

# Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

## Athena Bitcoin Global

1332 N HALSTED ST. STE 401,  
CHICAGO, IL 60642

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312-690-4466

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[info@athenabitcoin.com](mailto:info@athenabitcoin.com)

SIC 6099

## **Quarterly Report**

**For the period ending June 30, 2023 (the "Reporting Period")**

### **Outstanding Shares**

The number of shares outstanding of our Common Stock was:

4,094,459,545 as of June 30, 2023

4,094,459,545 as of December 31, 2022

4,049,392,879 as of December 31, 2021

### **Shell Status**

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes:  No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes:  No:

### **Change in Control**

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes:  No:

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<sup>1</sup> "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

**1) Name and address(es) of the issuer and its predecessors (if any)**

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Athena Bitcoin Global was a “shell company” (as such term is defined in Rule 12b-2 under the Exchange Act) immediately before the completion of the transactions described below. Athena Bitcoin Global was incorporated in the state of Nevada in 1991 under the name “GamePlan, Inc.” for the sole purpose of merging with Sunbeam Solar, Inc., a Utah corporation, which merger occurred as of December 31, 1991. The Articles of Merger were filed in the state of Nevada pursuant to which the Company was the surviving entity following the merger. The Company was involved in various businesses, including gaming and other consulting services, prior to becoming a company seeking acquisitions. The Company filed form 10-SB with the Securities and Exchange Commission in September 1999 thus becoming a reporting company under section 12(g) of the Securities and Exchange Act of 1934. The Company subsequently filed Form 15 in March 2015, terminating its reporting status.

On January 14, 2020, Athena Bitcoin Global (f.k.a. GamePlan, Inc.) entered into a Share Exchange Agreement (the “Agreement”), by and among the Company, Athena Bitcoin, Inc., a Delaware S corporation (“Athena”) founded in 2015, and certain shareholders of Athena Bitcoin, Inc. The Agreement provides for the reorganization of Athena Bitcoin, Inc., with and into Athena Bitcoin Global (f.k.a. GamePlan, Inc.), resulting in Athena Bitcoin, Inc. becoming a wholly owned subsidiary of Athena Bitcoin Global. The agreement is for the exchange of 100% shares of the outstanding Common Stock of Athena Bitcoin, Inc., for 3,593,644,680 shares of Athena Bitcoin Global common stock (an exchange rate of 1,244.69 shares of Athena Bitcoin Global stock for each share of Athena Bitcoin, Inc. stock). The closing of the transaction occurred as of January 30, 2020.

In accordance with ASC 805-10-55-12, because the former shareholders of Athena Bitcoin, Inc. acquired the majority (88%) of the voting rights of the Company and control of the Company’s board of directors and senior management of Athena Bitcoin, Inc. became management of the combined entity, the Company determined that the Share Exchange was a reverse acquisition.

As the Share Exchange is considered a reverse acquisition, in accordance with ASC 805-40-45-2, for financial statement purposes Athena Bitcoin, Inc. is considered the accounting acquiror. Accordingly, the historical financial statements prior to the Share Exchange are those of Athena Bitcoin, Inc., except that the historical equity of Athena Bitcoin Global has been retroactively restated to reflect the number of shares received in the business combination at the exchange rate of 1,244.69 shares of Athena Bitcoin Global common stock for each share of Athena Bitcoin, Inc. common stock. The historical common stock carrying amount has been adjusted to reflect the revised par value of the outstanding stock and the corresponding offset was reflected in the additional paid-in capital. All share and per share information included in these financial statements have been adjusted to reflect the 1,244.69 to 1 share conversion.

In connection with the Share Exchange, as discussed in Note 17, the SAFT Notes were converted into 1,653,425,404 shares of Athena Bitcoin, Inc. (which were then exchanged for Athena Bitcoin Global common stock). Additionally, warrants to purchase 115,888,490 shares of Athena Bitcoin, Inc.’s common stock were exercised for proceeds of \$69,000. These shares were then exchanged for Athena Bitcoin Global common stock). Also, as discussed in Note 10, the Swingbridge notes were converted into 419,078,082 shares of Athena Bitcoin, Inc.’s common stock (which was then exchanged for Athena Bitcoin Global common stock). Lastly, 157,635,309 shares of Athena Bitcoin, Inc. were issued upon the exercise of stock options (which was then exchanged for Athena Bitcoin Global common stock).

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer’s current standing in its state of incorporation (e.g. active, default, inactive):

Athena Bitcoin Global (f.k.a. GamePlan, Inc.) was incorporated in the state of Nevada on 12/26/1991 for the sole purpose of merging with Sunbeam Solar, Inc., a Utah corporation, which merger occurred as of December 31, 1991. The Company is currently in good standing as a Nevada Corporation.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer's principal executive office:

1332 N HALSTED ST, STE 401, CHICAGO, IL. 60642

The address(es) of the issuer's principal place of business:

*Check if principal executive office and principal place of business are the same address:*

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No:  Yes:  If Yes, provide additional details below:

## 2) Security Information

### **Transfer Agent**

Name: Issuer Direct Corporation  
Phone: (919) 899 2111  
Email: info@issuerdirect.com  
Address: One Glenwood Ave. Suite 1001, Raleigh NC, 27603

### **Publicly Quoted or Traded Securities:**

*The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.*

Trading symbol:	<u>ABIT</u>
Exact title and class of securities outstanding:	<u>Common Stock with Par Value \$0.001</u>
CUSIP:	<u>0468391006</u>
Par or stated value:	<u>\$0.001</u>
Total shares authorized:	<u>10,000,000,000 as of date: June 30, 2023</u>
Total shares outstanding:	<u>4,094,459,545 as of date: June 30, 2023</u>
Total number of shareholders of record:	<u>189 as of date: June 30, 2023</u>

*All additional class(es) of publicly quoted or traded securities (if any):*

Trading symbol:	
Exact title and class of securities outstanding:	<u>Preferred Stock with Par Value \$0.001</u>
CUSIP:	
Par or stated value:	<u>\$0.001</u>
Total shares authorized:	<u>5,000,000 as of date: June 30, 2023</u>
Total shares outstanding:	<u>0 as of date: June 30, 2023</u>
Total number of shareholders of record:	<u>0 as of date: June 30, 2023</u>

**Other classes of authorized or outstanding equity securities:**

*The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.*

**NONE**

**Security Description:**

*The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:*

**1. For common equity, describe any dividend, voting and preemption rights.**

The voting, dividend and liquidation rights of the holders of the common stock will be subject to and qualified by the rights, powers and preferences of the holders of any preferred stock that may be authorized by the corporation's board of directors (the board) as set forth herein.

The holders of the common stock are entitled to one vote for each share of common stock held at all meetings of stockholders (and written actions in lieu of meetings). Provided however, that except as otherwise required by law, holders of common stock, as such, shall not be entitled to vote on any amendment to the corporation's articles of incorporation (as amended or amended and restated from time to time (the articles of incorporation)) that relates solely to the terms of one or more outstanding series of preferred stock that may be authorized by the board as set forth herein, if the holders of such affected series are entitled either separately or together with the holders of one or more other such series, to vote thereon pursuant to the articles of incorporation or pursuant to the act. There shall be no cumulative voting period. The number of authorized shares of common stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of preferred stock that may be required by terms of the articles of incorporation) the affirmative vote of the holders of shares of capital stock of the corporation representing a majority of the votes represented by all outstanding shares of capital stock of the corporation entitled to vote.

**2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

None

**3. Describe any other material rights of common or preferred stockholders.**

None

**4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

N/A

**3) Issuance History**

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

### A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No:  Yes:  (If yes, you must complete the table below)

Shares Outstanding as of the Second Most Recent Fiscal Year End:			*Right-click the rows below and select "Insert" to add rows as needed.							
<u>Opening Balance</u>		<u>Opening Balance:</u>								
Date <u>01/01/2021</u>		Common: <u>4,049,392,879</u> Preferred: <u>NONE</u>								
<u>Ending Balance</u>		<u>Ending Balance:</u>								
Date <u>12/31/2021</u>		Common: <u>4,049,392,879</u> Preferred: <u>NONE</u>								
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.	
<u>02/18/2022</u>	<u>New Issuance</u>	<u>10,416,666</u>	<u>Common</u>	<u>See note 1 below</u>	No	<u>Swingbridge Crypto III LLC</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)	
<u>02/18/2022</u>	<u>New Issuance</u>	<u>336,195</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Palindrome Master Fund, LP/ Michael Adams*</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)	
<u>02/18/2022</u>	<u>New Issuance</u>	<u>4,313,805</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Quantum Partners, LP/ Michael Adams*</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)	
<u>03/11/2022</u>	<u>New Issuance</u>	<u>375,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>2S Holdings LLC/ Avi Moche*</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)	
<u>03/11/2022</u>	<u>New Issuance</u>	<u>300,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Cort Barrett*</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)	
<u>03/11/2022</u>	<u>New Issuance</u>	<u>200,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>John-Marc Berthoud</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)	
<u>03/11/2022</u>	<u>New Issuance</u>	<u>250,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Bryan Bloom</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)	
<u>03/11/2022</u>	<u>New Issuance</u>	<u>200,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Zach Brover</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)	
<u>03/11/2022</u>	<u>New Issuance</u>	<u>200,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Jason Burstein</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)	

Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>03/11/2022</u>	<u>New Issuance</u>	<u>200,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Jonathan Steven Burstein</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>300,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Cauffiel Investments LLC/ John Cauffiel*</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>500,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>John Cauffiel</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Kyle J Cetrulo</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>750,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>John Crick</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>250,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Edward Crimmins</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>250,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>ET Family Corp/Eli Neuberg*</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>500,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Jeffrey Steven Everson</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Christopher Fahy</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>500,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Rodolfo I Flores</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>1,000,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>FP Australia LLC / Franz Pachi*</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>250,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Nicky Gathrite</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>250,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>April Given</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>250,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Jeffrey Curtis Gooch</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>500,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>James Steven Granat</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>750,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Steven Heller</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)

Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>03/11/2022</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Ivankovich Family Trust/ Ivan Ivankovich*</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>500,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Craig Herkimer</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>50,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>William Stewart Jones</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>125,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Daniel King</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>2,500,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Todd Klein</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>250,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Jerome Klint</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>1,000,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Paul J Kusak</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>1,000,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Jonathan Lamensdorf</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Michael Leon</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>250,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Limpham LLC/ Bobby Lim*</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>250,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Jared Mackoul</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>250,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Tara S Majeed</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>250,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>MBL Management LLC/ Benjamin Siegel*</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>350,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>James Lydiard Mead</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>3,500,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Mercer Street Global Opportunity Fund/ Jonathan Juchno*</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>500,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Michael O'Grady</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)

Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>03/11/2022</u>	<u>New Issuance</u>	<u>350,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Organic Growth Capital Corp./ Mike Fleischman*</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>250,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>David Perl</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Steven Ross Peterson</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Jordan Posell</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>150,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Quant Two LLC/ Timothy Izzo*</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>250,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Brandon S Reif</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Ian Samuel</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>2,500,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Lawrence Spieldenner</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>500,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>John Henry Superson</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>200,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Anthony Temesvary</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>250,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Mathew Thacker</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>1,000,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>TOI Fund LP/ Ben Ashkar*</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Daniel J Turek</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>250,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>John William Whitaker Jr Trust / John William Whitaker Jr and Heidi Leland Whitaker*</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>250,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Charles J Wildes IV</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/11/2022</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Daniel Winograd</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)



Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>03/31/2022</u>	<u>New Issuance</u>	<u>500,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Jonathan A Carson</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/31/2022</u>	<u>New Issuance</u>	<u>1,000,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Ryan C Myers</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/31/2022</u>	<u>New Issuance</u>	<u>500,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>Ryan C Myers &amp; Kelsey L Myers</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>03/31/2022</u>	<u>New Issuance</u>	<u>2,600,000</u>	<u>Common</u>	<u>See note 2 below</u>	No	<u>RKVP, LLC/ Ryan Myers*</u>	<u>Debt conversion</u>	<u>Restricted</u>	Securities Act Section 4(a)(2)
<u>Ending Balance</u> Date <u>12/31/2022</u>	<u>Ending Balance:</u> Common: <u>4,094,459,545</u> Preferred: <u>NONE</u>								
Shares Outstanding on Date of This Report:									
<u>Ending Balance</u> Date <u>03/31/2023</u>	<u>Ending Balance:</u> Common: <u>4,094,459,545</u> Preferred: <u>NONE</u>								
Shares Outstanding on Date of This Report:									
<u>Ending Balance</u> Date <u>06/30/2023</u>	<u>Ending Balance:</u> Common: <u>4,094,459,545</u> Preferred: <u>NONE</u>								

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022 pursuant to the tabular format above.

\* Represents control person.

1. Conversion of 8% Convertible Debentures into shares per terms of issuance at \$0.012 per share

2. Conversion of 6% Convertible Debentures into shares per terms of issuance at \$0.10 per share

## B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No:  Yes:  (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
<u>05/15/2023</u>	<u>\$3,500,000</u>	<u>\$3,500,000</u>		<u>05/15/2024</u>	<u>Not convertible</u>	<u>KGPLA Holdings LLC /Michael Komaransky*</u>	<u>Loan for Working Capital</u>

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
<u>08/04/2022</u>	<u>\$100,000</u>	<u>\$500,000</u>	<u>\$1,250</u>	<u>08/31/2023</u>	Not convertible	Michael Komaransky	Loan for Working Capital
<u>1/31/2020</u>	<u>\$3,000,000</u>	<u>\$3,000,000</u>	<u>\$59,178</u>	<u>1/31/2025</u>	The lower of \$0.012/share or 20% Discount to Major Next Financing	KGPLA Holdings LLC /Michael Komaransky*	Convertible Loan for Working Capital
<u>1/3/2017</u>	<u>\$90,000</u>	<u>\$90,000</u>	<u>\$900</u>	<u>1/2/2022</u>	Not convertible	Lindsay Heidrick Separate Property Trust / Lindsay Garrison TTE*	Loan for Working Capital
<u>5/30/2017</u>	<u>\$0</u>	<u>\$1,490,000</u>	<u>0</u>	<u>5/31/2023</u>	Not convertible	Consolidated Futures LLC /Asher Corson*	Loan for Working Capital
<u>7/3/2018</u>	<u>\$76,000</u>	<u>\$100,000</u>	<u>\$1,559</u>	<u>8/1/2028</u>	Not convertible	LoanMe, Inc./ Jonathan Williams*	Working Capital
<u>09/22/2021</u>	<u>\$792,000</u>	<u>\$1,500,000</u>	<u>\$2,480</u>	<u>9/21/2024</u>	Not Convertible	Banco Hipotecario	Loan for Working Capital
<u>12/12/2021</u>	<u>\$23,000</u>	<u>\$75,000</u>	<u>\$334</u>	<u>10/1/2023</u>	Not Convertible	Capital Premium Financing Inc.	Loan for Commercial Liability Insurance
<u>8/6/2021</u>	<u>\$12,500</u>	<u>\$50,000</u>	<u>\$187</u>	<u>8/6/2023</u>	Investor can convert at the lesser of (i) \$0.10 or (ii) 25% less than the 20-trading day volume weighted average price ("VWAP")	2S Holdings LLC / Avi Moche*	Convertible Loan for Working Capital
<u>8/27/2021</u>	<u>\$50,000</u>	<u>\$150,000</u>	<u>\$748</u>	<u>8/27/2023</u>	[same as above] *	TOI Fund LLC /Ben Ashkar*	Convertible Loan for Working Capital
<u>8/20/2021</u>	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$2,244</u>	<u>8/20/2023</u>	[same as above]	Benjamin Markoff	Convertible Loan for Working Capital
<u>8/6/2021</u>	<u>\$15,000</u>	<u>\$40,000</u>	<u>\$224</u>	<u>8/6/2023</u>	[same as above] *	MBL Management LLC / Benjamin Siegel*	Convertible Loan for Working Capital
<u>8/6/2021</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$748</u>	<u>8/6/2023</u>	[same as above]	ONE Entertainment Group LLC / Brent Alvin Johnson*	Convertible Loan for Working Capital
<u>8/13/2021</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$1,495</u>	<u>8/13/2023</u>	[same as above] *	Carl Niedbala	Convertible Loan for Working Capital
<u>8/6/2021</u>	<u>\$12,500</u>	<u>\$25,000</u>	<u>\$187</u>	<u>8/6/2023</u>	[same as above] *	Daniel King	Convertible Loan for Working Capital
<u>7/16/2021</u>	<u>\$10,000</u>	<u>\$20,000</u>	<u>\$150</u>	<u>7/16/2023</u>	[same as above] *	Danny Turek	Convertible Loan for Working Capital
<u>8/13/2021</u>	<u>\$25,000</u>	<u>\$50,000</u>	<u>\$374</u>	<u>8/13/2023</u>	[same as above] *	ET Family Corp / Eli Neuberger*	Convertible Loan for Working Capital
<u>8/20/2021</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$1,496</u>	<u>8/20/2023</u>	[same as above]	Evan Goldenberg	Convertible Loan for Working Capital

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
<u>8/20/2021</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$374</u>	<u>8/20/2023</u>	Investor can convert at the lesser of (i) \$0.10 or (ii) 25% less than the 20-trading day volume weighted average price ("VWAP")	<u>Carlos Geniso SPA/Giancarlo Geniso*</u>	<u>Convertible Loan for Working Capital</u>
<u>7/10/2021</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$748</u>	<u>7/10/2023</u>	[same as above]	<u>Jacob Owens</u>	<u>Convertible Loan for Working Capital</u>
<u>7/10/2021</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$75</u>	<u>7/10/2023</u>	[same as above]	<u>James Atkins</u>	<u>Convertible Loan for Working Capital</u>
<u>8/6/2021</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$374</u>	<u>8/6/2021</u>	[same as above]	<u>Jeffrey Karp</u>	<u>Convertible Loan for Working Capital</u>
<u>8/13/2021</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$1,496</u>	<u>8/13/2023</u>	[same as above]	<u>Joseph Shaewitz</u>	<u>Convertible Loan for Working Capital</u>
<u>8/27/2021</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$374</u>	<u>8/27/2023</u>	[same as above]	<u>Mark Schoenhals</u>	<u>Convertible Loan for Working Capital</u>
<u>8/27/2021</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$748</u>	<u>8/27/2023</u>	[same as above]	<u>Maya Strelar-Migotti</u>	<u>Convertible Loan for Working Capital</u>
<u>7/10/2021</u>	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$748</u>	<u>7/10/2023</u>	[same as above] *	<u>Michael O'Grady</u>	<u>Convertible Loan for Working Capital</u>
<u>7/16/2021</u>	<u>\$15,000</u>	<u>\$15,000</u>	<u>\$224</u>	<u>7/16/2023</u>	[same as above]	<u>Richard Scott Coles</u>	<u>Convertible Loan for Working Capital</u>
<u>9/30/2021</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$374</u>	<u>9/30/2023</u>	[same as above]	<u>Robyn Karp</u>	<u>Convertible Loan for Working Capital</u>
<u>7/16/2021</u>	<u>\$25,000</u>	<u>\$100,000</u>	<u>\$374</u>	<u>7/16/2023</u>	[same as above] *	<u>Steven Heller</u>	<u>Convertible Loan for Working Capital</u>
<u>7/10/2021</u>	<u>\$250,000</u>	<u>\$250,000</u>	<u>\$3,740</u>	<u>7/10/2023</u>	[same as above]	<u>Todd Klein</u>	<u>Convertible Loan for Working Capital</u>
<u>8/6/2021</u>	<u>\$20,000</u>	<u>\$40,000</u>	<u>\$299</u>	<u>8/6/2023</u>	[same as above]*	<u>Zach Broyer</u>	<u>Convertible Loan for Working Capital</u>
<u>9/30/2021</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$374</u>	<u>9/30/2023</u>	[same as above]	<u>Joan Meltzer</u>	<u>Convertible Loan for Working Capital</u>
<u>9/30/2021</u>	<u>\$200,000</u>	<u>\$300,000</u>	<u>\$2,992</u>	<u>9/30/2023</u>	[same as above] *	<u>FP Australia LLC / Franz Pacht*</u>	<u>Convertible Loan for Working Capital</u>
<u>9/30/2021</u>	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$748</u>	<u>9/30/2023</u>	[same as above] *	<u>Jonathan Carson</u>	<u>Convertible Loan for Working Capital</u>

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
<u>9/30/2021</u>	<u>\$55,000</u>	<u>\$55,000</u>	<u>\$823</u>	<u>9/30/2023</u>	<u>Investor can convert at the lesser of (i) \$0.10 or (ii) 25% less than the 20-trading day volume weighted average price ("VWAP")</u>	<u>TIC TRADING LLC / Carter Glass*</u>	<u>Convertible Loan for Working Capital</u>

\* Represents control person.

\*\* At issuance; partly or fully converted prior to September 30, 2021. As of December 31, 2022 these shares were issued

\* At issuance; holder gave notice to convert partly or fully prior to December 31, 2021. As of December 31, 2022 these shares were issued.

^ At issuance; holder gave notice to convert partly or fully after December 31, 2021. As of December 31, 2022 these shares were issued.

#### 4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. (Please ensure that these descriptions are updated on the Company's Profile on [www.otcmarkets.com](http://www.otcmarkets.com)).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Athena Bitcoin Global (f.k.a. GamePlan, Inc.), a Nevada corporation, and its wholly owned subsidiary, Athena Bitcoin, Inc., a Delaware corporation (together referred to as "Athena Global" or "the Company") is a provider of various crypto asset transaction platforms, including the operation of automated teller machines (ATMs) and personalized services (Athena Plus) for the purpose of selling and buying crypto assets, white-label operations and payment services. The Company's network of Athena Bitcoin ATMs operates in twenty-one states (CA, TX, GA, FL, OH, IL, MO, PA, MI, AL, WI, MN, TN, MA, CO, NJ, AZ, KY, KS, OK, IN) and the territory of Puerto Rico in the United States, and 4 countries in Central and South America. The Company places its machines in convenience stores, shopping centers, and other easily accessible locations. The Company deals primarily in the following crypto assets: Bitcoin, Bitcoin Cash (BCH), Litecoin, and Ethereum. In 2019, and 2020 prior to the acquisition of Athena Bitcoin, Inc in the Share Exchange, the Company had no operations.

B. List any subsidiaries, parent company, or affiliated companies.

Athena Bitcoin Inc. (entity controlled by the Company incorporated in Delaware, US).  
Athena Bitcoin S. de R.L. de C.V. (entity controlled by the Company incorporated in Mexico).  
Athena Holdings Colombia SAS (entity controlled by the Company incorporated in Colombia).  
Athena Holding Company S.R.L (entity controlled by the Company incorporated in Argentina).  
Athena Holdings of PR LLC (entity controlled by the Company incorporated in Puerto Rico).  
Athena Holdings El Salvador, S.A. de C.V. (entity controlled by the Company incorporated in El Salvador).  
Athena Business Holdings Panama S.A. (entity controlled by the Company incorporated in Panama).

C. Describe the issuers' principal products or services.

The Company's Bitcoin ATMs are a convenient and fast way for consumers to quickly purchase and sell Bitcoin and other crypto assets. The consumer can quickly complete a comprehensive and risk adjusted process of KYC/AML due diligence using the machines on-board scanners and cameras. In the workflow for purchasing crypto assets, after authenticating the user, the Bitcoin ATM will accept their wallet address. The customer does not need to have a specific wallet or smartphone app, as all wallets can be used with Athena's Bitcoin ATM. The Company's US machines will sell any amount of crypto assets from as little as \$1 up to several thousand dollars allowing customers to choose exactly how much they wish to spend.

## 5) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

Please refer to the Company's Condensed Consolidated Financial Statements (Unaudited) for the six months ended June 30, 2023 along with the Notes to Condensed Consolidated Financial Statements (Unaudited) and in particular Note 7 Operating Leases, Note 5 Crypto Assets Held, and Note 26 Subsequent Events of those financial statements.

## 6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuers securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>Matias Goldenhorn</u>	<u>CEO, Director</u>	<u>Miami, FL</u>	<u>4,356,423</u>	<u>Common Stock</u>	<u>0.1%</u>	
<u>Eric Gravengaard</u>	<u>Director</u>	<u>Winnetka, IL</u>	<u>1,151,484,077</u>	<u>Common Stock</u>	<u>28.1%</u>	
<u>Edward Weinhaus*</u>	<u>Former Director</u>	<u>St. Louis, MO</u>	<u>27,618,811</u>	<u>Common Stock</u>	<u>0.7%</u>	<u>Includes beneficial ownership through Liberty Digital Holdings, LLC</u>
<u>Michael Komaransky*</u>	<u>Former Director</u>	<u>Pinecrest, FL</u>	<u>1,521,141,192</u>	<u>Common Stock</u>	<u>37.2%</u>	<u>Beneficially owned through Athena Equity LLC</u>
<u>Swingbridge LLC and related entities</u>	<u>Over 5% Owner</u>	<u>Chicago, IL</u>	<u>429,494,749</u>	<u>Common Stock</u>	<u>10.5%</u>	<u>Managing Member: Tom Kerestes*</u>
<u>Antonio Valiente</u>	<u>Director</u>	<u>San Juan, Puerto Rico</u>	<u>0</u>	<u>Common Stock</u>	<u>0.0%</u>	

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>Carlos Carreno</u>	<u>Director</u>	<u>Miami Beach, FL</u>	<u>0</u>	<u>Common Stock</u>	<u>0.0%</u>	
<u>Tina Gregory</u>	<u>CFO</u>	<u>Concord, CA</u>	<u>0</u>	<u>Common Stock</u>	<u>0.0%</u>	
<u>Huaxing Lu</u>	<u>Former Director</u>	<u>Miami, FL</u>	<u>0</u>	<u>Common Stock</u>	<u>0.0%</u>	
<u>Esteban Suarez</u>	<u>Former Director</u>	<u>Miami, FL</u>	<u>0</u>	<u>Common Stock</u>	<u>0.0%</u>	
<u>Michael J. Pruvn</u>	<u>Former Director</u>	<u>Chicago, IL</u>	<u>0</u>	<u>Common Stock</u>	<u>0.0%</u>	

\* Represents control person

## 7) Legal/Disciplinary History

A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

## 8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

### Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Iwona J. Alami  
Firm: Law Ofc Iwona J. Alami  
Address 1: 620 Newport Center Dr #110  
Address 2: Newport Beach, CA 92660  
Phone: 949-200-4626  
Email: iwona@alamilawgroup.com

### Accountant or Auditor

Name: Ben Borgers  
Firm: BF Borgers CPA PC  
Address 1: 5400 West Cedar Ave  
Address 2: Lakewood, CO 80226  
Phone: 303-953-1454  
Email: contact@bfbcpa.us

### Investor Relations

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

### *All other means of Investor Communication:*

Twitter: <https://twitter.com/AthenaBitcoin>  
Discord: N/A  
LinkedIn: <https://www.linkedin.com/company/athenabitcoin/>  
Facebook: N/A  
[Other ]

### Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement.** This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Nature of Services: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

## 9) Financial Statements

A. The following financial statements were prepared in accordance with:

- IFRS  
 U.S. GAAP

B. The following financial statements were prepared by (name of individual)<sup>2</sup>:

Name: Tina Gregory  
Title: Principal Financial & Accounting Officer  
Relationship to Issuer: Chief Financial Officer

Describe the qualifications of the person or persons who prepared the financial statements: Experienced CFO with over 20 years of experience in Finance, Accounting and Business Operations.

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

Important Notes:

- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- All financial statements for a fiscal period must be published together with the disclosure statement in one Annual or Quarterly Report.

## 10) Issuer Certification

*Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Matias Goldenhorn certify that:

1. I have reviewed this Quarterly Disclosure Statement for Athena Bitcoin Global;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which

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<sup>2</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.



such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

08/11/2023 [Date]

/s/Matias Goldenhorn [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

*Principal Financial Officer:*

I, Tina Gregory certify that:

1. I have reviewed this Quarterly Disclosure Statement for Athena Bitcoin Global;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

08/11/2023 [Date]

/s/Tina Gregory [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
Athena Bitcoin Global  
For the three and six months ended June 30, 2023 and 2022

Athena Bitcoin Global  
Condensed Consolidated Financial Statements  
For the three and six months ended June 30, 2023 and 2022

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Athena Bitcoin Global  
Condensed Consolidated Balance Sheets (Unaudited)

	<u>June 30,</u> <u>2023</u>	<u>December 31</u> <u>2022</u>
<i>(in thousands)</i>		
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 7,817	\$ 2,101
Restricted cash held for customers	562	1,107
Accounts receivable	162	109
Prepaid expenses and other current assets	1,324	1,188
Total current assets	<u>9,865</u>	<u>4,505</u>
Crypto assets held	398	365
Property and equipment, net	5,323	5,839
Leased assets	14,909	2,751
Other noncurrent assets	20	50
Total assets	<u>\$ 30,515</u>	<u>\$ 13,510</u>
<b>Liabilities and Shareholders' equity (deficit)</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,100	\$ 1,531
Accounts payable, related party	816	465
Liability for cash held for customers	562	1,107
Leased liabilities	4,552	786
Income tax payable	493	694
Deferred tax liabilities	158	28
Long-term debt, current portion	529	507
Short-term debt	23	614
Related party note payable, current portion	3,628	490
Convertible debt	1,520	1,520
Other current liabilities	421	396
Total current liabilities	<u>\$ 14,802</u>	<u>\$ 8,138</u>

*See accompanying notes.*

Athena Bitcoin Global  
Condensed Consolidated Balance Sheets (Unaudited)

	<b>June 30, 2023</b>	<b>December 31, 2022</b>
	<i>(in thousands, except number of shares)</i>	
Long-term liabilities:		
Long-term debt	\$ 339	\$ 610
Lease liabilities	10,357	1,965
Related party convertible debt	3,000	3,000
Total liabilities	28,498	13,713
Commitments and contingencies (Note 14)		
Shareholders' equity (deficit):		
Preferred shares, \$0.001 par value 5,000,000,000 shares authorized; no shares issued and outstanding as of June 30, 2023 and December 31, 2022	-	-
Common shares, \$0.001 par value 10,000,000,000 shares authorized; 4,094,459,545 shares issued and outstanding as of June 30, 2023 and \$0.001 par value 4,409,605,000 shares authorized; 4,094,459,545 shares issued and outstanding as of December 31, 2022	4,095	4,095
Loans to employees for options exercised	(1,001)	(993)
Net common stock	3,094	3,102
Additional paid in capital	8,446	8,446
Accumulated deficit	(9,316)	(11,576)
Accumulated other comprehensive loss	(207)	(175)
Total shareholders' equity (deficit)	2,017	(203)
Total liabilities and shareholders' equity (deficit)	\$ 30,515	\$ 13,510

*See accompanying notes.*

Athena Bitcoin Global  
Condensed Consolidated Statement of Operations and Comprehensive Income (Unaudited)

	<u>For the three months ended</u>		<u>For the six months ended</u>	
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
	<i>(in thousands, except number of shares)</i>			
Revenues	\$ 31,120	\$ 20,620	\$ 54,564	\$ 39,701
Cost of revenues	<u>26,486</u>	<u>18,720</u>	<u>48,021</u>	<u>35,371</u>
Gross profit	4,634	1,900	6,543	4,330
Operating expenses:				
Technology and development	128	220	270	423
General and administrative	1,041	1,594	2,049	3,542
Sales and marketing	58	147	198	352
Other operating expense	<u>23</u>	<u>7</u>	<u>41</u>	<u>15</u>
Total operating expenses	1,250	1,968	2,558	4,332
Income (loss) from operations	3,384	(68)	3,985	(2)
Interest expense	110	161	233	362
Fees on borrowings	124	16	231	67
Other expense	<u>72</u>	<u>66</u>	<u>93</u>	<u>148</u>
Income (loss) before income taxes	3,078	(311)	3,428	(579)
Income tax expense	<u>889</u>	<u>494</u>	<u>1,166</u>	<u>1,170</u>
Net income (loss)	<u>\$ 2,189</u>	<u>\$ (805)</u>	<u>\$ 2,262</u>	<u>\$ (1,749)</u>
Basic (loss) earnings per share	<u>\$ 0.00053</u>	<u>\$ (0.00020)</u>	<u>\$ 0.00055</u>	<u>\$ (0.00043)</u>
Diluted (loss) earnings per share	<u>\$ 0.00051</u>	<u>\$ (0.00020)</u>	<u>\$ 0.00054</u>	<u>\$ (0.00043)</u>
Weighted average shares outstanding - Basic	<u>4,094,459,545</u>	<u>4,077,207,308</u>	<u>4,094,459,545</u>	<u>4,077,207,308</u>
Weighted average shares outstanding - Diluted	<u>4,484,128,545</u>	<u>4,077,207,308</u>	<u>4,484,128,545</u>	<u>4,077,207,308</u>
Comprehensive loss				
Net income (loss)	\$ 2,189	\$ (805)	\$ 2,262	\$ (1,749)
Foreign currency translation adjustment	<u>(28)</u>	<u>16</u>	<u>(32)</u>	<u>23</u>
Comprehensive income (loss)	<u>\$ 2,161</u>	<u>\$ (789)</u>	<u>\$ 2,230</u>	<u>\$ (1,726)</u>

See accompanying notes.

Athena Bitcoin Global  
Condensed Consolidated Statement of Cash Flows (Unaudited)

	<b>For the six months ended</b>	
	<b>June 30, 2023</b>	<b>June 30, 2022</b>
<i>(in thousands)</i>		
<b>Operating activities</b>		
Net income (loss)	\$ 2,262	\$ (1,749)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	995	723
Impairment of crypto assets held	–	199
Crypto asset payments for expenses	1,423	1,530
Deferred income tax	158	–
Gain on sale of crypto assets	(8,109)	(6,152)
Changes in operating assets and liabilities:		
Accounts receivable	(52)	(2,243)
Other advances	–	(750)
Prepaid expenses and other assets	(12,297)	(1,890)
Customer advances	(498)	6,319
Accounts payable and other liabilities	13,624	2,318
Net cash used in operating activities	<u>(2,494)</u>	<u>(1,695)</u>
<b>Investing activities</b>		
Purchase of property and equipment	(470)	(603)
Purchase of crypto assets	(45,147)	(33,267)
Sale of crypto assets	50,996	37,554
Net cash provided by investing activities	<u>5,379</u>	<u>3,684</u>
<b>Financing activities</b>		
Proceeds (repayment) of debt, net	2,286	(554)
Net cash provided (used) by financing activities	<u>2,286</u>	<u>(554)</u>
Net increase in cash and cash equivalents	5,171	1,435
Cash, cash equivalents and restricted cash, beginning of period	3,208	4,845
Cash, cash equivalents and restricted cash, end of period	<u>\$ 8,379</u>	<u>\$ 6,280</u>
Cash, cash equivalents, and restricted cash consisted of the following:		
Cash and cash equivalents	\$ 7,817	\$ 997
Restricted cash held for customers	562	5,283
Total cash, cash equivalents and restricted cash	<u>\$ 8,379</u>	<u>\$ 6,280</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 235	\$ 407
Cash paid for taxes	\$ 542	\$ 29
Leased assets obtained in exchange for operating lease liabilities	\$ 12,158	\$ 603
Supplemental schedule of non-cash investing and financing activities:		
Conversion of debt for common shares	\$ –	\$ 3,590
Crypto assets used to buy property and equipment	\$ 29	\$ 121
Crypto asset used for accounts payable	\$ 739	\$ –

*See accompanying notes.*

Athena Bitcoin Global  
Condensed Consolidated Statement of Shareholders' Deficit (Unaudited)

	Common Units		Receivables From Employees For Stock Options	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	Amount					
	<i>(in thousands, except number of shares)</i>						
Balance, December 31, 2021	4,049,392,879	\$ 4,050	\$ (977)	\$ 5,246	\$ (15,716)	\$ (177)	\$ (7,574)
Net loss	-	-	-	-	(944)	-	(944)
Foreign currency translation adjustment	-	-	-	-	-	7	7
Debt conversions	45,066,666	45	-	3,200	-	-	3,245
Accrued interest on employee loans	-	-	(3)	-	-	-	(3)
Balance, March 31, 2022	4,094,459,545	\$ 4,095	\$ (980)	\$ 8,446	\$ (16,660)	\$ (170)	\$ (5,269)
Net loss	-	-	-	-	(805)	-	(805)
Foreign currency translation adjustment	-	-	-	-	-	16	16
Accrued interest on employee loans	-	-	(4)	-	-	-	(4)
Balance, June 30, 2022	4,094,459,545	\$ 4,095	\$ (984)	\$ 8,446	\$ (17,465)	\$ (154)	\$ (6,062)
Balance, December 31, 2022	4,094,459,545	\$ 4,095	\$ (993)	\$ 8,446	\$ (11,576)	\$ (175)	\$ (203)
Net income	-	-	-	-	71	-	71
Foreign currency translation adjustment	-	-	-	-	-	(4)	(4)
Accrued interest on employee loans	-	-	(4)	-	-	-	(4)
Balance, March 31, 2023	4,094,459,545	\$ 4,095	\$ (997)	\$ 8,446	\$ (11,505)	\$ (179)	\$ (140)
Net income	-	-	-	-	2,189	-	2,189
Foreign currency translation adjustment	-	-	-	-	-	(28)	(28)
Accrued interest on employee loans	-	-	(4)	-	-	-	(4)
Balance, June 30, 2023	4,094,459,545	\$ 4,095	\$ (1,001)	\$ 8,446	\$ (9,316)	\$ (207)	\$ 2,017

*See accompanying notes.*



Athena Bitcoin Global  
Notes to Unaudited Condensed Consolidated Financial Statements  
For the three and six months ended June 30, 2023 and 2022

## 1. Nature of Business and Summary of Significant Accounting Policies

### Nature of Business

Athena Bitcoin Global (f.k.a. GamePlan, Inc.), a Nevada corporation, and its wholly owned subsidiary, Athena Bitcoin, Inc., a Delaware corporation (together referred to as “Athena Global” or “the Company”) is a provider of various crypto asset transaction platforms, including the operation of automated teller machines (ATMs) and personalized services (Athena Plus) for the purpose of selling and buying crypto assets, white-label operations and payment services. The Company’s network of Athena Bitcoin ATMs operates in twenty-one states (CA, TX, GA, FL, OH, IL, MO, PA, MI, AL, WI, MN, TN, MA, CO, NJ, AZ, KY, KS, OK, IN) and the territory of Puerto Rico in the United States, and 4 countries in Central and South America. The Company places its machines in convenience stores, shopping centers, and other easily accessible locations.

The Company has changed its name to Athena Bitcoin Global from GamePlan, Inc. in a filing with the Secretary of State of the State of Nevada effective as of April 15, 2021.

Athena Bitcoin Global was a “shell company” (as such term is defined in Rule 12b-2 under the Exchange Act) immediately before the completion of the transactions described below. Athena Bitcoin Global was incorporated in the state of Nevada in 1991 under the name “GamePlan, Inc.” for the sole purpose of merging with Sunbeam Solar, Inc., a Utah corporation, which merger occurred as of December 31, 1991. The Articles of Merger were filed in the state of Nevada pursuant to which the Company was the surviving entity following the merger. The Company was involved in various businesses, including, gaming and other consulting services, prior to becoming a company seeking acquisitions. The Company filed form 10-SB with the Securities and Exchange Commission in September 1999 thus becoming a reporting company under section 12(g) of the Securities and Exchange Act of 1934. The Company subsequently filed Form 15 in March 2015, terminating its reporting status.

On January 14, 2020, Athena Bitcoin Global (f.k.a. GamePlan, Inc.) entered into a Share Exchange Agreement (the “Agreement”), by and among the Company, Athena Bitcoin, Inc., a Delaware S corporation (“Athena”) founded in 2015, and certain shareholders of Athena Bitcoin, Inc. The Agreement provides for the reorganization of Athena Bitcoin, Inc., with and into Athena Bitcoin Global (f.k.a. GamePlan, Inc.), resulting in Athena Bitcoin, Inc. becoming a wholly owned subsidiary of Athena Bitcoin Global. The agreement is for the exchange of 100% shares of the outstanding Common Stock of Athena Bitcoin, Inc., for 3,593,644,680 shares of Athena Bitcoin Global common stock (an exchange rate of 1,244.69 shares of Athena Bitcoin Global stock for each share of Athena Bitcoin, Inc. stock). The closing of the transaction occurred as of January 30, 2020.

In accordance with ASC 805-10-55-12, because the former shareholders of Athena Bitcoin, Inc. acquired the majority (88%) of the voting rights of the Company and control of the Company’s board of directors and senior management of Athena Bitcoin, Inc. became management of the combined entity, the Company determined that the Share Exchange was a reverse acquisition.

As the Share Exchange is considered a reverse acquisition, in accordance with ASC 805-40-45-2, for financial statement purposes Athena Bitcoin, Inc. is considered the accounting acquiror. Accordingly, the historical financial statements prior to the Share Exchange are those of Athena Bitcoin, Inc., except that the historical equity of Athena Bitcoin Global has been retroactively restated to reflect the number of shares received in the business combination at the exchange rate of 1,244.69 shares of Athena Bitcoin Global common stock for each share of Athena Bitcoin, Inc. common stock. The historical common stock carrying amount has been adjusted to reflect the revised par value of the outstanding stock and the corresponding offset was reflected in the additional paid-in capital. All share and per share information included in these financial statements have been adjusted to reflect the 1,244.69 to 1 share conversion.

In connection with the Share Exchange, as discussed in Note 17, the SAFT Notes were converted into 1,653,425,404 shares of Athena Bitcoin, Inc. (which were then exchanged for Athena Bitcoin Global common stock). Additionally, warrants to purchase 115,888,490 shares of Athena Bitcoin, Inc.’s common stock were exercised for proceeds of \$69,000. These shares were then exchanged for Athena Bitcoin Global common stock). Also, as discussed in Note 10, the Swingbridge notes were converted into 419,078,082 shares of Athena Bitcoin, Inc.’s common stock (which was then exchanged for Athena Bitcoin Global common stock). Lastly, 157,635,309 shares of Athena Bitcoin, Inc. were issued upon the exercise of stock options (which was then exchanged for Athena Bitcoin Global common stock).

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Notes to Unaudited Condensed Consolidated Financial Statements  
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There were 4,079,815,704 shares of Athena Bitcoin Global's common stock outstanding following the closing date of the transaction. Athena Bitcoin Global subsequently purchased and cancelled 30,442,825 shares. Athena Bitcoin Global has 4,094,459,545 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively and authorized capital of 10,000,000,000 and 4,409,605,000 shares as of June 30, 2023 and December 31, 2022, respectively.

### **Principles of Consolidation**

The accompanying condensed consolidated financial statements include the accounts of Athena Bitcoin Global, Athena Bitcoin, Inc. and its wholly owned subsidiaries, Athena Bitcoin S. de R.L. de C.V., incorporated in Mexico; Athena Holdings Colombia SAS, incorporated in Colombia; Athena Holding Company S.R.L, incorporated in Argentina; Athena Holdings of PR LLC, incorporated in Puerto Rico; Athena Holdings El Salvador, S.A. de C.V., incorporated in El Salvador; and Athena Business Holdings Panama S.A. incorporated in Panama. All intercompany account balances and transactions have been eliminated in consolidation.

### **Going Concern**

The Company adopted Financial Accounting Standards Board (FASB) ASU No. 2014-15, Presentation of Financial Statements – Going Concern, effective December 31, 2017, which requires that management evaluate whether there are relevant conditions or events that, in aggregate, raise substantial doubt about the entity's ability to continue as a going concern and to meet its obligations as they become due within one year after the date that the financial statements are issued. The Company considered all significant existing and new contracts entered in 2022 as part of its going concern assessment and concluded that substantial doubt about the Company continuing as a going concern does exist.

The Company had net losses in the first three quarters of 2022, with net income only in the quarters ended June 30, 2023, March 31, 2023 and December 31, 2022, respectively. These conditions and events create substantial doubt about the ability of the Company to continue as a going concern for the next 12 months. The Company has not been able to generate sufficient cash from operating activities to fund its ongoing operations and current liabilities. There is no guarantee that the Company will be able to generate enough revenue and/or raise capital to support its operations. The financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. The ultimate impact of these matters to the Company and its consolidated financial condition is presently unknown.

A summary of the Company's significant accounting policies is as follows:

### **Basis of Presentation**

The accompanying condensed consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

### **Use of Estimates**

The preparation of the condensed consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and the accompanying notes. Actual results could differ from those estimates. Significant estimates and assumptions made by management are used for, but not limited to, the useful lives of property and equipment; valuation of derivatives and stock options; and impairment assessment for goodwill and long-lived assets. These estimates are based on historical data and experience, as well as various other factors that management believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources.

### **Revenue Recognition**

The Company derives its revenues primarily from three sources: (i) point of time transactions of crypto assets at Athena Bitcoin branded ATMs, (ii) sales of crypto assets via our Athena Plus services and (iii) white-label service fees. Revenues are recognized at the point of time when the performance obligations related to those services and transaction are satisfied, and in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. The Company determines revenue recognition through the following steps:

Athena Bitcoin Global  
Notes to Unaudited Condensed Consolidated Financial Statements  
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- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, we satisfy a performance obligation.

For revenues derived from (i) point of time transactions of crypto assets at Athena Bitcoin branded ATMs and (ii) sales of crypto assets via our Athena Plus services, we present crypto asset sales revenue and corresponding crypto asset sales cost on a gross basis consistent with the revenue standard. We act as principal (vs. agent) in transactions at our Athena Bitcoin branded ATMs and our Athena Plus services, which requires gross treatment for revenue and for corresponding costs. Through our Athena Bitcoin ATM machines, we buy and sell various crypto assets as described below at an offer price that changes according to the prevailing market wide price of that crypto asset. We control all aspects of the transaction done at our Athena ATMs and we record those transactions on a gross basis as we act as a principal in such sales. If we were considered agent, we would record the revenue net of corresponding crypto asset sales cost. As a principal, we have control over the crypto asset before it is transferred to the customer. Effective July 1, 2023, the Company adopted guidance for transactions involving stablecoins according to the definition of a financial asset under ASC 860-20-20. This requires that transactions conducted in stablecoins by the Company's Athena Plus services be recognized at the net value or commission earned from the exchange of fiat currency and stablecoins.

For revenues derived through (iii) white-label service fees, our White-Labeled ATMs, which we operate on behalf of service clients, we facilitate the buying and selling of various crypto assets at prices that change according to the prevailing price, but that are set by the service clients. In these transactions, the Company does not own or control the crypto assets. Therefore, for this White-Labeled ATMs service we record transactions on a net basis as we act as an agent.

The Company accounts for its crypto assets as indefinite-lived intangible assets in accordance with ASC 350, *Intangible—Goodwill and Other*. When we derecognize a crypto asset, which was previously owned and controlled by the Company, such as in a sale transaction, our policy is to account for it within the scope of ASC 606, *Revenue from Contracts with Customers*.

ASC 350-10-40-1 provides guidance on the derecognition of intangible assets and states that an entity shall account for the derecognition of a nonfinancial asset, including an in substance nonfinancial asset, within the scope of Topic 350 in accordance with Subtopic 610-20 on gains and losses from the derecognition of nonfinancial assets, unless a scope exception from Subtopic 610-20 applies. Our conclusion is that the scope exception does apply to these transactions as outlined below and therefore the Company should account for these transactions within the scope of ASC 606.

We consider a counterparty in a crypto asset sale transaction to be our customer. We use the ASC definition of customer—a party that has contracted with an entity to obtain goods or services that are an output of the entity's ordinary activities in exchange for consideration. The sale of crypto assets is part of the Company's ordinary activities and therefore any counterparty that has contracted with the Company to obtain a crypto asset in exchange for consideration is a customer for the purposes of revenue recognition.

ASC 350-10-40-3 provides guidance on the criteria for evaluation of the contract in a transfer of a nonfinancial asset specifically the nature of the contract required to derecognize the nonfinancial asset. ASC 606-10-25-1 contains five such criteria to evaluate the contract. We have evaluated all of our methods of selling crypto assets and have determined that all five criteria are met in the sale of crypto assets to a customer. Specifically, we have a contract approved by both parties, the ownership rights of the digital assets to be transferred are clear, payment terms are clear, there is clear commercial substance, and there is clear evidence that the Company will collect payment.

We apply the guidance of ASC 610-20-15-4(a) excluding transfers of non-financial assets in a contract with a customer from the scope of ASC 610. We have established a clearly identifiable customer and a contract to deliver a crypto asset to that customer. The guidance further states that such excluded transactions should be accounted for within the scope of ASC 606. Our analysis of the nature of the customer relationship and the contract leads us to the conclusion that this scope exception applies and therefore we apply the guidance of ASC 606 to account for the derecognition of a crypto asset.

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When the Company performs its services by facilitating the sale of a crypto asset that it does not own or control, we do not account for the sale on a gross basis, instead we account for the service offered to the seller of the crypto asset on a net basis. In making this agent vs. principal determination we evaluate if the Company has ownership, custody, or control. In our analysis of those rights, we have concluded that the Company does not own, control or custody the crypto assets. Specifically, the Company does not have custodial rights such as the ability to pledge the asset, hypothecate, or otherwise encumber the asset. The Company does not have the ownership rights to the future economic benefits from the crypto asset; it does not have discretion over pricing of the crypto asset; nor does the Company bear the price risk associated with ownership of the crypto asset. Therefore, the Company has concluded that in these circumstances it is acting as an agent of the seller and not as a principal.

When we sell a crypto asset as a principal that was accounted for as an indefinite-lived intangible asset, we have a single performance obligation, which is satisfied at the point in time when control of the crypto asset has transferred. When we facilitate the sale of a crypto asset for a services client, we may have one or more obligations to provide services to the seller of the crypto asset.

Our method of selling a crypto asset follows a step-by-step description of how we deliver these services. These steps are done sequentially, they are completed from start to finish in a matter of minutes or hours and are treated as point in time transactions with a single performance obligation by the Company. Further the crypto assets the Company sells are fungible and would have the same value to any other customer and client. During the performance of these steps, the Company does not create an asset with an alternative use or an asset that is unique to the customer. Finally, these transactions, where the Company acts as a principal in the sale of a crypto asset, do not create an Accounts Receivable or a prepayment. All transactions are settled same day.

The Company recognizes revenue when performance obligations identified under the terms of contracts with its customers are satisfied. The Company considers its performance obligation satisfied, and recognizes revenue, at the point in time the transaction is processed. Contracts with customers are usually open-ended and can be terminated by either party without a termination penalty. Therefore, contracts are defined at the transaction level and do not extend beyond the service already provided. The Company's revenue associated with ATM and Athena Plus services are recognized at a point in time when the crypto asset is delivered to the customer. The Company controls the service as it is primarily responsible for fulfilling the service and has discretion in establishing pricing with its customers.

The Company also generates revenue from operating ATMs, POS terminals, and licensing of software on behalf of certain customers, typically under their brand, which we refer to as "white-label service". The Company's white-label ATM service is comprised of providing and maintaining ATMs to facilitate the exchange of crypto assets and cash, and vice-versa, by our customers with their counterparties. The Company does not control the service in this case as it is not responsible for fulfilling the exchange contract and does not establish pricing at these ATMs. This revenue is recognized on a net basis.

### **Cost of Revenues**

Cost of revenues consists primarily of expenses related to the acquisition of crypto assets (including the costs to purchase crypto assets). The Company assigns the costs of crypto assets sold in its revenue transactions on a first-in, first-out basis.

Additionally, cost of revenues includes the costs of operating the ATMs from which some of the crypto assets are sold (including the associated rent expense, related incentives, ATM cash losses, software licensing fees for the ATMs, depreciation, insurance, and utilities) and fees paid to service the ATM machines and transport cash to the banks.

### **Cash and Cash Equivalents**

For purposes of the Condensed Consolidated Statements of Cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Restricted cash held for customers consists of money on hand received from white-label customers for replenishment of ATMs.

The Company maintains cash balances at various financial institutions. Accounts at these institutions are secured by the Federal Deposit Insurance Corporation (FDIC). The Company has deposits in excess of the FDIC-insured limit. The Company has not experienced any losses in such accounts.

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### Accounts Receivable

Accounts receivable is stated at the amount the Company expects to collect. In 2021 the Company adopted ASC 326, *Financial Instruments - Credit Losses*. This methodology is referred to as the current expected credit loss (CECL) method and replaces the previous incurred loss methodology. The measurement of CECL applies to all financial assets measured at amortized cost, including receivables for revenue. The Company recognized no allowance for credit losses for June 30, 2023 and December 31, 2022, respectively utilizing the CECL methodology.

### Concentration of Credit Risk

The Company's revenues, other than white-label services below, are generated primarily from ATM sales to customers located in the United States and Latin America. As the Company collects all amounts from these customers and holds \$0 in accounts receivable from its ATM or Athena Plus services customers, there is no credit risk associated with customer concentration for these customers.

The Company has revenues from white-label services in El Salvador and ancillary sales to customers where it provides services on customary credit terms, typically Net 30 or Net 60. As of June 30, 2023 and December 31, 2022, one customer, Ministerio de Hacienda (Department of Treasury) of El Salvador represents almost the entirety of our total accounts receivable balance.

No single customer is responsible for over 10% of revenue.

### Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in Leased assets and Lease liabilities on the Condensed Consolidated Balance Sheets. Leased assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating leased assets and liabilities are recognized at commencement date based on the present value of future minimum lease payments over the lease term. Most leases do not provide an implicit rate, so the Company uses its incremental borrowing rate. The operating leased assets also include any lease payments made before commencement and exclude lease incentives.

The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that those options will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company has made the policy election to account for short-term leases by recognizing the lease payments in profit or loss on a straight-line basis over the lease term and not recognizing these leases on the Condensed Consolidated Balance Sheets. Variable lease payments are recognized in profit or loss in the period in which the obligation for those payments is incurred.

### Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the asset. The estimated useful lives of the Company's property, equipment, and software are generally as follows:

Computer equipment	Three years
ATM equipment	Three years
Office equipment	Six years
Capitalized software	Five years

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Capitalized software consists of costs related to the design, coding, testing and documentation of software, as well as salaries and compensation costs for employees, fees paid to third-party consultants who are directly involved in development efforts, and costs incurred for upgrades and enhancements to add functionality of the software. Other costs that do not meet the capitalization criteria are expensed as incurred. The criteria for capitalization include the completion of the preliminary project stage, demonstration of feasibility of the project and the ability to reliably estimate future economic benefits. Capitalized software is subject to periodic impairment tests to ensure that the carrying value of the asset is not overstated. If an impairment is identified, the carrying value of the capitalized software will be reduced to its recoverable amount.

### **Goodwill**

The Company conducts goodwill impairment testing in the fourth quarter of each year or whenever indicators of impairment exist. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform a quantitative goodwill impairment test. The more-likely-than-not threshold is defined as having a likelihood of more than 50%. If, after assessing the totality of events or circumstances, it is determined that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the quantitative impairment test is unnecessary and goodwill is considered to be unimpaired. However, if, based on the qualitative assessment, the Company concludes that it is more likely than not that the fair value of a reporting unit (generally based on discounted future cash flows) is less than its carrying amount, it will proceed with performing the quantitative assessment which is done by comparing the fair value of a reporting unit with its carrying amount and recognizing an impairment charge for the amount by which the carrying amount exceeds the fair value, if any, not to exceed the total amount of goodwill.

### **Impairment of Long-Lived Assets**

Acquired Intangible assets with a definite useful life are amortized over their estimated useful lives on a straight-line basis. Each period, the Company evaluates the estimated remaining useful life of its intangible assets and whether events or changes in circumstances warrant a revision to the remaining period of amortization. Intangible assets assessed as having indefinite lives (such as crypto assets) are not amortized but are assessed for indicators that the useful life is no longer indefinite or for indicators of impairment each period.

The Company reviews its long-lived assets for impairment in accordance with FASB ASC 350-30-30-1 whenever events or changes in circumstances have indicated that an asset may not be recoverable. Management has determined that no impairment of long-lived assets existed as of June 30, 2023 and June 30, 2022 except for impairment of Digital Intangible Assets discussed below. Acquired intangible assets with a definite useful life are amortized over their estimated useful lives on a straight-line basis. Each period, the Company evaluates the estimated remaining useful life of its intangible assets and whether events or changes in circumstances warrant a revision to the remaining period of amortization.

### **Digital Intangible Assets**

Under US GAAP, digital assets are accounted for as indefinite lived intangible assets, in accordance with ASC 350, *Intangibles—Goodwill*. These “Digital Intangible Assets” are a medium of exchange. The assets consist of coins or tokens that are built on a blockchain. The Company acquires digital intangible assets through cash purchases from customers and through trading activity with multiple brokers and exchanges. As intangible assets, the assets are initially recorded at cost and tested for impairment when evidence of impairment exists. Impairment exists when the carrying amount exceeds its fair value, which is measured using the quoted price of the crypto asset at the time its fair value is being measured. The Company assigns cost to transactions on a first-in, first-out basis. Gains on such assets are not recorded or recognized until their final disposition. The impairment of digital intangible assets are recorded as Cost of revenues. For the period ended June 30, 2023 and June 30, 2022, the Company had impairment charges related to digital assets of \$0 and \$199,000, respectively which are included in the Cost of revenues.

### **Crypto Assets Held**

Crypto assets (Digital Intangible Assets) are considered indefinite-lived intangible assets under ASC 350, *Intangibles—Goodwill* and are initially measured at cost and are not amortized. Accordingly, any decrease in their fair values below our carrying values for such assets at any time subsequent to their acquisition will require us to recognize impairment charges. We may make no upward revisions for any market price increases until a sale or transaction occurs. The Company classifies crypto assets held as non-current assets in the condensed consolidated balance sheets. These assets are held solely for operating purposes and the Company in the normal course of its operations converts crypto assets held to cash frequently. The Company assigns costs to transactions on a first-in, first-out basis.

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On March 31, 2022, the SEC's staff in the Division of Corporation Finance and the Office of the Chief Accountant released Staff Accounting Bulletin (SAB) 121 relating to the accounting for obligations to safeguard crypto assets when an entity holds such crypto assets for platform users. The SEC's staff has also released guidance in Topic 5:FF regarding the accounting treatment of obligations to safeguard crypto assets. The Company has adopted this guidance for the presentation of its financial statements for the period ending June 30, 2023. There was no material effect in adopting this guidance.

### Expenses Paid in Crypto Assets

The Company considers the guidance in ASC 350, ASC 606, ASC 610, and ASC 845 when it evaluates the derecognition of its digital assets paid to vendors in lieu of cash payments. In these transactions, we have been invoiced by a vendor and given the option to pay in USD or crypto assets, typically Bitcoin. The amount of Bitcoin is determined by the market wide and easily determined price in accordance with the guidance of ASC 820, *Fair Value Measurement*. The Company records as an expense the USD value of the invoice and then considers the above references to determine the proper way to derecognize the intangible long-lived asset used as payment.

We consider the scoping exceptions for each of those topics and conclude that that the scope of 610-20 most closely matched the facts of the transactions. ASC 610-20-15-2 states "nonfinancial assets within the scope of this Subtopic include intangible assets," which is how the company treats crypto assets.

We evaluated two possibilities to exclude these transactions from the scope ASC 845. The relevant exceptions to the scope of that Topic are as follows:

1. The transfer of goods or services in a contract with a customer within the scope of ASC Topic 606 in exchange for noncash consideration (ASC 845-10-15-4(j))
2. The transfer of a nonfinancial asset within the scope of ASC Topic 610-20 in exchange for noncash consideration (ASC 845-10-15-4(k))

For these transactions, our usage of the crypto asset is as a payment instrument to a vendor, therefore our interpretation of (1) above is for ASC 606 not to apply. We interpret (2) above to apply when the Company pays a vendor (who is not a customer) with a crypto asset (nonfinancial asset) in lieu of paying that same vendor with fiat currency (USD). Therefore, we account for the derecognition of the digital asset, in these transactions, under the guidance of ASC 610-20, *Gains and Losses from the Derecognition of Nonfinancial Assets*. This is the same guidance as in ASC 350-10-40-1, *Transfer or Sale of Intangible Assets*.

ASC 610-20-15-2 explicitly states the scope to include intangible assets. We treat crypto assets as intangible assets. We then apply the general principle of ASC 610-32-2 for recognizing the gain or loss for the difference between the amount of goods or services we receive (fair market value, per ASC 820 Level 2) and the cost of acquiring the digital asset.

We record invoices from vendors in the appropriate expense category, in the correct time period in which services were provided, in USD and for vendors who elect to be paid in crypto assets, we transfer the crypto assets at market value at the time of transfer in line with ASC 820 – *Fair Value Measurement*. We then recognize as a gain or loss, the difference between the cost of acquiring the crypto asset and its value at the time of transfer to Other Income (loss.)

### Crypto Asset Borrowings

The Company enters into agreements with counterparties to borrow digital intangible assets. The Company recognizes the digital intangible assets borrowed at fair value on the date the asset is received and records a corresponding liability measured at fair value on the date the digital assets are received. The digital intangible assets received from borrowing transactions are accounted for as indefinite lived intangible assets under ASC 350 and are included within Related party crypto asset borrowings on the accompanying condensed consolidated balance sheet.

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The loans are accounted for as hybrid instruments, with a liability host contract that contains an embedded derivative based on the changes in the fair value of the underlying crypto asset. The host contract is not accounted for as a debt instrument because it is not a financial liability and is carried at the fair value of the assets acquired and reported in crypto asset borrowings in the condensed consolidated balance sheets. The embedded derivative is accounted for at fair value, with changes in fair value recognized in other non-operating expenses in the condensed consolidated statements of operations and comprehensive income. The embedded derivatives are included in crypto asset borrowings in the condensed consolidated balance sheets. The term of these borrowings can either be for a fixed term of less than one year or can be open-ended and repayable at the option of the Company or the lender. These borrowings bear a fee payable by the Company to the lender, which is based on a percentage of the amount borrowed and is denominated in the related crypto asset borrowed. The borrowing fee is recognized on an accrual basis and is included in non-operating expenses as fees on borrowings in the condensed consolidated statements of operations and comprehensive income.

#### **Embedded Derivative related to Obligation to Return Digital Intangible Assets**

Derivative contracts derive their value from underlying asset prices, other inputs or a combination of these factors. As a result of the Company entering into transactions to borrow (digital intangible assets) crypto assets, an embedded derivative is recognized relating to the differences between the fair value of the amount borrowed, which is recognized on the borrowing effective date, and the fair value of the amount that will ultimately be repaid, based on changes in the spot price of the (digital intangible assets) crypto asset over the term of the borrowing. This embedded derivative is accounted for as a forward contract to exchange at maturity the fixed amount of the crypto asset to be repaid. The embedded feature is evaluated as a derivative that is not clearly and closely related to the host contract and therefore, is separately recognized at fair value with unrealized changes in fair value recognized on the condensed consolidated statement of operations under fair value adjustment on crypto asset borrowing derivatives in the condensed consolidated statements of operations and comprehensive income. Further, the Company estimates the fair value of the derivative liability based on the closing price on an exchange and considers the fair value hierarchy of the derivative liability as level 2 under ASC 820.

#### **Accumulated Other Comprehensive Income**

Unrealized gains and losses related to foreign currency translation are accumulated in "Accumulated other comprehensive loss" ("AOCI"). These changes are also reported in "Other comprehensive income (loss)" on the Condensed Consolidated Statements of Comprehensive Income.

#### **Foreign Currency Translation**

The functional currency of our wholly owned subsidiaries is the currency of the primary economic environment in which the Company operates. Assets and liabilities denominated in currencies other than the functional currency are remeasured using the current exchange rate for monetary accounts and historical exchange rates for nonmonetary accounts, with exchange differences on remeasurement included in comprehensive income in our Condensed Consolidated Statements of Comprehensive Income.

Our foreign subsidiaries that utilize foreign currency as their functional currency translate such currency into U.S. dollars using (i) the exchange rate on the balance sheet dates for assets and liabilities, (ii) the average exchange rates prevailing during the period for revenues and expenses, and (iii) historical exchange rates for equity. Any translation adjustments resulting from this process are shown separately as a component of accumulated other comprehensive loss within shareholders' deficit in the Condensed Consolidated Balance Sheets.

#### **Stock-Based Compensation Expense**

The Company accounts for stock-based compensation according to the provisions of ASC 718, *Stock Compensation*, which requires the measurement and recognition of compensation expense for all stock-based awards made to employees and directors, including employee stock options and non-vested stock awards, based on the fair values on the dates they are granted. The Company records the fair value of awards expected to vest as compensation expense on a straight-line basis over the requisite service periods of the awards, which is generally the vesting period.



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The Company uses the Black-Scholes option pricing model for determining the estimated fair value for stock-based awards. The Black-Scholes option pricing model requires the use of highly subjective and complex assumptions, which determine the fair value of stock-based awards, including the options expected term, expected volatility of the underlying stock, risk-free rate, and expected dividends. The expected volatility is based on the average historical volatility of certain comparable publicly traded companies within the Company's industry. The expected term assumptions are based on the simplified method, due to insufficient historical exercise data and the limited period of time that the Company's equity securities have been available for issuance. The risk-free interest rates are based on the U.S. Treasury yield in effect at the time of grant. The Company does not expect to pay dividends on common stock in the foreseeable future; therefore, it estimated the dividend yield to be 0%.

### **Technology and Development**

Technology and development include non-capitalized costs incurred in operating, maintaining the Company's network, website hosting, and technology infrastructure.

### **Sales and Marketing**

The Company expenses Sales and marketing expense when they are incurred.

### **Treasury Stock**

Treasury stock purchases are accounted for under the cost method, whereby the entire cost of the acquired stock is recorded as treasury stock. Upon retirement of treasury shares, amounts in excess of par value are charged to accumulated deficit.

### **Warrants to Purchase Common Shares**

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in the ASC 480 and ASC 815, Derivatives and Hedging ("ASC 815"). Management's assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, whether they meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own common stock and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period-end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, they are recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, they are recorded at their initial fair value on the date of issuance and subject to remeasurement each balance sheet date with changes in the estimated fair value of the warrants to be recognized as a non-cash gain or loss in the statement of operations.

### **Income taxes**

Income taxes are accounted for under an asset and liability approach. This process involves calculating the temporary and permanent differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The temporary differences result in deferred tax assets and liabilities, which would be recorded on the Balance Sheet in accordance with ASC 740, which established financial accounting and reporting standards for the effect of income taxes. The likelihood that its deferred tax assets will be recovered from future taxable income must be assessed and, to the extent that recovery is not likely, a valuation allowance is established. Changes in the valuation allowance in a period are recorded through the income tax provision in the Condensed Consolidated Statements of Operations.

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The Company adopted ASC 740-10-30 on January 1, 2020. ASC 740-10 clarifies the accounting for uncertainty in income taxes recognized in an entity's condensed consolidated financial statements and prescribes a recognition threshold and measurement attributes for financial statement disclosure of tax positions taken or expected to be taken on a tax return. Under ASC 740-10, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Additionally, ASC 740-10 provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. As a result of the implementation of ASC 740-10, the Company does not have a liability for unrecognized income tax benefits.

### **Segment reporting**

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker (the "CODM") in deciding how to allocate resources to an individual segment and in assessing performance. The Company's Chief Executive Officer is the Company's CODM. The CODM reviews financial information presented on a global consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance. While the Company does have revenue from multiple products and geographies, no measures of profitability by product or geography are available, so discrete financial information is not available for each such component. As such, the Company has determined that it operates as one operating segment and one reportable segment.

### **Earnings (Loss) per share**

Basic Earnings (loss) per share is calculated by dividing net income (loss) by the number of weighted average common shares outstanding for the applicable period. Diluted Earnings (loss) per share is calculated by dividing net income (loss) available to common shareholders by the weighted average shares outstanding. Potentially dilutive shares, which are based on the weighted average shares of common stock underlying outstanding stock-based awards, warrants and convertible senior notes using the treasury stock method or the if-converted method, as applicable, are included when calculating diluted net income per share of common stock attributable to common stockholders when their effect is dilutive. For the period ended June 30, 2022, there were 265,200,000 potential common shares related to the Company's convertible debt which were excluded from the earnings per share calculation because the effect would have been anti-dilutive.

### **Recently Adopted Accounting Pronouncements**

On March 31, 2022, the SEC issued Staff Accounting Bulletin No. 121 ("SAB 121"). SAB 121 sets out interpretive guidance from the staff of the SEC regarding the accounting for obligations to safeguard crypto assets that an entity holds for its platform users. The guidance requires an entity to recognize a liability for the obligation to safeguard the users' assets, and recognize an associated asset for the crypto assets held for users. Both the liability and asset should be measured initially and subsequently at the fair value of the crypto assets being safeguarded. The guidance also requires additional disclosures related to the nature and amount of crypto assets that the entity is responsible for holding for its platform users, with separate disclosure for each significant crypto asset, and the vulnerabilities the entity has due to any concentration in such activities. The guidance in SAB 121 is effective for interim or annual periods ending after June 15, 2022, with retrospective application as of the beginning of the fiscal year to which the interim or annual period relates. For financial statements, the SAB 121 requires companies to include clear disclosure of the nature and amount of crypto-assets a company is responsible for holding for its platform users, with separate disclosure for each material crypto-asset, and the vulnerabilities of a business as a result of any concentration in those activities. Because crypto-asset protection liabilities and corresponding assets are measured at the fair value of the crypto-assets held for users of its platform, the Company is required to include information about fair value measurements.

If the Company engages in such business in the future, then it would make the required disclosures noted in SAB 121, including disclosures regarding the party holding cryptographic key information, internal record keeping and responsibility for safeguarding the assets from loss or flight, disclosures describing the types of additional losses and liabilities that may arise, discussion of the legal ownership analysis of crypto-assets and disclosure of the potential impact that destruction, loss, theft, compromise or unavailability of cryptographic key information would have on ongoing business, financial condition, results of operations and cash flows of the business. The Company will continue to review requirements and expects to continue to comply with SAB 121 accounting, reporting and disclosure guidelines in its required filings.

## 2. Fair Value Measurements

ASC 820, *Fair Value Measurement*, establishes a three-level valuation hierarchy for disclosure of fair value measurements. Under the FASB's authoritative guidance on fair value measurements, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods, including the market, income and cost approaches. Based on these approaches, the Company often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable inputs.

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Company is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1: Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2: Observable inputs other than Level 1, including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data. Level 2 also includes derivative contracts whose value is determined using a pricing model with observable market inputs or can be derived principally from or corroborated by observable market data.
- Level 3: Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation; also includes observable inputs for nonbinding single-dealer quotes not corroborated by observable market data.

The Company has various processes and controls in place to ensure that fair value is reasonably estimated. A model validation policy governs the use and control of valuation models used to estimate fair value. This policy requires review and approval of models, and periodic re-assessments of models to ensure that they are continuing to perform as designed. The Company performs due diligence procedures over third-party pricing service providers in order to support their use in the valuation process. Where market information is not available to support internal valuations, independent reviews of the valuations are performed, and any material exposures are escalated through a management review process.

While the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. To the extent that the valuation method is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. The degree of judgment exercised in determining fair value is greatest for the financial instruments categorized in Level 3.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument.

During the period ended June 30, 2023, there were no changes to the Company's valuation techniques that had, or are expected to have, a material impact on its Condensed Consolidated Financial Statements.

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As of June 30, 2023, and December 31, 2022, the fair value of the crypto asset borrowing derivatives (as determined by Level 2 fair value measurements) was \$0. The carrying value of the host contract as of June 30, 2023, and December 31, 2022, was \$0.

The Company did not make any transfers between the levels of the fair value hierarchy during the period ended June 30, 2023, and December 31, 2022.

### Non-Financial Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis (such as goodwill, property and equipment, and crypto assets held); that is, the assets and liabilities are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (e.g., when there is evidence of impairment). For the three months and six months ended June 30, 2023, and June 30, 2022, the Company had impairment charges of \$0 and \$52,000, \$0 and \$199,000 and respectively which are included in Cost of revenues.

### 3. Revenue

The table below presents revenue of the Company disaggregated by revenue source for the following periods.

	For the three months ended		For the six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	<i>(in thousands)</i>			
Athena ATMs	\$ 28,831	\$ 13,280	\$ 40,417	\$ 25,989
Athena Plus	1,006	6,267	11,585	11,565
White label	1,265	1,051	2,525	2,098
Ancillary and other	18	22	37	49
	\$ 31,120	\$ 20,620	\$ 54,564	\$ 39,701

Athena ATMs revenue represents sales of crypto assets to customers at the Company's ATMs. The Company's service is comprised of a single performance obligation to provide crypto assets to our customers at the ATMs and is responsible for fulfilling the exchange contract and establishes pricing at these ATMs. This revenue is recognized on a gross basis.

Athena Plus revenue represents sales of crypto assets to private clients and trade customers through the Company's personalized transaction services and sales of crypto assets on digital asset exchanges. Customers typically interact with the Company on the phone and by email and in larger amounts and/or for a less well-known crypto asset. The Company's service is comprised of a single performance obligation to provide crypto assets to our customers and revenue is recognized on a gross basis.

White-label revenue represents revenue from operating ATMs and POS terminals on behalf of certain customers, typically under their brand, which we refer to as our "white-label service". The Company's service is comprised of maintaining ATMs and POS terminals to facilitate the exchange of crypto assets by our customers with their counterparties.

For the three and six months ended June 30, 2023 and 2022, white-label services for ATMs machines were provided to Chivo, Sociedad Anónima de Capital Variable, a wholly owned private company of the Government of El Salvador ("CHIVO") and to Ministerio de Hacienda (Department of Treasury) of El Salvador ("GOES") and is recognized for the flat-monthly service fees collected per agreement and, when applicable, for the per-transaction fees recorded on a net-basis and not on the gross-amounts transacted at the ATMs.

Ancillary revenue represents revenue from sales of equipment such as POS terminals, sales of software and corresponding intellectual property, as well as software maintenance fees. This revenue is recognized on a gross basis.

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Revenue disaggregated by geography based on sales location for the period below are as follows.

	For the three months ended		For the six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	<i>(in thousands)</i>			
<b>Revenue</b>				
United States	\$ 29,809	\$ 17,741	\$ 51,572	\$ 33,449
El Salvador	1,222	2,790	2,811	6,083
International	89	89	181	169
	\$ 31,120	\$ 20,620	\$ 54,564	\$ 39,701

#### Contracts with government of El Salvador

In the third quarter of 2021, the Company installed and began operating 200 white-labeled Bitcoin ATMs in El Salvador, 10 white-labeled Bitcoin ATMs at El Salvador consulates in the U.S., 45 white-labeled Bitcoin ATMs in other U.S. locations and sold 950 point-of-sale (POS) terminals for local businesses in El Salvador to process transactions with Bitcoin to Ministerio de Hacienda (Department of Treasury) of El Salvador ("GOES"). Additionally, we contracted to sell intellectual property in software, develop, and maintain a Bitcoin platform designed to support a GOES branded digital wallet.

From time to time, the Company receives money from GOES to facilitate replenishment of cash in the ATMs that we provide and operate for them. As of June 30, 2023 and December 31, 2022, the cash received as advances from GOES was \$55,000 and \$1,107,000 respectively, and was presented as part of Liability for cash held for customers on the Condensed Consolidated Balance Sheet with a related Restricted cash held for customers recorded as current assets.

On October 5, 2022, the Company completed contract negotiations with Chivo, Sociedad Anónima de Capital Variable, a wholly owned private company of the Government of El Salvador ("CHIVO") in which both parties signed a Master Services Agreement (MSA) and a Service Level Agreement (SLA) replacing the existing Master Services Agreement, Contracts and Athena Service Addendums 1 and 2 with the Department of Treasury of El Salvador with an effective date of July 1, 2022. The services, performance obligations, pricing and terms continue the services, performance obligations, pricing and terms outlined in the original Master Services Agreement, Contracts and Addendums through July 30, 2024, in line with the original MSA, Contracts and Addendums. In conjunction with the new MSA and SLA, the Company and CHIVO completed a financial settlement agreement secured by certain assets to reconcile reporting, finalize balances owed between the parties and conclude the original MSA, Contracts and Addendums between the Company and the Department of Treasury of El Salvador.

#### 4. Accounts Receivable

Accounts receivable, net of allowance consist of the following as of June 30, 2023 and December 31, 2022:

	June 30, 2023	December 31, 2022
	<i>(in thousands)</i>	
White-label fee receivable	\$ 118	\$ 85
Others	44	24
	\$ 162	\$ 109

#### 5. Crypto Assets Held

Crypto assets are considered indefinite-lived intangible assets under applicable accounting rules and are initially measured at cost and are not amortized. Accordingly, any decrease in their fair values below our carrying values for such assets at any time subsequent to their acquisition will require us to recognize impairment charges, whereas we may make no upward revisions for any market price increases until a sale. The Company classifies crypto assets held as non-current assets in the Condensed Consolidated Balance Sheets, but these assets are held mainly for operating purposes; these balances turnover frequently, and the Company anticipates converting crypto assets held at any point to cash within a year. The Company assigns costs to transactions on a first-in, first-out basis.

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The Company held the following crypto assets as of June 30, 2023 and December 31, 2022.

	June 30, 2023			December 31, 2022		
	Qty <sup>(1)</sup>	Average Rate	Amount (thousands)	Qty <sup>(1)</sup>	Average Rate	Amount (thousands)
Bitcoin	12	\$ 30,477	\$ 375	16	\$ 18,069	\$ 290
Litecoin	–	–	–	125	66	8
Ethereum	–	–	–	17	1,130	19
Bitcoin Cash	–	–	–	26	97	2
Tether	22,580	1	23	45,502	1	46
			<u>\$ 398</u>			<u>\$ 365</u>

The table below shows the roll-forward of quantity and costs (in thousands of dollars) of various crypto assets traded by the Company.

	Bitcoin		All Others <sup>(2)</sup>
	Qty	Cost	Cost
<i>Six months ended</i>			
January 1, 2022	17	\$ 796	\$ 46
Purchases	835	28,829	4,438
Cost of sales	(778)	(27,254)	(4,148)
Crypto assets used for expenses	(43)	(1,530)	–
Crypto assets used for capital expenditure	(3)	(121)	–
Impairment	–	(124)	(75)
Change in bitcoin held <sup>(3)</sup>	(4)	(119)	–
June 30, 2022 <sup>(1)</sup>	<u>24</u>	<u>\$ 477</u>	<u>\$ 261</u>
<i>Six months ended</i>			
March 31, 2022	24	\$ 477	\$ 40
Purchases	1,183	18,369	5,493
Cost of sales	(1,119)	(17,178)	(5,101)
Crypto assets used for expenses	(72)	(1,361)	(283)
Crypto assets used for capital expenditure	–	–	–
Impairment	–	–	(74)
Change in bitcoin held <sup>(3)</sup>	–	(17)	–
December 31, 2022 <sup>(1)</sup>	<u>16</u>	<u>\$ 290</u>	<u>\$ 75</u>
<i>Six months ended</i>			
January 1, 2023	16	\$ 290	\$ 75
Purchases	1,873	42,511	2,636
Cost of sales	(1,827)	(40,938)	(1,949)
Crypto assets used for expenses	(48)	(1,423)	–
Crypto assets used for capital expenditure	(1)	(29)	–
Crypto assets used for other payments	–	–	(739)
Change in bitcoin held <sup>(3)</sup>	(1)	(36)	–
June 30, 2023 <sup>(1)</sup>	<u>12</u>	<u>\$ 375</u>	<u>\$ 23</u>

<sup>(1)</sup> Rounded off to the nearest whole number

<sup>(2)</sup> All others include Bitcoin Cash, Bitcoin SV, Ethereum, Litecoin, and Tether

<sup>(3)</sup> Change in Bitcoin held related to discontinued operations

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## 6. Property and Equipment

Property and equipment consist of the following as of June 30, 2023 and December 31, 2022:

	June 30, 2023	December 31, 2022
	<i>(in thousands)</i>	
ATM Equipment	\$ 5,336	\$ 4,923
Computer equipment	111	111
Office equipment	22	22
Capitalized software	3,864	3,811
	<u>9,333</u>	<u>8,867</u>
Less accumulated depreciation and amortization	4,010	3,028
	<u>\$ 5,323</u>	<u>\$ 5,839</u>

Depreciation expense for the three months ended June 30, 2023 and 2022 was \$323,000 and \$302,000 respectively. Depreciation expense for the six months ended June 30, 2023 and 2022 was \$648,000 and \$681,000 respectively. Amortization expense for the three months ended June 30, 2023 and 2022 was \$169,000 and \$0 respectively. Amortization expense for the six months ended June 30, 2023 and 2022 was \$334,000 and \$0 respectively.

The table below presents property and equipment, net by geography.

	June 30, 2023	December 31, 2022
	<i>(in thousands)</i>	
United States	\$ 3,909	\$ 4,167
El Salvador	1,414	1,672
	<u>\$ 5,323</u>	<u>\$ 5,839</u>

## 7. Operating Leases

Lease liabilities as of consist of the following:

	June 30, 2023	December 31, 2022
	<i>(in thousands)</i>	
Current portion of lease liabilities	\$ 4,552	\$ 786
Long term lease liabilities, net of current portion	10,357	1,965
Total lease liabilities	<u>\$ 14,909</u>	<u>\$ 2,751</u>

The Company classifies its facilities as right of use arrangements for ATM retail spaces under operating leases. The Company does not have any significant arrangements where it is the lessor. The Company does not separate lease and non-lease components for arrangements where the Company is a lessee. Leases with an initial lease term of 12 months or less are not recorded on the balance sheet. The Company determines if an arrangement contains a lease at inception. Operating lease expense is recognized on a straight-line basis over the lease term.

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Operating lease assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. For purposes of calculating operating lease obligations under the standard, the Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such option. The Company's leases do not contain material residual value guarantees or material restrictive covenants. The discount rate used to measure a lease obligation should be the rate implicit in the lease; however, the Company's operating leases generally do not provide an implicit rate. Accordingly, the Company uses its incremental borrowing rate at lease commencement to determine the present value of lease payments. The incremental borrowing rate is an entity-specific rate which represents the rate of interest a lessee would pay to borrow on a collateralized basis over a similar term with similar payments. Right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease and are included in Leased assets and Lease liabilities on the Company's Condensed Consolidated Balance Sheets.

The operating lease asset also includes any initial direct costs and lease payments made prior to lease commencement and excludes lease incentives incurred.

### 8. Prepaid Expenses and Other Assets

Prepaid expenses and other current assets, and Other noncurrent assets consist of the following as of June 30, 2023 and December 31, 2022:

	June 30, 2023	December 31, 2022
<i>(in thousands)</i>		
Prepaid expenses and other current assets:		
Prepaid expense	\$ 196	\$ 358
Prepaid foreign taxes	105	124
Supplier advances	1,000	680
Others	23	26
	<u>\$ 1,324</u>	<u>\$ 1,188</u>

### 9. Accounts Payable, Accrued Expenses and Other liabilities

Accounts payable and accrued expenses, and Other current liabilities consist of the following as of June 30, 2022 and December 31, 2022:

	June 30, 2023	December 31, 2022
<i>(in thousands)</i>		
Accounts payable and accrued expenses:		
Accounts payable	\$ 1,954	\$ 1,401
Accrued expenses	63	45
Interest payable	83	85
	<u>\$ 2,100</u>	<u>\$ 1,531</u>
Other current liabilities:		
Payroll liabilities	\$ 56	\$ 39
Foreign local taxes payable	210	184
Uncertain tax position	110	106
Other payable	45	67
	<u>\$ 421</u>	<u>\$ 396</u>



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## 10. Debt

In 2017, the Company entered into several subordinated note agreements with shareholders of the Company's common stock. The notes had a principal amount of \$117,000 with maturity dates in 2021 and 2022. Interest as defined in the notes is 12% per annum. As of June 30, 2023, and December 31, 2022, the outstanding principal was \$90,000.

On May 30, 2017, the Company entered into a senior note agreement with Consolidated Trading Futures, LLC. The note provided for a principal amount of \$1,490,000 secured against the Company's cash in machines and held by service providers. Interest as defined in the note as 15% per annum with an original maturity date of May 31, 2022. During the second quarter of 2022, the maturity date was extended to May 31, 2023 pursuant to a joint agreement. The Company agreed to make a one-time payment in the amount of \$200,000 and weekly payments in the amount of \$25,000 towards the reduction of the principal amount of the loan. As of June 30, 2023, and December 31, 2022, the outstanding principal was \$0 and \$565,000, respectively.

On August 1, 2018, the Company entered into a promissory note with LoanMe, Inc. The promissory note provided for a principal amount of \$100,000, with a final maturity date of August 1, 2028, with equal monthly installment payments of \$2,000. Interest as defined in the promissory note is 24% per annum. As of June 30, 2023, and December 31, 2022, the outstanding principal was \$76,000 and \$80,000, respectively.

On September 22, 2021, the Company entered into a borrowing arrangement with Banco Hipotecario secured against the Company's assets in El Salvador. The promissory note provided for a principal amount of \$1,500,000, with a final maturity date of 36 months after disbursement with equal monthly installment payments of \$49,108 with a moratorium of 2 months. Interest as defined in the loan arrangement is 7.5% per annum. June 30, 2022, and December 31, 2022, the outstanding principal was \$792,000 and \$1,037,000, respectively.

On December 10, 2022, the Company entered into a financing agreement for \$49,000 with Capital Premium Financing, Inc. to pay the insurance premium on its commercial liability insurance with an annual percentage rate of 17.65% per annum repayable in nine monthly installments beginning February 1, 2023. As of June 30, 2023, and December 31, 2022, the outstanding principal was \$23,000 and \$49,000, respectively.

On August 4, 2022, the Company completed a lending transaction with Mike Komaransky, the Company's principal shareholder and former director, whereby the Company borrowed \$500,000 from Mr. Komaransky pursuant to the terms of a secured promissory note and security agreement. The promissory note has an interest rate of 6% and the repayment of the principal amount and any accrued interest is secured by certain assets of the Company with respect to which Mr. Komaransky holds first priority lien and security interest. The terms of the secured promissory note and the security agreement were subsequently amended by the parties on January 17, 2023. Pursuant to the terms of the amended secured promissory note, the Company agreed to make monthly payments of \$50,000 until the maturity date of the secured promissory note, which is on August 31, 2023. As of June 30, 2023, and December 31, 2022, the outstanding principal was \$100,000 and \$400,000, respectively.

As of May 15, 2023, the Company entered into a certain Senior Secured Loan Agreement, as amended (the "Loan Agreement") and Senior Secured Revolving Credit Promissory Note (the "Revolving Credit Note") with KGPLA Holdings LLC ("KGPLA"), an entity in which Mike Komaransky, a former director and principal shareholder of the Company has a controlling interest. The Revolving Credit Note allows the Company to borrow up to \$4,000,000 for the operations of its New Bitcoin ATM Machines, as defined in the Loan Agreement, with a maturity date of May 15, 2024. Fees for these borrowings are calculated based on a percentage of the gross daily receipts generated from these machines and are recorded as part of Cost of Revenue in the Condensed Consolidated Income Statement. As of June 30, 2023 the outstanding principal of the Revolving Credit Note was \$3,500,000. In connection with the above loan transaction and issuance of Revolving Credit Note, the Company granted KGPLA a first priority lien and security interest in and to all of the Company's assets, except for property previously pledged to Banco Hipotecario, and with respect to such assets, the Company granted the Lender a second priority lien.

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For Debt and Convertible debt (see note 11) the principal payments due as of June 30, 2023 are as follows (in thousands):

2023	\$	1,990
2024		4,048
2025		3,012
2026		16
2027		20
Thereafter		15
	<u>\$</u>	<u>9,101</u>

Deferred financing costs are amortized using the effective interest method. Deferred financing for the three months ended June 30, 2023 and 2022 was \$12,000 and \$0 respectively, and \$0 for the six months ended June 30, 2023 and 2022. Deferred financing costs had a carrying value of \$62,000 on June 30, 2023 and December 31, 2022. These discounts are recorded as a reduction of debt on the Condensed Consolidated Balance Sheets.

### 11. Convertible debt

On January 31, 2020, the Company entered into a convertible debenture agreement with KGPLA LLC, an entity in which Mike Komaransky, a former director and principal shareholder of the Company has controlling interest. The convertible debenture provided for a principal amount of \$3,000,000, with a maturity date of January 31, 2025. Interest as defined by the agreement is 8% per annum. KGPLA, LLC has the option to convert the outstanding principal and accrued interest balance into common stock of the Company at the lower of \$0.012 per share or 20% discount to the next major financing or change in control. The convertible debenture was amended and restated as of May 15, 2023 and became a secured, and not general unsecured, obligation of the Company, on par with the notes issued pursuant to the Senior Secured Loan Agreement entered into as of the same date. As of June 30, 2023 and December 31, 2022, the outstanding principal debenture amount of \$3,000,000 was presented under related party convertible debt in the Condensed Consolidated Balance Sheets.

On January 31, 2020, the Company entered into a convertible debenture agreement with Swingbridge Crypto III, LLC. The convertible debenture provided for a principal amount of \$125,000, with a maturity date of January 31, 2025. Interest as defined by the agreement is 8% per annum. On August 26, 2021, Swingbridge Crypto III, LLC gave notice to convert the outstanding principal of \$125,000 as per the terms of the debentures since the Company secured major financing consequent to issuance of 6% Convertible Debentures as described below. This amount is included in Shares to be issued in the Condensed Consolidated Statement of Shareholders' Deficit as at December 31, 2021. The Company issued 10,416,666 shares to convert the outstanding principal amount on February 18, 2022. This debt conversion is included in the increase of capital units in the Condensed Consolidated Statement of Shareholders' Deficit as at March 31, 2022.

On June 22, 2021 the Company authorized the issuance and sale of up to \$5,000,000 in aggregate principal amount of Convertible Debentures. The convertible debentures (i) are unsecured, (ii) bear interest at the rate of 6% per annum, and (iii) are due two years from the date of issuance. The convertible debentures are convertible at any time at the option of the investor into shares of the Company's common stock that is determined by dividing the amount to be converted by the lesser of (i) \$0.10 per share or (ii) 25% less than the twenty trading day (20-trading day) volume weighted average price ("VWAP") of the common stock-based on the trades reported by the OTC Pink Market operated by the OTC Markets Group, Inc. As of December 31, 2021, the Company received an amount of \$4,985,000 toward subscription against this issue.

In December 2021, certain debenture holders exercised their right and gave an irrevocable notice to convert \$220,000 of the convertible debt for 2,200,000 shares. This amount is included in Shares to be issued in the Consolidated Statement of Shareholders' Deficit as of December 31, 2021. As of March 31, 2022 additional debenture holders exercised their right and gave an irrevocable notice to convert \$3,245,000 of the convertible debt. The Company issued a total of 34,650,000,000 shares to convert the outstanding principal for the period ended March 31, 2022. The outstanding amount of the convertible debt is \$1,520,000 on June 30, 2023 and \$1,520,000 December 31, 2022.

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## 12. Fair Value Measurements

The following table sets forth by level, within the fair value hierarchy, the Company's assets and liabilities measured and recorded at fair value on a recurring basis (in thousands):

	June 30, 2023				December 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets</b>								
Cash and cash equivalents	\$ 7,817	\$ –	\$ –	\$ 7,817	\$ 2,101	\$ –	\$ –	\$ 2,101
Restricted cash – cash held for customers	562	–	–	562	1,107	–	–	1,107
Crypto assets held	–	–	–	–	–	59	–	59
	<u>\$ 8,379</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 8,379</u>	<u>\$ 3,208</u>	<u>\$ 59</u>	<u>\$ –</u>	<u>\$ 3,267</u>
<b>Liabilities</b>								
Other current liabilities	–	–	–	–	–	59	–	59
	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 59</u>	<u>\$ –</u>	<u>\$ 59</u>

The Company did not make any transfers between the levels of the fair value hierarchy during the period ended June 30, 2023 and December 31, 2022.

### Non-recurring Assets and Liabilities Measured and Recorded at Fair Value

The Company's non-financial assets, such as goodwill, intangible assets, property and equipment, and crypto assets held are adjusted to fair value when an impairment charge is recognized. Such fair value measurements are based predominately on Level 3 inputs. Fair value of crypto assets held are predominantly based on Level 2 inputs.

## 13. Stock-Based Compensation

### Stock Option Plan

The Company previously had a 2016 Equity Incentive Plan (the 2016 Plan) which was terminated in January 2020.

The Company's Board of Directors and its majority shareholders approved the 2021 Equity Compensation Plan (the "2021 Plan") effective as of October 15, 2021. On February 28, 2023, in conjunction with a signed contractor service agreement, the Company issued a Restricted Stock Units Agreement for 2,000,000 shares of common stock under the 2021 Plan.

## 14. Commitments and Contingencies

The Company, from time to time, might have claims against it incidental to the Company's business including but not limited to tax demands and penalties. While the outcome of any of these matters cannot be predicted with certainty, management does not believe that the outcome will have a material adverse effect on the accompanying Condensed Consolidated Financial Statements.

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The Company entered into a non-binding Letter of Intent with Arley Lozano, a principal beneficial owner of Vakano Industries and XPay, both Colombian entities (collectively, “Xpay”), for the purchase and sale of certain assets of Xpay, primarily intellectual property assets, including the Xpay Wallet (the precursor to the Chivo Wallet) and Xpay POS software, to the Company. In September, 2021, Lozano and the Company entered into a letter of intent to acquire assets of Xpay which include certain technologies, ATMs, point-of-sale terminals in El Salvador, X-Pay POS system and other assets. The total purchase price included \$3 million in cash and the issuance of 270 million of the Company’s shares of common stock (valued at \$27 million at a \$0.10 per share valuation at the time of agreement), which were subject to vesting over a three-year period based on the consulting services related to the management of Colombian operations to be provided by Mr. Lozano and additional five-year non-competition and non-solicitation clause and were designated to vest on one-year cliffs and then linearly thereafter. The Company never entered into final agreements contemplated in the letter of intent.

On December 21, 2022, the Company sent formal notice to Xpay canceling the non-binding letter of intent for the proposed transaction between the parties and confirming that the \$1,595,000 paid to date and presented in previous quarters under Other Advances in the accompanying Condensed Consolidated Balance Sheets represented payment in full for certain software, code and technology developments. The software is included in Capitalized software under Property and equipment, net and is being amortized over five years.

### 15. General and Administrative Expenses

General and administrative expenses consisted of the following.

	For the three months ended		For the six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	<i>(in thousands)</i>			
Salaries and benefits	\$ 547	\$ 1,017	\$ 1,102	\$ 2,024
General and administrative expenses	421	464	807	1,301
Travel	43	74	89	153
Rent	30	39	51	64
	<u>\$ 1,041</u>	<u>\$ 1,594</u>	<u>\$ 2,049</u>	<u>\$ 3,542</u>

### 16. Sales and Marketing

Sales and marketing expenses consisted of the following.

	For the three months ended		For the six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	<i>(in thousands)</i>			
Salaries and benefits	\$ 31	\$ 111	\$ 144	\$ 247
Advertising	27	34	37	86
Other selling and marketing	–	2	17	19
	<u>\$ 58</u>	<u>\$ 147</u>	<u>\$ 198</u>	<u>\$ 352</u>

### 17. SAFT

In 2018, the Company issued a series of instruments called “Simple Agreements for Future Tokens” (SAFTs) in exchange for investments in cash or crypto assets. The SAFTs entitled holders to receipt of tokens representing equity in the Company under certain pre-defined circumstances. These include a qualified financing event in which the Company raised \$15 million or more in a single transaction, a “corporate transaction” (sale of all or substantially all of the Company’s assets), or a dissolution.

In January 2020, in connection with the Share Exchange transaction the SAFTs were converted into 1,653,425,404 shares of Athena Bitcoin, Inc. which were then exchanged for Athena Bitcoin Global common stock.

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### 18. Employee Loans

In January 2020, the Company allowed its employees with vested stock options to exercise with the use of a non-recourse loan agreement. These loan agreements have a maturity date of 48 months from the date of exercise and carries an interest rate of 1.69%. As of June 30, 2023, and December 31, 2022, the outstanding balance due from employees was \$1,001,000 and \$993,000, respectively.

### 19. Warrants to Purchase Common Shares

In 2017 Athena Bitcoin, Inc., the wholly owned subsidiary of the Company, issued warrants to purchase 202,350 shares of Athena Bitcoin, Inc.'s common stock for \$14,005. The warrants provide for a right to purchase common shares in Athena Bitcoin, Inc., priced at \$2.00 to \$3.00 per share, at an average exercise price of \$2.49 per share. The warrants to purchase 202,350 shares of Athena Bitcoin, Inc. common stock remained outstanding on December 31, 2019 and were classified as equity. In January 2020, warrants to purchase 102,350 shares of Athena Bitcoin, Inc. common stock at an average exercise price of \$2.00 per share were exercised, some of them in a cashless manner, against a lesser number of shares. As a result of the exercise of these warrants, the net issuance of Athena Bitcoin, Inc. common stock was 93,106 shares (exchanged into 115,888,490 shares of the Company's common stock on January 31, 2020).

The unexercised warrants to purchase 100,000 shares of Athena Bitcoin, Inc. common stock, at an exercise price of \$3 per share, remain outstanding as of December 31, 2022. The warrant will expire on May 30, 2025. As of June 30, 2023 and December 31, 2022, there are 3,096,345 shares of Athena Bitcoin, Inc. issued and outstanding, all of which are held by the Company.

### 20. Related Party

Aside from the transactions discussed in other notes to these financial statements, the Company continues to carry a payables balance to Red Leaf Opportunities Fund LP, an entity in which a current director and the former Chief Executive Officer has a controlling interest through the General Partner, Red Leaf Advisors LLC, for previous purchases of crypto assets. The outstanding balance due to Red Leaf Opportunities Fund LP as of June 30, 2023 and December 31, 2022 was \$407,000, and is recorded in Accounts payable, related party in the Condensed Consolidated Balance Sheets.

During the period ended June 30, 2023 and December 31, 2022 Company incurred cash logistics services of \$595,000 and \$718,000 and ATM conversion cost of \$263,000 and \$0, respectively, to Swift Trust, LLC and subsequently Move On Security LLC. The current Chief Executive Officer and director of the Company has a controlling interest in Swift Trust, LLC. He is a non-controlling partner of Move On Security LLC. As of June 30, 2023 and December 31, 2022 the Company recorded payables to Move On Security LLC, presented as part of Accounts payable, related party in the Condensed Consolidated Balance Sheets of \$409,000 and \$58,000, respectively.

The Company entered into a service agreement with Swift Trust LLC in November 2017 to provide cash logistics services for the company's ATM operations in various states. In October 2022 the Company replaced its service agreement with Swift Trust, LLC to Move On Security LLC. Swift Trust LLC and Move On Security LLC are responsible for restocking and removing cash from ATM machines and periodic ATM maintenance, installation and removal.

### 21. Fees on Borrowings

Fees on borrowings for the three months ending June 30, 2023 and June 30, 2022 respectively was \$124,000 and \$16,000 and for the six months ending June 30, 2023 and June 30, 2022 were \$231,000 and \$67,000.

*Virtual Vault* is a term used in the Armored Car and Cash Transport industry to define a service provided by armored car services for assets considered property of the bank when the bank does not have a physical vault or location in a given state or location. The fees for virtual vault services included in our income statement are for a currency availability service provided to the Company by its bank for making funds held in a virtual vault immediately available to the Company. Neither the term nor the service is related to virtual currency or crypto assets.

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## 22. Income Taxes

The Company's effective tax rate ("ETR") for the three months ended June 30, 2023 and 2022 was 28.87% and (158.47)% respectively. The Company's effective tax rate ("ETR") for the six months ended June 30, 2023 and 2022 was 34.59% and (201.94)% respectively. The ETR of 28.87% for the three months ended June 30, 2023 and 34.59% for the six months ended June 30, 2023 was higher than the U.S. statutory rate of 21.0% due to the valuation allowance on domestic and foreign deferred tax assets, and foreign withholding taxes.

## 23. Net Earnings (Loss) Per Share

The computation of net earnings (loss) per share is as follows:

	For the three months ended		For the six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	<i>(in thousands, except per share amounts)</i>			
<b>Basic net loss per share:</b>				
Numerator				
Net income (loss)	\$ 2,189	\$ (805)	\$ 2,262	\$ (1,749)
Denominator				
Weighted-average shares of common stock used to compute net loss per share attributable to common stockholders, basic	4,094,459,545	4,077,207,308	4,094,459,545	4,077,207,308
Net income (loss) per share attributable to common stockholders, basic	<u>\$ 0.00053</u>	<u>\$ (0.00020)</u>	<u>\$ 0.00055</u>	<u>\$ (0.00043)</u>
<b>Diluted net loss per share:</b>				
Numerator				
Net income (loss), basic	\$ 2,189	\$ (805)	\$ 2,262	\$ (1,749)
Add: Interest expense on convertible debt	83	-	164	-
Net income (loss), diluted	\$ 2,272	\$ (805)	\$ 2,426	\$ (1,749)
Denominator				
Weighted-average shares of common stock used to compute net loss per share attributable to common stockholders, basic	4,094,459,545	4,077,207,308	4,094,459,545	4,077,207,308
Weighted-average effect of potentially dilutive securities:				
Convertible Debt	265,200,000	-	265,200,000	-
Unexercised warrants	124,469,000	-	124,469,000	-
Weighted-average shares of common stock used to compute net loss per share attributable to common stockholders, diluted	4,484,128,545	4,077,207,308	4,484,128,545	4,077,207,308
Net loss per share attributable to common stockholders, diluted	<u>\$ 0.00051</u>	<u>\$ (0.00020)</u>	<u>\$ 0.00054</u>	<u>\$ (0.00043)</u>

Potential common shares related to the Company's convertible debt of 265,200,000 and unexercised warrants of 124,469,000 for the three and six months ended June 30, 2022 were excluded in the calculation of diluted shares outstanding as the effect would have been anti-dilutive.

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#### **24. Legal Proceedings**

On September 8, 2022, Athena Bitcoin, Inc. (“Athena” or the “Company”) received from the Office of the Commissioner of Financial Institutions (“OCFI”), a “Final Resolution and Order to Cease and Desist” (“OC&D”), requiring to, among other matters, stop the operations and marketing of the bitcoin automated teller machines (“BTMs”), that were operating in Puerto Rico. On September 12, 2022, Athena filed a Complaint for Declaratory Judgment and Permanent Injunction, accompanied by a Petition for Preliminary Injunction before the Courts of the Commonwealth, Superior Part requesting that the determination and effects of the OC&D be stayed until final resolution of the case. On November 10, 2022, the Court dismissed the civil action with the interpretation that the controversy presented before it was not ripe for resolution by the Court. The Company will seek to have this determination reconsidered by the Superior Part. If the Superior Part affirms its previous determination, Athena plans to seek a reversal of such determination before the Court of Appeals of the Commonwealth accompanied by a Motion Requesting a Stay of the determination and effects of the OC&D.

On April 10, 2023 the Puerto Rico Court of Appeals issued a judgment unfavorable to Athena’s appeal. Athena has determined it will not pursue further redress against the Order to Cease and Desist that was issued by the Office of the Commissioner of Financial Institutions and with which it has been complying since September 2022. Athena has considered and implemented another option available under PR law that has permitted resumption of operations of the Bitcoin ATMs in Puerto Rico.

Revenue from operations in Puerto Rico for the six months ended June 30, 2023 and for the year ended December 31, 2022 were 0% and 3% of total revenue respectively.

#### **25. Off-Balance Sheet Arrangements**

In the normal course of business, the Company’s contract with the government of El Salvador for the operation of the Chivo branded ATMs obligates the Company to assume the risk of loss for funds used in the operation of the Chivo branded ATMs while those funds are in transit. The Company has contracted with licensed and insured cash logistics companies to securely transport these funds. The logistics companies’ insurance covers in full the value of the funds in transit however, in the event of a loss or destruction of the funds in transit, the Company could encounter a timing delay between insurance payment for lost funds and the date of actual loss. The amount of funds in transit varies based on multiple factors including but not limited to economic activity, seasonality, holiday and bank closure calendars. The amount of funds in transit as of June 30, 2023, and December 31, 2022, were \$818,000 and \$278,000.

#### **26. Subsequent Events**

The Company has evaluated subsequent events after the balance sheet date of June 30, 2023 through August 11, 2023 the date on which these Condensed Consolidated Financial Statements were available to be issued.

On June 23, 2023 the Company signed a new lease agreement securing office space in Miami, Florida and intends to move its headquarters to the new location in the third quarter of 2023.

In July and August of 2023, the Company and KGPLA amended certain definitions and provisions of the Loan Agreement with respect to the Revolving Credit Note, as herein defined .