | -                 | -                      | 10,666,963                                      | 10,666,963             |
| Issuance of convertible debt                   | 7    | 286,956                       | 48,783               | 36,826                 | 316,881                         | 76,157            | -                      | -                                               | 478,647                |
| <b>Balance at December 31, 2024</b>            |      | <b>218,701,318</b>            | <b>\$ 15,365,507</b> | <b>\$ 3,912,707</b>    | <b>\$ 316,881</b>               | <b>\$ 872,520</b> | <b>\$ (52,495,210)</b> | <b>\$ 19,034,064</b>                            | <b>\$ (12,993,531)</b> |
| Shares issued - options exercised              | 12   | 914,544                       | 130,933              | (81,852)               | -                               | -                 | -                      | -                                               | 49,081                 |
| Shares issued - agent options exercised        | 12   | 16,000                        | 4,880                | (2,800)                | -                               | 720               | -                      | -                                               | 2,800                  |
| Shares issued - debt settlement                | 12   | 3,359,769                     | 480,315              | -                      | -                               | -                 | -                      | -                                               | 480,315                |
| Shares issued - ATM                            | 12   | 1,926,000                     | 262,686              | -                      | -                               | -                 | -                      | -                                               | 262,686                |
| Shares issued - convertible debenture          | 12   | 501,249                       | 80,200               | -                      | -                               | -                 | -                      | -                                               | 80,200                 |
| Shares issued - services received              | 12   | 870,806                       | 123,750              | -                      | -                               | -                 | -                      | -                                               | 123,750                |
| Shares issued - private placement              | 12   | 122,471,380                   | 12,266,095           | -                      | -                               | -                 | -                      | -                                               | 12,266,095             |
| Share based compensation                       | 12   | -                             | -                    | 243,409                | -                               | -                 | -                      | -                                               | 243,409                |
| Net loss for the period                        |      | -                             | -                    | -                      | -                               | -                 | (5,013,944)            | -                                               | (5,013,944)            |
| Revaluation loss on digital assets             |      | -                             | -                    | -                      | -                               | -                 | -                      | 1,161,166                                       | 1,161,166              |
| <b>Balance at September 30, 2025</b>           |      | <b>348,761,066</b>            | <b>\$ 28,714,366</b> | <b>\$ 4,071,464</b>    | <b>\$ 316,881</b>               | <b>\$ 873,240</b> | <b>\$ (57,509,154)</b> | <b>\$ 20,195,230</b>                            | <b>\$ (3,337,973)</b>  |

*The accompanying notes are an integral part of these consolidated financial statements.*

## 1. NATURE OF OPERATIONS

### Operating businesses

Bitcoin Well Inc. ("Bitcoin Well" or the "Company") is on a mission to enable independence. The Company does this by making bitcoin useful to everyday people to give them the convenience of modern banking and the benefits of bitcoin.

The Company operates three business units, consisting of (i) Bitcoin ATMs, (ii) the Online Bitcoin Portal, and (iii) Bitcoin Well Infinite. The Bitcoin ATM business unit operates 165 Bitcoin ATM machines placed and operating throughout Canada. The Online Bitcoin Portal platform offers customers a fast and safe way to buy, sell and use bitcoin online in Canada and the USA. This business unit is designed to offer bank-like functionality coupled with the benefits of bitcoin. The Bitcoin Well Infinite business unit facilitates large bitcoin transactions (\$50,000 and above) for high net worth individuals and businesses.

### Corporate administration

The address of the Company's registered office is 1700 Enbridge Centre, 10175 – 101 Street NW, Edmonton, Alberta. The Company's common shares are traded on the TSX Venture Exchange (the "TSXV") under the ticker symbol "**BTCW**" and on the OTCQB under the ticker symbol "**BCNWF**".

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 5, 2025.

## **2. BASIS OF PRESENTATION**

### **a) Statement of compliance and basis of presentation**

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the Company's audited consolidated financial statements for the year ended December 31, 2024 and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2024. These consolidated financial statements have been prepared using the accrual basis of accounting, and fair value accounting where appropriate, except for cash flow information. The policies applied in these condensed interim consolidated financial statements are based on IFRS issued as of September 30, 2025.

The preparation of these condensed consolidated interim financial statements in compliance with IAS 34 requires management to make certain accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas where significant judgement and estimates have been made in preparing the financial statements are disclosed in note 2 of the Company's 2024 consolidated annual financial statements.

The functional currency for the Company and its subsidiaries is the Canadian dollar. The presentation currency for the Company is the Canadian dollar.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and nine months ended September 30, 2025 and 2024  
*(Unaudited - Expressed in Canadian dollars, except where otherwise stated)*

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes the realization of assets and satisfaction of liabilities in the normal course of business for the foreseeable future. For the three and nine months ended September 30, 2025, the Company incurred a comprehensive loss of \$2,187,219 and \$3,852,778 (three and nine months ended September 30, 2024 - losses of \$1,372,989 and \$4,632,583), respectively, and reported a shareholders' deficit of \$3,337,973 at September 30, 2025 (December 31, 2024 - deficit of \$12,993,531).

Operations have been financed using a combination of cryptocurrency loans (Note 5), convertible debt (Note 7) and our line of credit (Note 8). In addition, the Company has raised capital through equity issuances.

Management applied judgements in preparing forecasts to support the going concern assumption, including the expected demand for the Company's current and future products, as well as expected operating expenses. These estimations may raise doubt about whether the Company will continue to operate as a going concern, and therefore, whether it will realize its assets and settle its liabilities in the normal course of business and at the amounts stated in the financial statements. Should the Company be unable to meet its obligations as they become due, the preparation of these consolidated financial statements on a going concern basis may not be appropriate.

**b) Basis of consolidation**

These consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiaries, the Company's current active subsidiaries include Bitcoin Well Canada Ltd., Ghostlab Inc. and Independent Well USA Corp. All intercompany transactions and balances have been eliminated on consolidation.



Notes to the Condensed Consolidated Interim Financial Statements  
For the three and nine months ended September 30, 2025 and 2024  
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**c) Reclassifications**

Certain comparative amounts in the statement of cash flows for the period ended September 30, 2024 have been reclassified to better reflect the nature of the transactions. Cash proceeds or disbursements from the sale or purchase of digital assets, which are accounted for as intangible assets under IAS 38, have been reclassified from cash flows from operating activities to cash flows from investing activities.

The reclassification caused a \$2,382,360 decrease in cash flows from operating activities and a \$2,382,360 increase in cash flows from investing activities for the comparative nine months ended September 30, 2024.

**3. DIGITAL ASSETS**

The Company classifies bitcoin holdings in excess of the inventory required for operations as digital assets. As at September 30, 2025, the price of bitcoin was \$158,805 which reflected an increase from its price of \$134,469 on December 31, 2024. The Company recognized an unrealized revaluation gain of \$1,956,011 during the three months ended September 30, 2025 (September 30, 2024 - loss of \$423,763) and an unrealized revaluation gain of \$1,161,166 for the nine months ended September 30, 2025 (September 30, 2024 - gain of \$3,316,382).

|                                         | <b>Bitcoin</b> | <b>CAD \$ Value</b> |
|-----------------------------------------|----------------|---------------------|
| Balance at December 31, 2023            | 183 \$         | 10,224,666          |
| Additions                               | 22             | 2,354,888           |
| Disposals                               | (39)           | (3,402,805)         |
| Realized gain on sale of digital assets |                | 2,530,692           |
| Revaluation                             | -              | 10,666,963          |
| Balance at December 31, 2024            | 166 \$         | 22,374,404          |
| Additions                               | 34             | 5,311,063           |
| Disposals                               | (23)           | (3,240,549)         |
| Realized gain on sale of digital assets | -              | 2,478,444           |
| Revaluation                             | -              | 1,161,166           |
| Balance at September 30, 2025           | 177 \$         | 28,084,528          |

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and nine months ended September 30, 2025 and 2024  
(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

The Company recognizes realized gains and losses arising from the disposal of digital assets. Accordingly, for the three and nine months ended September 30, 2025, a realized gain of \$nil and \$2,478,443 (2024- gain of \$373,348 and \$2,231,135), respectively, was recognized.

#### 4. RELATED PARTY TRANSACTIONS

##### Key Management Compensation

Key management includes members of the Board of Directors and its executive officers. The aggregate value of compensation relating to key management personnel and entities over which they have control or significant influence were as follows.

|                                | Three months ended<br>September 30, |                   | Nine months ended<br>September 30, |                   |
|--------------------------------|-------------------------------------|-------------------|------------------------------------|-------------------|
|                                | 2025                                | 2024              | 2025                               | 2024              |
| Salary, fees, and other        |                                     |                   |                                    |                   |
| short-term benefits            | \$ 149,391                          | \$ 137,900        | \$ 429,016                         | \$ 440,040        |
| Share based payments (Note 12) | 15,000                              | 11,870            | 45,000                             | 53,864            |
| <b>Total</b>                   | <b>\$ 144,487</b>                   | <b>\$ 149,771</b> | <b>\$ 454,112</b>                  | <b>\$ 493,904</b> |

##### Other related party transactions

During the three and nine months ended September 30, 2025, the Company incurred \$213,411 and \$636,676 (2024 - \$245,532 and \$795,322), respectively, of interest on crypto currency loans and convertible debentures owing to directors and officers of the company (see Notes 5 and 7 for additional information related to these loans).

During the three and nine months ended September 30, 2025, a director and officer of the company purchased \$13,165 and \$108,270, and sold \$36,534 and \$46,447, respectively, of cryptocurrency through the Company's online platform.

During the three and nine months ended September 30, 2025, a company of which a director and officer of the company owns 33%, provided marketing and advertising services to the Company in the amount of \$6,913 (2024 - \$nil) and sold \$65,299 and \$106,247, respectively, of cryptocurrency through the Company's online platform.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and nine months ended September 30, 2025 and 2024  
(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

## 5. LOANS PAYABLE – CRYPTOCURRENCY

The Company has secured loans of bitcoin from various lenders through Use of Coin Agreements. These agreements were established to fulfill customer demand for cryptocurrency and to serve as security for the Company's Line of Credit (Note 8).

|                               | Bitcoin | CAD \$ Value |
|-------------------------------|---------|--------------|
| Balance at December 31, 2023  | 195 \$  | 10,920,226   |
| Repayments                    | (30)    | (2,706,782)  |
| Revaluation                   | -       | 13,974,453   |
| Balance at December 31, 2024  | 165 \$  | 22,187,897   |
| Repayments                    | (20)    | (2,706,835)  |
| Revaluation                   | -       | 3,546,225    |
| Balance at September 30, 2025 | 145 \$  | 23,027,287   |
| Less: Current portion         | \$      | 10,322,315   |
| Non-current portion           | \$      | 12,704,972   |

As at September 30, 2025, the Company's cryptocurrency loans consisted of 145 bitcoins with a fair value of \$23,027,288 (December 31, 2024 – 165 bitcoins valued at \$22,187,897). Of this amount, 40 bitcoins, valued at \$6,352,779 (December 2024 – \$5,379,259) was owing to the Chief Executive Officer of the Company and 10 bitcoins, valued at \$1,588,049 (December 2024 – \$1,344,691) was owing to a director of the Company. The changes in fair value were a result of the fluctuating prices of cryptocurrency.

During the nine months ended September 30, 2025, the Company repaid cryptocurrency loans of 20 bitcoin, valued at \$2,706,833 (2024 – loans of 22 bitcoin repaid valued at \$1,928,089).

The loans are unsecured and bear interest at fixed monthly fees ranging from 6.0% to 12.5% per annum, based on the value of the loans at the time of issuance or at a variable rate equal to bank prime plus 5% per annum based on the current value of the loan.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and nine months ended September 30, 2025 and 2024  
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Of the 145 bitcoins owing, 65 bitcoins, valued at \$10,322,315 are redeemable by the holders in March 2026. The remaining 80 bitcoins, valued at \$10,322,315, are redeemable by the holder with a minimum 12 months advance notice and, therefore, have been classified as long-term liabilities.

The total interest incurred under these agreements for the three and nine months ended September 30, 2025 was \$258,244 and \$695,058 (three and nine months ended September 30, 2024 - \$212,363 and \$616,739), respectively, of which \$43,200 and \$126,000 (three and nine months ended September 30, 2024 - \$48,914 and \$156,554), respectively, was incurred with an officer and director of the Company and \$38,643 and \$108,370 (three and nine months ended September 30, 2024 - \$5,134 and \$69,707), respectively, was incurred with a director of the Company. This expense has been recorded within Finance Fees.

At each reporting period, the Company revalues the outstanding loans based on current market price of the cryptocurrencies, using CoinMarketCap. For the three and nine months ended September 30, 2025, the Company recognized an unrealized fair value loss of \$1,889,333 and \$3,546,225 (three and nine months ended September 30, 2024 - gain of \$43,366 and loss of \$5,873,575), respectively, as a result of changes in the price of the cryptocurrencies.

Whenever any borrowed cryptocurrencies are used in operations, an equal amount of cryptocurrency is purchased, which effectively allows the Company to eliminate any price exposure to those borrowed coins once they have been used. Therefore, the \$3,546,225 in fair value loss year-to-date in 2025 was mostly offset by a \$2,478,443 realized gain and a \$1,161,166 unrealized gain recorded in Other Comprehensive Income, that were recognized related to cryptocurrencies held by the Company in digital assets.

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## 6. INVENTORY

| As at        | September 30, 2025  |       | December 31, 2024   |       |
|--------------|---------------------|-------|---------------------|-------|
|              | Value               | Units | Value               | Units |
| Bitcoin      | \$ 1,588,049        | 10    | \$ 1,344,691        | 10    |
| Ethereum     | 9,648               | 16    | 22,174              | 5     |
| Other        | 94,298              |       | 11,775              |       |
| <b>Total</b> | <b>\$ 1,691,995</b> |       | <b>\$ 1,378,640</b> |       |

For the three and nine months ended September 30, 2025, a fair value gain of \$130,296 and \$243,358 (2024 – loss of \$159 and gain of \$296,673), respectively, was recognized due to changes in the market value of the Company's inventory balances.

## 7. CONVERTIBLE DEBT

| As at                           | September 30,<br>2025 | December 31,<br>2024 |
|---------------------------------|-----------------------|----------------------|
| Debenture A                     | \$ 4,100,000          | \$ 4,100,000         |
| Debenture A - Royalty liability | 1,154,536             | 1,194,636            |
| Debentures B                    | 1,120,735             | 1,121,316            |
| Debentures C                    | 1,298,792             | 1,224,815            |
| <b>Total</b>                    | <b>7,674,063</b>      | <b>7,640,767</b>     |
| Less: current portion           | (1,433,940)           | (243,698)            |
|                                 | <b>\$ 6,240,123</b>   | <b>\$ 7,397,069</b>  |

### Debenture A

As at September 30, 2025, the Company had an outstanding secured convertible debenture ("Debenture A") in the principal amount of \$4,100,000 owing to Beyond the Rhode Corp ("BTR"), a company controlled by a director of Bitcoin Well. The Convertible Debenture incurs interest at Prime + 6.2% per annum, matures on May 1, 2028, and is convertible into common shares of the Company at a price of \$0.25 per share at the election of the holder at any time.

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The Company has the right to force conversion of the principal amount if the volume weighted average trading price of the common shares for ten trading days equals or exceeds \$0.50 per common share. The Company also has the option to repay any amounts of the Debenture A with no penalty, at any time.

The Debenture A also provides for the payment of a monthly royalty to the holder equal to between 12% and 20% of the gross profit, defined as revenue less the cost of coins, generated from the Online Bitcoin Portal, until the latter of three months after the most recent conversion date or six months after the maturity date. No royalty payments shall be made if the aggregate amount of all interest payments, future interest payments and royalty payments would exceed 24% per annum. In the first quarter of 2025, the lender agreed to waive all royalty payments otherwise due in exchange for an extension of the royalty for an additional period of 3 months. The royalty payment period now expires on October 31, 2028.

During the three and nine months ended September 30, 2025, the Company paid interest of \$113,433 and \$344,571 (2024 - \$167,503 and \$502,503), respectively, and paid royalties of \$47,742 and \$86,906 (three and nine months ended September 30, 2024 - \$23,980 and \$66,558, respectively) related to Debenture A.

**Debenture A - Royalty liability**

The Company has determined that the royalty payments, which are required by Debenture A, constitute an embedded derivative liability that needs to be measured at fair value every reporting period. The calculated fair value was \$1,154,536 as of September 30, 2025. During the three and nine months ended September 30, 2025, a fair value loss of \$14,413 and \$40,100, respectively, was recognized in profit and loss related to changes in the calculated fair value. This fair value was determined at each period end by discounting the revised expected future gross profit from the Bitcoin Online Portal at an annual discount rate of 15%.

### **Debentures B**

The Company has outstanding secured convertible debentures in the principal amount of \$1,120,735 owing to various arm's length parties (the "Debentures B"). The convertible debentures incur interest at the Bank of Canada policy interest rate + 8% per annum and mature between February 16, 2026 and March 28, 2026, subject to two automatic one year extensions. The Debentures B are convertible into common shares of the Company at a price of \$0.15 per share at the election of the holder at any time.

The Company has the right to force conversion of the principal amount of the Debentures B if the volume weighted average trading price of the common shares for ten trading days equals or exceeds \$0.30 per common share. The Company also has the option to repay any amounts of these debentures with no penalty, with 30 days notice.

During the three and nine months ended September 30, 2025, the Company paid \$30,137 and \$89,341 (2024 - 49,463 and \$109,278), respectively, in interest related to the Debentures B.

### **Debentures C**

The Company has outstanding unsecured convertible debentures in the principal amount of \$2,000,000 (the "Debentures C"). Of this amount, BTR holds \$900,000 in principal, representing 45% of the total outstanding. The remainder of the Debentures C are owing to various arm's length parties.

The Debentures C bear interest of 8% per annum, payable semi-annually in arrears, on the first business day in July and January of each year (the "Interest Payment Date") and mature on December 30, 2029 (the "Maturity Date"). The Company shall pay, on each Interest Payment Date, all interest in the form of common shares of the Company (the "PIK Interest Payment") or in cash, at the sole discretion of the Company. In the event the Company elects to make a PIK Interest Payment, it shall deliver such number of common shares, within 10 business days of the Interest Payment Date, as is determined by dividing the accrued and unpaid interest due and payable on the Interest Payment Date by the 10 day volume weighted average trading price ("VWAP") of the Common Shares on the TSXV, immediately preceding the Interest Payment Date.

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During the nine months ended September 30, 2025, the Company issued 501,249 common shares at a deemed price of \$0.16 per share in satisfaction of the July 2025 PIK Interest Payment.

Each \$1,000 principal amount of the Debentures C is convertible into 4,347 common shares of the Company at the option of the holder thereof, at a conversion price of \$0.23 per share.

If the VWAP of the common shares on the TSXV is greater than \$0.32 for a period of 10 consecutive trading days, the Company may, within 10 business days of the occurrence of such event, force the conversion of the Debentures C by giving notice (the "Debenture Conversion Notice") to the holders of the Debentures C, and issuing a concurrent press release, and, in such case, the conversion date of the Debentures C shall be the date specified by the Company in the Debenture Conversion Notice, provided such date shall not be less than 30 trading days following delivery of the Debenture Conversion Notice.

The Debentures C are classified as a liability in the consolidated statement of financial position with an equity component representing the conversion feature as well as the warrants issued in conjunction with the issuance. The liability component was initially recognized at fair value, calculated as the present value of future cash flows discounted at a market rate of interest of 15.0% for similar non-convertible instruments. The residual amount was allocated to the equity components and recorded within equity. The effective interest rate method is being used to amortize the liability component over the term of the Debentures.

During the three and nine months ended September 30, 2025, the Company recognized \$66,515 and \$194,177, respectively, (2024 - \$nil) in interest related to the Debentures C, including \$73,977 in accretion for the nine month period.



## **8. LINE OF CREDIT**

The Company has a line of credit with Ledn, a lending firm that provides bitcoin-backed loans. The line of credit accrues interest at rates ranging from 12.4% to 13.4% per annum and matures in various tranches from October 2025 to June 2026. These tranches can be extended for additional 12-month terms, subject to mutual agreement. In October 2025, the majority of the tranches advanced under the line of credit were renewed for an additional 12 months. Subsequent to the renewal, all advances under the line of credit will now incur interest at 12.4% per annum and mature in various tranches from June 2026 to October 2026.

The line of credit requires the Company 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.

On September 30, 2025, the lender held 147 Bitcoin as security over the line of credit, with a fair value of \$23.5 million, representing a Loan to Value of 46%.

During the three and nine months ended September 30, 2025, the Company recognized \$327,030 and \$942,686 (2024 - \$231,036 and \$652,350), respectively, in interest related to the line of credit.

## **9. SEGMENTED INFORMATION**

The Company reports three operating business segments: (i) Bitcoin ATMs, (ii) Online Bitcoin Portal and (iii) Bitcoin Well Infinite, as well as a head office segment that includes overhead and administrative expenditures applicable to the whole business. These segments have been identified by management based on components of the business containing similar economic characteristics.

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The Bitcoin ATM segment comprises sales and expenses related to the Company's Bitcoin ATMs placed and operating throughout Canada. The Online Bitcoin Portal segment includes sales and expenses related to the Company's online bitcoin platform. The Bitcoin Well Infinite segment includes sales and expenses related to large bitcoin transactions (\$50,000 and above) for high net worth individuals and businesses. Management reviews the financial information for each of these segments separately when making business decisions.

Management identified Bitcoin Well Infinite as a separate business segment starting in the first quarter of 2025, due to its significant growth and development in recent months. Previously, it was part of the Online Bitcoin Portal segment. The comparative periods for the three and nine months ended September 30, 2024, were adjusted to reflect this change in segmentation.

| <b>Three months ended<br/>September 30, 2025</b> | <b>ATMs</b>  | <b>Online</b> | <b>Infinite</b> | <b>Head office</b> | <b>Total</b>  |
|--------------------------------------------------|--------------|---------------|-----------------|--------------------|---------------|
| Sales                                            | \$ 7,181,510 | \$ 17,459,631 | \$ 9,394,167    | \$ -               | \$ 34,035,308 |
| Cost of coins                                    | (6,391,002)  | (17,189,923)  | (9,135,708)     | -                  | (32,716,633)  |
| Gross profit                                     | 790,508      | 269,708       | 258,459         | -                  | 1,318,675     |
| Gross profit margin %                            | 11.0%        | 1.5%          | 2.8%            |                    | 3.9%          |
| <b>Expenses</b>                                  |              |               |                 |                    |               |
| General and administration                       | 385,178      | 48,340        | 16,766          | 236,482            | 686,766       |
| Salaries and wages                               | 63,492       | 126,983       | 25,397          | 38,095             | 253,967       |
| Depreciation and accretion                       | 95,973       | -             | -               | 13,087             | 109,060       |
| Financing fees                                   | -            | -             | -               | 849,528            | 849,528       |
| Marketing and advertising                        | -            | 148,222       | 39,083          | 169,139            | 356,444       |
| Professional fees                                | -            | -             | -               | 1,066,531          | 1,066,531     |
| Software                                         | 34,900       | 52,349        | 42,072          | 17,449             | 146,770       |
| Other items                                      | -            | -             | -               | 1,992,839          | 1,992,839     |
| <b>Segment income (loss)</b>                     | 210,965      | (106,186)     | 135,141         | (4,383,150)        | (4,143,230)   |
| Total assets                                     | \$ 2,894,419 | \$ 679,398    | \$ 311,120      | \$ 35,799,165      | \$ 39,684,102 |
| Total liabilities                                | -            | 16,226        | 28,139          | 42,977,710         | 42,022,075    |

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| <b>Three months ended<br/>September 30, 2024</b> | <b>ATMs</b>    | <b>Online</b>    | <b>Infinite</b> | <b>Head office</b> | <b>Total</b>       |
|--------------------------------------------------|----------------|------------------|-----------------|--------------------|--------------------|
| Sales                                            | \$ 5,955,875   | \$ 9,442,177     | \$ 5,612,372    | \$ -               | \$ 21,010,424      |
| Cost of coins                                    | (5,245,816)    | (9,308,790)      | (5,550,520)     | -                  | (20,105,126)       |
| Gross profit                                     | 710,059        | 133,387          | 61,852          | -                  | 905,298            |
| Gross profit margin %                            | 11.9%          | 1.4%             | 1.1%            |                    | 4.3%               |
| <b>Expenses</b>                                  |                |                  |                 |                    |                    |
| General and administration                       | 406,875        | 61,060           | 16,922          | 194,321            | 679,178            |
| Salaries and wages                               | 63,971         | 127,943          | 25,588          | 38,382             | 255,884            |
| Depreciation and accretion                       | 85,983         | -                | -               | 48,327             | 134,310            |
| Financing fees                                   | -              | -                | -               | 633,995            | 633,995            |
| Marketing and advertising                        | -              | 264,868          | 67,145          | 131,563            | 463,576            |
| Professional fees                                | -              | -                | -               | 44,629             | 44,629             |
| Software                                         | 22,019         | 33,029           | 7,339           | 11,011             | 73,398             |
| Other items                                      | -              | -                | -               | (430,446)          | (430,446)          |
| <b>Segment income (loss)</b>                     | <b>131,211</b> | <b>(353,513)</b> | <b>(55,142)</b> | <b>(671,782)</b>   | <b>(949,226)</b>   |
| Total assets                                     | \$ 2,542,809   | \$ 235,745       | \$ 85,668       | \$ 14,356,718      | \$ 17,220,940      |
| Total liabilities                                | -              | 15,427           | -               | 28,394,047         | 28,409,474         |
| <b>Nine months ended<br/>September 30, 2025</b>  | <b>ATMs</b>    | <b>Online</b>    | <b>Infinite</b> | <b>Head office</b> | <b>Total</b>       |
| Sales                                            | \$ 18,057,239  | \$ 47,303,179    | \$ 32,577,078   | \$ -               | \$ 97,937,496      |
| Cost of coins                                    | (15,673,688)   | (46,566,413)     | (31,931,175)    | -                  | (94,171,276)       |
| Gross profit                                     | 2,383,551      | 736,766          | 645,903         | -                  | 3,766,220          |
| Gross profit margin %                            | 13.2%          | 1.6%             | 2.0%            |                    | 3.8%               |
| <b>Expenses</b>                                  |                |                  |                 |                    |                    |
| General and administration                       | 1,057,060      | 152,821          | 51,568          | 670,809            | 1,932,258          |
| Salaries and wages                               | 185,647        | 371,293          | 74,259          | 111,387            | 742,586            |
| Depreciation and accretion                       | 286,307        | -                | -               | 39,042             | 325,349            |
| Financing fees                                   | -              | -                | -               | 2,360,294          | 2,360,294          |
| Marketing and advertising                        | -              | 452,102          | 126,492         | 544,679            | 1,123,273          |
| Professional fees                                | -              | -                | -               | 1,252,370          | 1,252,370          |
| Software                                         | 91,010         | 136,514          | 103,107         | 45,504             | 376,135            |
| Other items                                      | -              | -                | -               | 667,899            | 667,899            |
| <b>Segment income (loss)</b>                     | <b>763,527</b> | <b>(375,964)</b> | <b>290,477</b>  | <b>(5,691,984)</b> | <b>(5,013,944)</b> |
| Total assets                                     | \$ 2,894,419   | \$ 679,398       | \$ 311,120      | \$ 35,799,165      | \$ 39,684,102      |
| Total liabilities                                | -              | 16,226           | 28,139          | 42,977,710         | 43,022,075         |

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| <b>Nine months ended<br/>September 30, 2024</b> | <b>ATMs</b>    | <b>Online</b>    | <b>Infinite</b> | <b>Head office</b> | <b>Total</b>       |
|-------------------------------------------------|----------------|------------------|-----------------|--------------------|--------------------|
| Sales                                           | \$ 19,100,206  | \$ 26,046,066    | \$ 15,308,065   | \$ -               | \$ 60,454,337      |
| Cost of coins                                   | (16,865,940)   | (25,741,149)     | (15,097,030)    | -                  | (57,704,119)       |
| Gross profit                                    | 2,234,266      | 304,917          | 211,035         | -                  | 2,750,218          |
| Gross profit margin %                           | 11.7%          | 1.2%             | 1.4%            |                    | 4.5%               |
| <b>Expenses</b>                                 |                |                  |                 |                    |                    |
| General and administration                      | 1,304,071      | 219,946          | 60,906          | 646,417            | 2,231,340          |
| Salaries and wages                              | 179,103        | 358,207          | 71,641          | 107,462            | 716,413            |
| Depreciation and accretion                      | 355,448        | -                | -               | 199,327            | 554,775            |
| Financing fees                                  | -              | -                | -               | 1,955,175          | 1,955,175          |
| Marketing and advertising                       | -              | 471,214          | 107,368         | 348,811            | 927,393            |
| Professional fees                               | -              | 3,388            | 3,388           | 363,486            | 370,262            |
| Software                                        | 55,912         | 83,868           | 18,637          | 27,956             | 186,373            |
| Other items                                     | -              | -                | -               | 3,757,452          | 3,757,452          |
| <b>Segment income (loss)</b>                    | <b>339,732</b> | <b>(831,706)</b> | <b>(50,905)</b> | <b>(7,406,086)</b> | <b>(7,948,965)</b> |
| Total assets                                    | \$ 2,542,809   | \$ 235,745       | \$ 85,668       | \$ 14,356,718      | \$ 17,220,940      |
| Total liabilities                               | -              | 15,427           | -               | 28,394,047         | 28,409,474         |

Included in the Online segment for the three and nine months ended September 30, 2025 was fee revenue of \$15,688 and \$62,675 (2024 - \$nil), respectively, generated from customers located in the United States. Included in the Infinite segment for the three and nine months ended September 30, 2025 was fee revenue of \$148,344 and \$323,295 (2024 - \$nil), respectively, generated from customers located in the United States.

All of the Company's property and equipment, intangible assets and goodwill are located in Canada.

## **10. MANAGEMENT OF CAPITAL**

The Company defines the capital that it manages as its shareholders' equity, convertible debt, loans payable, loans payable - cryptocurrency, and line of credit. The Company's objectives when managing capital are:

- Maintaining adequate liquidity reserves and access to capital.
- Ensuring sufficient liquidity to support its 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.

The Company manages its 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. There can be no assurances that the Company will be able to obtain debt or equity capital in the case of working capital deficits.

The Company is subject to externally imposed capital requirements related to its line of credit, see Note 8.

## **11. RISK MANAGEMENT**

### **11.1 Financial Risk Management**

The Company may be exposed to various financial risks, which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management strategy is to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is 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 subject the Company to credit risk consist primarily of cash, digital assets, and accounts receivable.

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The Company limits its exposure to credit loss related to its cash by placing its cash with high quality financial institutions. The Company is also exposed to the risk of loss from theft of its 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 its ATM machines to financial institutions.

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

The Company may, from time to time, hold a net asset position with its liquidity partners. The Company limits its exposure to potential credit loss by ensuring it is 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 the Company to work with the liquidity partner.

A significant portion of the Company's digital assets are also held by its lender as collateral for the line of credit (note 8). The Company does 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.

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As disclosed in the annual consolidated financial statements for the year ended December 31, 2024, in October 2023, Rapid Cash ATM Ltd. ("Rapid Cash") suddenly uninstalled and removed the Company's software from Rapid Cash's ATMs that were operating in the Company's partner program. As a result, the Company terminated its hosting agreement with Rapid Cash who previously operated approximately 100 ATM machines under the Company's partner program and vigorously pursued its rights under the contract and commenced an action against Rapid Cash before the Alberta Court of King's Bench.

In Q1 2025, the Company received a judgment from the Court of King's Bench of Alberta against Rapid Cash in the amount of \$541,988.88, including costs, related to the Company's cash that was improperly withheld by Rapid Cash from ATM machines. These funds were received by the Company in August 2025. Following this, all remaining disputes, including all related litigation claims and counterclaims, were mutually settled and discontinued by the parties involved.

**b) Liquidity Risk**

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they come due. As at September 30, 2025 the Company had a positive working capital balance of \$15,339,428 (December 31, 2024 - \$16,046,995). As at September 30, 2025, the Company had cash of \$9,070,372 (December 31, 2024 - \$2,875,766) and short term liabilities in the table below:

|                                   | September 30,<br>2025 | December 31,<br>2024 |
|-----------------------------------|-----------------------|----------------------|
| Accounts payable                  | \$ 516,091            | \$ 268,544           |
| Accrued liabilities               | 507,921               | 293,590              |
| Deferred revenue                  | 232,673               | 734,893              |
| Lease liability - current         | 33,527                | 32,403               |
| Acquisition consideration payable | 154,691               | 167,260              |
| Convertible debt - current        | 1,433,940             | 243,698              |
| Line of credit                    | 10,811,232            | 9,643,793            |
| Loans payable - cryptocurrency    | 10,322,315            | -                    |
| <b>Total</b>                      | <b>\$ 24,012,390</b>  | <b>\$ 11,384,181</b> |

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Accounts payable, accrued liabilities, deferred revenue, and lease liabilities will be paid or extinguished within the next 12 months, as they become due.

The line of credit and current portions of loans payable - crypto currency and convertible debt (excluding \$313,205 related to the current portion of the royalty liability, which is anticipated to be paid) is expected to continue to be extended as required by the Company and agreed to by the lenders. The convertible debentures that are scheduled to mature in Q1 2026 also carry automatic one year extensions. However, there is no guarantee the tranches advanced under the line of credit or the convertible debentures will be extended by the lenders.

The Company's line of credit is also 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. See *Note 8* for additional information.

### **ATM Program**

On March 28, 2025, the Company established an at-the-market equity program (the "ATM Program") that allows the Company to issue and sell, at its discretion, up to \$5,000,000 of common shares to the public from time to time. Distributions of the shares under the ATM Program will be made pursuant to the terms of an equity distribution agreement between Bitcoin Well and Haywood Securities Inc. (the "Agent")

All shares sold under the ATM Program will be sold through the TSX or other recognized Canadian marketplace at prevailing market prices at the time of sale. The ATM Program will be 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.



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The ATM Program is intended to provide the Company 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 the Company's 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.

The Company intends to use the net proceeds from the ATM Program, if any, together with the Company's current cash resources, to fund general corporate purposes, including ongoing operations and/or working capital requirements; to buy bitcoin as part of its 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.

During the three and nine months ended September 30, 2025, the Company issued 262,000 and 1,926,000 common shares, respectively, for net proceeds of \$47,445 and \$278,213 related to the ATM Program.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company may also 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 the Company's shareholders and may result in dilution to the value of such interests.

**c) Foreign Currency Risk**

The Company is exposed to foreign currency risk in relation to its line of credit, which is denominated in USD. Based on the balance of the line of credit denominated in USD at September 30, 2025, a 5% increase or decrease in the exchange rate would result in a gain or loss of \$540,562. The Company is 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. The Company is 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.

A decline in the market prices for cryptocurrencies could negatively impact the Company's future operations. The Company has not hedged the conversion of its 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. The Company's inventory consists primarily of Bitcoin and Ethereum.

With a 10% change to the price of bitcoin, the Company's digital assets and inventory at September 30, 2025 would increase or decrease by \$2,808,453 and \$158,805, respectively, and the Company's loans payable - crypto currency would increase or decrease by \$2,302,670.

**e) Interest rate risk**

The Company is exposed to interest rate cash flow risk associated with its 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, the Company's interest expense for the three months ended September 30, 2025 related to these debts would increase or decrease by \$13,052.

The Company is not exposed to significant interest rate risk on its line of credit, Debentures C, and loans payable - crypto currency as the majority of these liabilities incur interest at a fixed rate.

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## 11.2 Fair Values

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, acquisition consideration payable, and line of credit approximate their fair values due to their short-term nature. The carrying value of the Company's convertible debt (excluding the royalty derivative liability) does not differ significantly from its carrying value using observable inputs as the debt bears interest at a variable rate or at fixed rates that approximate market rates for debt of similar characteristics.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

**Level 1** – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

**Level 2** – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

**Level 3** – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company's financial instruments and digital assets have been classified as follows:

| As at September 30, 2025                             | Level 1 | Level 2    | Level 3       | Total         |
|------------------------------------------------------|---------|------------|---------------|---------------|
| <b>Fair value through profit and loss</b>            |         |            |               |               |
| Loans payable - cryptocurrency                       | \$ -    | \$ -       | \$ 23,027,287 | \$ 23,027,287 |
| Convertible debt - royalty liability                 | -       | -          | 1,154,536     | 1,154,536     |
| <b>Fair value through other comprehensive income</b> |         |            |               |               |
| Digital assets                                       | -       | 28,084,528 | -             | 28,084,528    |

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| As at December 31, 2024                              | Level 1 | Level 2    | Level 3       | Total         |
|------------------------------------------------------|---------|------------|---------------|---------------|
| <b>Fair value through profit and loss</b>            |         |            |               |               |
| Loans payable - cryptocurrency                       | \$ -    | \$ -       | \$ 22,187,896 | \$ 22,187,896 |
| Convertible Debt - Royalty liability                 | -       | -          | 1,194,636     | 1,194,636     |
| <b>Fair value through other comprehensive income</b> |         |            |               |               |
| Digital assets                                       | -       | 22,374,404 | -             | 22,374,404    |

## 12. EQUITY

### 12.1 Authorized Share Capital

The Company is authorized to issue the following:

- Unlimited number of voting common shares, without nominal or par value.
- Unlimited number of non-voting preferred shares, without nominal or par value.

### 12.2 Shares issued

During the nine months ended September 30, 2025, the Company issued the following common shares:

#### Equity Private Placement

On September 29, 2025, the Company announced a private placement of up to US\$100,000,000 (or 5,000 Bitcoin) of units (the "Units") at a price of \$0.102 per Unit (the "Offering"). The Offering is expected to close in one or more tranches. Each Unit shall consist of: (i) one common share in the capital of the Company; and (ii) one common share purchase warrant of the Company. Each warrant will be exercisable to acquire one additional common share at an exercise price of C\$0.1875 for a period of two years from the closing date.

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On September 29, 2025, the Company also closed the first tranche of the Offering and issued 122,471,380 Units for aggregate gross proceeds of \$12,492,081. The gross proceeds included 37.31 bitcoin, valued at \$5,873,621 and cash of \$6,618,460. Issuance costs of \$225,986 were also incurred, resulting in net proceeds to the Company of \$12,266,095.

The Company intends to use the net proceeds from the Offering for further additions to its strategic bitcoin reserve, working capital, and for general corporate purposes.

### **Other Common Share Issuances**

The Company issued the following additional common shares during the nine months ended September 30, 2025:

- 1,926,000 common shares issued on the TSXV at an average price of \$0.15 per share pursuant to the ATM Program, providing 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 to the Company of \$278,213. In addition, initial set up costs for the ATM Program of \$15,527 were allocated against the net proceeds resulting in a net addition of \$262,686 to share capital;
- 536,408 common shares in the capital of the Company at a deemed price of \$0.19 per share and 206,381 common shares at a deemed price of \$0.152 per share to settle total outstanding debt obligations of \$133,289. The debt obligations related to accrued interest owing pursuant to certain cryptocurrency loans and a convertible debt agreement;
- 801,190 common shares in the capital of the Company at a deemed price of \$0.13 per share and 342,903 common shares at a deemed price of \$0.104 per share to settle total outstanding debt obligations of \$139,817. The debt obligations related to accrued interest owing pursuant to certain cryptocurrency loans and a convertible debt agreement;

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- 583,723 common shares in the capital of the Company at a deemed price of \$0.16 per share and 889,164 common shares at a deemed price of \$0.128 per share to settle total outstanding debt obligations of \$207,209. The debt obligations related to accrued interest owing pursuant to certain cryptocurrency loans and a convertible debt agreement;
- In July 2025, and pursuant to a convertible debenture indenture, the Company elected to settle interest owing on those debentures of \$80,200 by issuing 501,249 common shares at a deemed price of \$0.16 per share;
- 870,806 common shares were issued to an arm's length party for marketing and sponsorship services provided to the Company in the amount of \$123,750;
- 914,544 common shares were issued upon the exercise of stock options; and
- 16,000 common shares were issued upon the exercise of broker options.

### **12.3 Incentive Plan**

#### Long-term Incentive Plan ("LTIP")

The Company periodically grants stock options to purchase common shares of the Company to certain officers, directors, and employees. Options typically vest within two to three years of the grant date and expire after a term of up to 5 years.

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Stock options issued are summarized below:

|                                                | Number of<br>options | Weighted average<br>exercise price |
|------------------------------------------------|----------------------|------------------------------------|
| Options outstanding, December 31, 2023         | 8,086,245            | 0.09                               |
| Granted                                        | 10,150,000           | 0.14                               |
| Forfeited                                      | (1,712,221)          | 0.14                               |
| Exercised                                      | (1,071,629)          | 0.05                               |
| <b>Options outstanding, December 31, 2024</b>  | <b>15,452,395 \$</b> | <b>0.12</b>                        |
| Granted                                        | 500,000              | 0.15                               |
| Forfeited                                      | (1,500,000)          | 0.14                               |
| Expired                                        | (294,117)            | 0.34                               |
| Exercised                                      | (1,016,971)          | 0.05                               |
| <b>Options outstanding, September 30, 2025</b> | <b>13,141,307 \$</b> | <b>0.12</b>                        |
| Options exercisable, December 31, 2024         | 7,386,816 \$         | 0.10                               |
| <b>Options exercisable, September 30, 2025</b> | <b>6,991,307 \$</b>  | <b>0.10</b>                        |

On August 19, 2025, the Company granted 500,000 stock options to a consultant of the Company pursuant to the Company's stock option Plan. Each stock option is exercisable to acquire one common share at a price of \$0.15 per share until August 19, 2028.

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The Company had the following stock options outstanding and exercisable, at September 30, 2025:

| Outstanding       |                               |                                 |                                          | Exercisable                     |                               |
|-------------------|-------------------------------|---------------------------------|------------------------------------------|---------------------------------|-------------------------------|
| Exercise Price    | Number of options outstanding | Weighted average exercise price | Weighted average remaining life (months) | Weighted average exercise price | Number of options exercisable |
| \$ 0.20           | 150,000                       | \$ 0.20                         | 4                                        | \$ 0.20                         | 150,000                       |
| 0.30              | 200,000                       | 0.30                            | 4                                        | 0.30                            | 200,000                       |
| 0.31              | 91,553                        | 0.31                            | 12                                       | 0.31                            | 91,553                        |
| 0.18              | 896,278                       | 0.18                            | 15                                       | 0.18                            | 896,278                       |
| 0.07              | 2,929,881                     | 0.07                            | 22                                       | 0.07                            | 2,929,881                     |
| 0.05              | 1,923,595                     | 0.05                            | 20                                       | 0.05                            | 1,923,595                     |
| 0.14              | 6,150,000                     | 0.14                            | 3                                        | 0.14                            | -                             |
| 0.12              | 300,000                       | 0.12                            | 6                                        | 0.12                            | 300,000                       |
| 0.15              | 500,000                       | 0.15                            | 35                                       | 0.15                            | 500,000                       |
| <b>13,141,307</b> |                               | <b>\$ 0.12</b>                  | <b>12</b>                                | <b>\$ 0.10</b>                  | <b>6,991,307</b>              |

During the three and nine months ended September 30, 2025, the Company recorded a total of \$107,500 and \$243,409 (2024 - \$62,516 and \$325,928), respectively, as share based payments related to stock options.

The compensation expense was based on the fair value of each stock option on the date of the grant using the Black-Scholes option pricing model. The weighted average valuation assumptions used in valuing the stock options granted were as follows:

| Year-to-date periods ended Sept 30                    | 2025           | 2024           |
|-------------------------------------------------------|----------------|----------------|
| Expected life (years)                                 | 3.0            | 1.8            |
| Expected volatility                                   | 212%           | 162%           |
| Dividend rate                                         | -              | -              |
| Risk-free interest rate                               | 2.71%          | 4.3%           |
| <b>Weighted average fair value per option granted</b> |                |                |
|                                                       | <b>\$ 0.12</b> | <b>\$ 0.10</b> |



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## 12.4 Warrants

Warrants issued are summarized below:

|                                                   | Number of<br>options  | Weighted average<br>exercise price |
|---------------------------------------------------|-----------------------|------------------------------------|
| Warrants outstanding, December 31, 2023           | 30,291,985 \$         | 0.15                               |
| Granted - equity private placement                | 6,890,684             | 0.275                              |
| Granted - convertible debenture private placement | 8,980,956             | 0.30                               |
| Exercise of warrants                              | (860,000)             | 0.05                               |
| <b>Warrants outstanding, December 31, 2024</b>    | <b>45,303,625 \$</b>  | <b>0.20</b>                        |
| Granted - equity private placement                | 122,471,380           | 0.1875                             |
| Issued pursuant to exercise of broker options     | 16,000                | 0.275                              |
| <b>Warrants outstanding, September 30, 2025</b>   | <b>167,791,005 \$</b> | <b>0.19</b>                        |

The following table summarizes the warrants that were outstanding as at September 30, 2025:

| Exercise price                                  | Number of<br>warrants | Expiry Date        |
|-------------------------------------------------|-----------------------|--------------------|
| \$ 0.05                                         | 6,140,000             | September 7, 2028  |
| \$ 0.18                                         | 23,291,985            | September 1, 2026  |
| \$ 0.1875                                       | 122,471,380           | September 29, 2027 |
| \$ 0.275                                        | 6,906,684             | March 22, 2027     |
| \$ 0.30                                         | 8,980,956             | December 30, 2029  |
| <b>Warrants outstanding, September 30, 2025</b> | <b>167,791,005</b>    |                    |

## 12.5 Agent Options

In connection with the March 2024 private placement, the Company granted Agent Options to acquire 894,603 Units. The Agent Options are exercisable at a price of \$0.175 per option and expire on March 22, 2027. Each Unit consisted of one common share and one Warrant of the Company, exercisable at a price of \$0.275 per share, and expiring on March 22, 2027. During the nine months ended September 30, 2025, 16,000 of the Agent Options were exercised.

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In connection with the December 2024 convertible debenture private placement, the Company granted Compensation Options to acquire 334,782 Compensation Option Units. The Compensation Options are exercisable at a price of \$0.23 per option and expire on December 30, 2029. Each Compensation Option Unit consists of one common share and one Warrant, exercisable at a price of \$0.30 per Warrant and expiring on December 30, 2029. During the nine months ended September 30, 2025, no Compensation Options were exercised.

### 13. REVENUE

The Company generates revenue through the sale of its inventory (cryptocurrency). These sales are transacted to customers, as well as to arms-length cryptocurrency exchanges. The below table summarizes both sources of revenue reported.

|                            | Three months ended   |                      | Nine months ended    |                      |
|----------------------------|----------------------|----------------------|----------------------|----------------------|
|                            | September 30         |                      | September 30         |                      |
|                            | 2025                 | 2024                 | 2025                 | 2024                 |
| Customers                  | \$ 22,942,755        | \$ 17,545,272        | \$ 70,235,175        | \$ 46,518,234        |
| Cryptocurrency exchanges   | 10,914,848           | 3,465,152            | 27,302,678           | 13,936,103           |
| Transaction fee revenue    | 177,705              | -                    | 399,643              | -                    |
| <b>Total sales revenue</b> | <b>\$ 34,035,308</b> | <b>\$ 21,010,424</b> | <b>\$ 97,937,496</b> | <b>\$ 60,454,337</b> |

The Company recognizes revenue when customers purchase cryptocurrency and it is transferred to the customer's account. The Company's performance obligation is the confirmed transfer of the purchased cryptocurrency to the customer's wallet. The Company purchases bitcoin and other cryptocurrencies from cryptocurrency exchanges and applies a margin before selling it to customers.

The amounts sold to and purchased from the Company's customers are recorded as revenue on a gross basis, and the inventory sold is the cost of coin, as the Company is the principal in the cryptocurrency sale transaction.

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The Company has been determined to be the principal because it controls the cryptocurrency before delivery to the customer, the Company is primarily responsible for the delivery of the cryptocurrency to the customer, the Company is exposed to risks arising from fluctuations in the market prices of cryptocurrencies before delivery to the customer, and the Company has discretion in setting prices charged to the customer. Sales to cryptocurrency exchanges represents coins sold to exchanges as a function of managing the Company's coin inventory balance.

The Company recently expanded its Online Portal and Bitcoin Well Infinite service lines to serve customers located in the United States. Transactions conducted with US based customers are currently facilitated through third party service providers that purchase and sell the cryptocurrency directly with the customers. The Company is compensated by the third party service providers through a monthly per transaction fee based on a sliding scale dependent on quarterly volumes.

During the three and nine months ended September 30, 2025, the transaction fees earned from the third party service providers were \$177,705 and \$399,643 (2024 - nil), respectively. Gross transaction volumes related to these transactions for the three and nine months ended September 30, 2025 was USD\$15,771,308 and USD\$31,767,883 (2024 - nil), respectively.

#### 14. GENERAL AND ADMINISTRATION

|                         | Three months ended<br>September 30 |                   | Nine months ended<br>September 30 |                     |
|-------------------------|------------------------------------|-------------------|-----------------------------------|---------------------|
|                         | 2025                               | 2024              | 2025                              | 2024                |
| Service costs           | \$ 436,886                         | \$ 453,381        | \$ 1,241,391                      | \$ 1,534,823        |
| Office expenses         | 42,322                             | 47,331            | 129,480                           | 149,471             |
| Travel and meals        | 30,680                             | 6,619             | 75,037                            | 45,257              |
| Automobile              | 4,212                              | 4,113             | 7,705                             | 5,313               |
| Rent and lease payments | 9,580                              | 14,201            | 29,893                            | 33,752              |
| Consulting fees         | 163,086                            | 153,533           | 448,752                           | 462,724             |
| <b>Total</b>            | <b>\$ 686,766</b>                  | <b>\$ 679,178</b> | <b>\$ 1,932,258</b>               | <b>\$ 2,231,340</b> |

Service costs include cash logistics, ATM operating costs, and costs related to hosting ATMs.

## **15. SUBSEQUENT EVENTS**

### **Shares for Debt Settlement**

Subsequent to September 30, 2025, the Company issued 681,290 common shares in the capital of the Company at a deemed price of \$0.145 per share and 981,137 shares at a deemed price of \$0.116 per share to settle total outstanding debt obligation of \$98,787. The debt obligations related to accrued interest owing pursuant to certain cryptocurrency loans and a convertible debt agreement.

### **Additions to Bitcoin Treasury**

Subsequent to September 30, 2025, the Company acquired a total of 26.63 bitcoin at an average price of \$117,793 USD/\$164,984 CAD to add to its bitcoin treasury.