

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Athena Bitcoin Global

800 NW 7th AVE. MIAMI, FL 33136

312-690-4466

www.AthenaBitcoin.com

info@athenabitcoin.com

SIC 6099

Quarterly Report

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

Outstanding Shares

The number of shares outstanding of our Common Stock was:

4,094,459,545 as of September 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 Control¹ of the company has occurred over this reporting period:

Yes: No:

¹ "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 1, 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 1, 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 December 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:

800 NW 7th AVE. MIAMI, FL 33136

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: September 30, 2023</u> |
| Total shares outstanding: | <u>4,094,459,545 as of date: September 30, 2023</u> |
| Total number of shareholders of record: | <u>189 as of date: September 30, 2023</u> |

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

| | |
|--|------------|
| Trading symbol: | <u>N/A</u> |
| Exact title and class of securities outstanding: | <u>N/A</u> |
| CUSIP: | <u>N/A</u> |
| Par or stated value: | <u>N/A</u> |
| Total shares authorized: | <u>N/A</u> |
| Total shares outstanding: | <u>N/A</u> |
| Total number of shareholders of record: | <u>N/A</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.

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

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) |

| 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. |
|---------------------|---|--|---------------------|---|--|--|---|---|---------------------------------|
| 03/11/2022 | New Issuance | 200,000 | Common | See note 2 below | No | Zach Brover | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 200,000 | Common | See note 2 below | No | Jason Burstein | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 200,000 | Common | See note 2 below | No | Jonathan Steven Burstein | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 300,000 | Common | See note 2 below | No | Cauffiel Investments LLC/ John Cauffiel* | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 500,000 | Common | See note 2 below | No | John Cauffiel | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 100,000 | Common | See note 2 below | No | Kyle J Cetrulo | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 750,000 | Common | See note 2 below | No | John Crick | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 250,000 | Common | See note 2 below | No | Edward Crimmins | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 250,000 | Common | See note 2 below | No | ET Family Corp/Eli Neuberq* | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 500,000 | Common | See note 2 below | No | Jeffrey Steven Everson | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 100,000 | Common | See note 2 below | No | Christopher Fahy | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 500,000 | Common | See note 2 below | No | Rodolfo I Flores | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 1,000,000 | Common | See note 2 below | No | FP Australia LLC / Franz Pacht* | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 250,000 | Common | See note 2 below | No | Nicky Gathrite | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 250,000 | Common | See note 2 below | No | April Given | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 250,000 | Common | See note 2 below | No | Jeffrey Curtis Gooch | Debt conversion | Restricted | 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. |
|---------------------|---|--|---------------------|---|--|--|---|---|---------------------------------|
| 03/11/2022 | New Issuance | 500,000 | Common | See note 2 below | No | James Steven Granat | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 750,000 | Common | See note 2 below | No | Steven Heller | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 100,000 | Common | See note 2 below | No | Ivankovich Family Trust/ Ivan Ivankovich* | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 500,000 | Common | See note 2 below | No | Craig Herkimer | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 50,000 | Common | See note 2 below | No | William Stewart Jones | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 125,000 | Common | See note 2 below | No | Daniel King | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 2,500,000 | Common | See note 2 below | No | Todd Klein | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 250,000 | Common | See note 2 below | No | Jerome Klint | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 1,000,000 | Common | See note 2 below | No | Paul J Kusak | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 1,000,000 | Common | See note 2 below | No | Jonathan Lamensdorf | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 100,000 | Common | See note 2 below | No | Michael Leon | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 250,000 | Common | See note 2 below | No | Limpham LLC/ Bobby Lim* | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 250,000 | Common | See note 2 below | No | Jared Mackoul | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 250,000 | Common | See note 2 below | No | Tara S Majeed | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 250,000 | Common | See note 2 below | No | MBL Management LLC/ Benjamin Siegel* | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 350,000 | Common | See note 2 below | No | James Lydiard Mead | Debt conversion | Restricted | 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>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) |
| <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) |

| 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. |
|---|---|--|---------------------|---|--|--|---|---|---------------------------------|
| 03/11/2022 | New Issuance | 250,000 | Common | See note 2 below | No | John William Whitaker Jr Trust / John William Whitaker Jr and Heidi Leland Whitaker* | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 250,000 | Common | See note 2 below | No | Charles J Wildes IV | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/11/2022 | New Issuance | 100,000 | Common | See note 2 below | No | Daniel Winograd | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/31/2022 | New Issuance | 500,000 | Common | See note 2 below | No | Jonathan A Carson | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/31/2022 | New Issuance | 1,000,000 | Common | See note 2 below | No | Ryan C Myers | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/31/2022 | New Issuance | 500,000 | Common | See note 2 below | No | Ryan C Myers & Kelsey L Myers | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| 03/31/2022 | New Issuance | 2,600,000 | Common | See note 2 below | No | RKVP, LLC/ Ryan Myers* | Debt conversion | Restricted | Securities Act Section 4(a)(2) |
| <u>Ending Balance</u> <u>Ending Balance:</u> Date <u>12/31/2022</u> Common: <u>4,094,459,545</u> Preferred: <u>NONE</u> | | | | | | | | | |
| Shares Outstanding on Date of This Report: <u>Ending Balance</u> <u>Ending Balance:</u> Date <u>09/30/2023</u> Common: <u>4,094,459,545</u> Preferred: <u>NONE</u> | | | | | | | | | |

Example: A company with a fiscal year end of December 31st, 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>08/04/2022</u> | <u>\$0</u> | <u>\$500,000</u> | <u>\$0</u> | <u>08/31/2023</u> | Not convertible | <u>Michael Komaransky</u> | <u>Loan for Working Capital</u> |
| <u>05/15/2023</u> | <u>\$4,000,000</u> | <u>\$4,000,000</u> | <u>\$0</u> | <u>05/15/2024</u> | Senior Secured Revolving Credit Promissory Note | <u>KGPLA, LLC /Michael Komaransky*</u> | <u>Loan for Working Capital</u> |
| <u>1/31/2020</u> | <u>\$3,000,000</u> | <u>\$3,000,000</u> | <u>\$60,493</u> | <u>1/31/2025</u> | The lower of \$0.012/share or 20% Discount to Major Next Financing | <u>KGPLA, LLC /Michael Komaransky*</u> | <u>Convertible Loan for Working Capital</u> |
| <u>1/3/2017</u> | <u>\$90,000</u> | <u>\$90,000</u> | <u>\$0</u> | <u>1/2/2022</u> | Not convertible | <u>Lindsay Heidrick Separate Property Trust / Lindsay Garrison TTE*</u> | <u>Loan for Working Capital</u> |
| <u>5/30/2017</u> | <u>\$0</u> | <u>\$1,490,000</u> | <u>0</u> | <u>5/31/2023</u> | Not convertible | <u>Consolidated Futures LLC /Asher Corson*</u> | <u>Loan for Working Capital</u> |
| <u>7/3/2018</u> | <u>\$75,000</u> | <u>\$100,000</u> | <u>\$1,533</u> | <u>8/1/2028</u> | Not convertible | <u>LoanMe, Inc./ Jonathan Williams*</u> | <u>Working Capital</u> |
| <u>09/22/2021</u> | <u>\$666,000</u> | <u>\$1,500,000</u> | <u>\$2,086</u> | <u>9/21/2024</u> | Not Convertible | <u>Banco Hipotecario</u> | <u>Loan for Working Capital</u> |
| <u>12/12/2021</u> | <u>\$6,000</u> | <u>\$75,000</u> | <u>\$110</u> | <u>10/1/2023</u> | Not Convertible | <u>Capital Premium Financing Inc.</u> | <u>Loan for Commercial Liability Insurance</u> |
| <u>8/6/2021</u> | <u>\$0</u> | <u>\$50,000</u> | <u>\$0</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") | <u>2S Holdings LLC / Avi Moche*</u> | <u>Convertible Loan for Working Capital</u> |
| <u>8/27/2021</u> | <u>\$25,000</u> | <u>\$150,000</u> | <u>\$616</u> | <u>11/25/2023</u> | [same as above] [§] | <u>TOI Fund LLC /Ben Ashkar*</u> | <u>Convertible Loan for Working Capital</u> |
| <u>8/20/2021</u> | <u>\$0</u> | <u>\$150,000</u> | <u>\$1,258</u> | <u>8/20/2023</u> | [same as above] [§] | <u>Benjamin Markoff</u> | <u>Convertible Loan for Working Capital</u> |
| <u>8/6/2021</u> | <u>\$0</u> | <u>\$40,000</u> | <u>\$91</u> | <u>8/6/2023</u> | [same as above] | <u>MBL Management LLC / Benjamin Siegel*</u> | <u>Convertible Loan for Working Capital</u> |
| <u>8/6/2021</u> | <u>\$50,000</u> | <u>\$50,000</u> | <u>\$756</u> | <u>11/4/2023</u> | [same as above] | <u>ONE Entertainment Group LLC / Brent Alvin Johnson*</u> | <u>Convertible Loan for Working Capital</u> |
| <u>8/13/2021</u> | <u>\$25,000</u> | <u>\$100,000</u> | <u>\$921</u> | <u>11/11/2023</u> | [same as above] [§] | <u>Carl Niedbala</u> | <u>Convertible Loan for Working Capital</u> |
| <u>8/6/2021</u> | <u>\$12,500</u> | <u>\$25,000</u> | <u>\$0</u> | <u>11/4/2023</u> | [same as above] [§] | <u>Daniel King</u> | <u>Convertible Loan for Working Capital</u> |
| <u>7/16/2021</u> | <u>\$0</u> | <u>\$20,000</u> | <u>\$0</u> | <u>7/16/2023</u> | [same as above] [§] | <u>Danny Turek</u> | <u>Convertible Loan for Working Capital</u> |
| <u>8/13/2021</u> | <u>\$25,000</u> | <u>\$50,000</u> | <u>\$378</u> | <u>11/11/2023</u> | [same as above] [§] | <u>ET Family Corp / Eli Neuberger*</u> | <u>Convertible Loan for Working Capital</u> |
| <u>8/20/2021</u> | <u>\$25,000</u> | <u>\$25,000</u> | <u>\$378</u> | <u>8/11/2018/2023</u> | [same as above] | <u>Carlos Geniso SPA/Giancarlo Geniso*</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>8/20/2021</u> | <u>\$0</u> | <u>\$100,000</u> | <u>\$838</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>Evan Goldenberg</u> | <u>Convertible Loan for Working Capital</u> |
| <u>7/10/2021</u> | <u>\$0</u> | <u>\$50,000</u> | <u>\$82</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>\$0</u> | <u>\$5,000</u> | <u>\$0</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>\$378</u> | <u>11/4/2021</u> | [same as above] | <u>Jeffrey Karp</u> | <u>Convertible Loan for Working Capital</u> |
| <u>8/13/2021</u> | <u>\$0</u> | <u>\$100,000</u> | <u>\$723</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>\$362</u> | <u>11/25/2023</u> | [same as above] | <u>Mark Schoenhals</u> | <u>Convertible Loan for Working Capital</u> |
| <u>8/27/2021</u> | <u>\$15,000</u> | <u>\$50,000</u> | <u>\$561</u> | <u>11/25/2023</u> | [same as above] | <u>Maya Strelar-Migotti</u> | <u>Convertible Loan for Working Capital</u> |
| <u>7/10/2021</u> | <u>\$0</u> | <u>\$100,000</u> | <u>\$0</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>\$0</u> | <u>\$15,000</u> | <u>\$0</u> | <u>7/16/2023</u> | [same as above] | <u>Richard Scott Coles</u> | <u>Convertible Loan for Working Capital</u> |
| <u>7/16/2021</u> | <u>\$0</u> | <u>\$100,000</u> | <u>\$0</u> | <u>7/16/2023</u> | [same as above] [§] | <u>Steven Heller</u> | <u>Convertible Loan for Working Capital</u> |
| <u>9/30/2021</u> | <u>\$25,000</u> | <u>\$25,000</u> | <u>\$378</u> | <u>12/20/2023</u> | [same as above] | <u>Robyn Karp</u> | <u>Convertible Loan for Working Capital</u> |
| <u>7/10/2021</u> | <u>\$0</u> | <u>\$250,000</u> | <u>\$1,455</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>\$302</u> | <u>11/4/2023</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>\$378</u> | <u>12/29/2023</u> | [same as above] | <u>Joan Meltzer</u> | <u>Convertible Loan for Working Capital</u> |
| <u>9/30/2021</u> | <u>\$0</u> | <u>\$300,000</u> | <u>\$0</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>\$0</u> | <u>9/30/2023</u> | [same as above] [§] | <u>Jonathan Carson</u> | <u>Convertible Loan for Working Capital</u> |
| <u>9/30/2021</u> | <u>\$55,000</u> | <u>\$55,000</u> | <u>\$832</u> | <u>9/30/2023</u> | [same as above] | <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).

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-six states (CA, TX, GA, FL, OH, IL, MO, PA, MI, AL, WI, MN, TN, MA, CO, NJ, AZ, KY, KS, OK, IN, MS, MD, IA, NC, VA) 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 predominantly in Bitcoin, and Ethereum, Litecoin, and BCH (Athena Plus.) 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 Bitcoin 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 nine months ended September 30, 2023 along with the Notes to Condensed Consolidated Financial Statements and in particular Note 7 Operating Leases, Note 5 Crypto Assets Held, and Note 25 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 Gravenqaard</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> | |
| <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. Pruyn</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]: N/A

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)²:

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 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.

11/14/2023 [Date]

/s/Matias Goldenhorn [CEO's Signature]

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

² 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.

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.

11/14/2023 [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 nine months ended September 30, 2023 and 2022

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

Contents

Financial Statements (Unaudited)

| | |
|---|---|
| <u>Condensed Consolidated Balance Sheets</u> | 1 |
| <u>Condensed Consolidated Statements of Operations and Comprehensive Income</u> | 3 |
| <u>Condensed Consolidated Statements of Cash Flows</u> | 4 |
| <u>Condensed Consolidated Statements of Shareholders' Equity (Deficit)</u> | 5 |
| <u>Notes to Condensed Consolidated Financial Statements</u> | 6 |

Athena Bitcoin Global
Condensed Consolidated Balance Sheets (Unaudited)

| | <u>September 30,</u> <u>2023</u> | <u>December 31,</u> <u>2022</u> |
|---|-------------------------------------|------------------------------------|
| <i>(in thousands)</i> | | |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 13,168 | \$ 2,101 |
| Restricted cash held for customers | 504 | 1,107 |
| Accounts receivable | 327 | 109 |
| Prepaid expenses and other current assets | 1,227 | 1,188 |
| Total current assets | <u>15,226</u> | <u>4,505</u> |
| Crypto assets held | 303 | 365 |
| Property and equipment, net | 5,296 | 5,839 |
| Right of use asset – operating lease | 15,940 | 2,751 |
| Other noncurrent assets | 18 | 50 |
| Total assets | <u>\$ 36,783</u> | <u>\$ 13,510</u> |
| Liabilities and Shareholders' equity (deficit) | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ 1,451 | \$ 1,531 |
| Accounts payable, related party | 777 | 465 |
| Liability for cash held for customers | 504 | 1,107 |
| Operating lease liabilities, current portion | 5,391 | 786 |
| Income tax payable | 1,421 | 694 |
| Deferred tax liabilities | 295 | 28 |
| Long-term debt, current portion | 494 | 507 |
| Short-term debt | 5 | 614 |
| Note payable, related party | 4,090 | 490 |
| Convertible debt | 353 | 1,520 |
| Other current liabilities | 322 | 396 |
| Total current liabilities | <u>\$ 15,103</u> | <u>\$ 8,138</u> |

See accompanying notes.

Athena Bitcoin Global
Condensed Consolidated Balance Sheets (Unaudited)

| | September 30, 2023 | December 31, 2022 |
|--|--|------------------------------|
| | <i>(in thousands, except number of shares)</i> | |
| Long-term liabilities: | | |
| Long-term debt | \$ 203 | \$ 610 |
| Operating lease liabilities, net of current portion | 10,549 | 1,965 |
| Convertible debt, related party | 3,000 | 3,000 |
| Total liabilities | <u>28,855</u> | <u>13,713</u> |
| 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 September 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 September 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 | (1,006) | (993) |
| Net common stock | 3,089 | 3,102 |
| Additional paid in capital | 8,446 | 8,446 |
| Accumulated deficit | (3,386) | (11,576) |
| Accumulated other comprehensive loss | (221) | (175) |
| Total shareholders' equity (deficit) | <u>7,928</u> | <u>(203)</u> |
| Total liabilities and shareholders' equity (deficit) | <u>\$ 36,783</u> | <u>\$ 13,510</u> |

See accompanying notes.

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

| | For the three months ended | | For the nine months ended | |
|---|--|-------------------------------|----------------------------------|-------------------------------|
| | September 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 |
| | <i>(in thousands, except number of shares)</i> | | | |
| Revenues | \$ 65,646 | \$ 14,049 | \$ 120,210 | \$ 53,750 |
| Cost of revenues | 55,813 | 11,423 | 103,833 | 46,794 |
| Gross profit | 9,833 | 2,626 | 16,377 | 6,956 |
| Operating expenses: | | | | |
| Technology and development | 132 | 156 | 402 | 579 |
| General and administrative | 1,297 | 1,194 | 3,345 | 4,736 |
| Sales and marketing | 41 | 128 | 240 | 480 |
| Other operating expense | 10 | 10 | 51 | 24 |
| Total operating expenses | 1,480 | 1,488 | 4,038 | 5,819 |
| Income from operations | 8,353 | 1,138 | 12,339 | 1,137 |
| Interest expense | 97 | 164 | 330 | 526 |
| Fees on virtual vault services | 312 | – | 543 | 67 |
| Other expense | 38 | 29 | 134 | 178 |
| Income before income taxes | 7,906 | 945 | 11,332 | 366 |
| Income tax expense | 1,976 | 807 | 3,141 | 1,977 |
| Net income (loss) | \$ 5,930 | \$ 138 | \$ 8,191 | \$ (1,611) |
| Basic (loss) earnings per share | \$ 0.00145 | \$ 0.00003 | \$ 0.00200 | \$ (0.00039) |
| Diluted (loss) earnings per share | \$ 0.00134 | \$ 0.00005 | \$ 0.00188 | \$ (0.00039) |
| Weighted average shares outstanding - Basic | 4,094,459,545 | 4,083,081,524 | 4,094,459,545 | 4,083,081,524 |
| Weighted average shares outstanding - Diluted | 4,484,128,545 | 4,348,281,525 | 4,484,128,545 | 4,083,081,524 |
| Comprehensive loss | | | | |
| Net income (loss) | \$ 5,930 | \$ 138 | \$ 8,191 | \$ (1,611) |
| Foreign currency translation adjustment | (14) | (15) | (46) | 8 |
| Comprehensive income (loss) | \$ 5,916 | \$ 123 | \$ 8,145 | \$ (1,603) |

See accompanying notes.

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

| | For the nine months ended | |
|--|----------------------------------|-------------------------------|
| | September 30, 2023 | September 30, 2022 |
| | <i>(in thousands)</i> | |
| Operating activities | | |
| Net income (loss) | \$ 8,191 | \$ (1,611) |
| Adjustments to reconcile net income (loss) to net cash used in operating activities: | | |
| Depreciation and amortization | 1,556 | 1,133 |
| Impairment of crypto assets held | 9 | 205 |
| Realized loss on crypto assets | 14 | 4 |
| Crypto asset payments for expenses | 3,680 | 2,260 |
| Deferred income tax | 295 | (705) |
| Gain on sale of crypto assets | (24,493) | (8,237) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (218) | 447 |
| Other advances | – | (750) |
| Prepaid expenses and other assets | (13,196) | (1,906) |
| Customer advances | (739) | (2,694) |
| Accounts payable and other liabilities | 14,831 | 6,743 |
| Net cash used in operating activities | (10,070) | (5,111) |
| Investing activities | | |
| Purchase of property and equipment | (960) | (603) |
| Purchase of crypto assets | (96,307) | (42,693) |
| Sale of crypto assets | 116,352 | 49,010 |
| Net cash provided by investing activities | 19,085 | 5,714 |
| Financing activities | | |
| Proceeds (repayment) of debt, net | 1,449 | (523) |
| Net cash provided (used) by financing activities | 1,449 | (523) |
| Net increase in cash and cash equivalents | 10,464 | 80 |
| Cash, cash equivalents and restricted cash, beginning of period | 3,208 | 4,845 |
| Cash, cash equivalents and restricted cash, end of period | \$ 13,672 | \$ 4,925 |
| Cash, cash equivalents, and restricted cash consisted of the following: | | |
| Cash and cash equivalents | \$ 13,168 | \$ 3,949 |
| Restricted cash held for customers | 504 | 976 |
| Total cash, cash equivalents and restricted cash | \$ 13,672 | \$ 4,925 |
| Supplemental disclosure of cash flow information: | | |
| Cash paid for interest | \$ 325 | \$ 539 |
| Cash paid for taxes | \$ 1,570 | \$ 33 |
| Supplemental schedule of non-cash operating, investing, and financing activities: | | |
| Leased assets obtained in exchange for operating lease liabilities | \$ 2,545 | \$ 699 |
| Conversion of debt for common shares | \$ – | \$ 3,590 |
| Crypto assets used to buy property and equipment | \$ 29 | \$ 121 |
| Crypto asset used for accounts payable | \$ 814 | \$ – |

See accompanying notes.

Athena Bitcoin Global
Condensed Consolidated Statement of Shareholders' Equity (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 |
| Net income | - | - | - | - | 5,930 | - | 5,930 |
| Foreign currency translation adjustment | - | - | - | - | - | (14) | (14) |
| Accrued interest on employee loans | - | - | (5) | - | - | - | (5) |
| Balance, September 30, 2023 | 4,094,459,545 | \$ 4,095 | \$ (1,006) | \$ 8,446 | \$ (3,386) | \$ (221) | \$ 7,928 |

See accompanying notes.

Athena Bitcoin Global
Notes to Unaudited Condensed Consolidated Financial Statements
For the three and nine months ended September 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-six states (CA, TX, GA, FL, OH, IL, MO, PA, MI, AL, WI, MN, TN, MA, CO, NJ, AZ, KY, KS, OK, IN, MS, MD, IA, NC, VA) 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 acquirer. 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 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 connection with the Share Exchange, 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. Additionally, 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).

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

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.

There were 45,066,666 shares issued for debt conversions in 2022.

Athena Bitcoin Global has 4,094,459,545 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively and authorized capital of 10,000,000,000 and 4,409,605,000 shares as of September 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 has an accumulated deficit of \$3,386,000 and working capital of \$123,000 as of September 30, 2023. These conditions and events create an uncertainty 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 and impairment assessment for 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

Revenue Recognition

The Company derives its recurring revenues primarily from three sources: (i) sale of crypto assets at Athena Bitcoin ATMs, (ii) customized investor trading services for the sale or purchase of crypto assets through our Athena Plus desk and (iii) white label operations in El Salvador. The Company also generates revenue from ancillary items, such as sale of intellectual property and maintenance of software. The Company adopted ASC 606, Revenue Recognition ("ASC 606"), effective January 1, 2019, using the modified retrospective method. Under ASC 606, Revenue Recognition, the Company recognizes revenue at the point of sale or over time of the service period for these products or services to our customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products or services. The Company determines revenue recognition through the following five steps:

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

- 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.

The Company recognizes revenue when performance obligations identified under the terms of contracts with its customers are satisfied.

Judgment is required in determining whether we are the principal or the agent in transactions between customers. We evaluate the presentation of revenue on a gross or net basis based primarily on inventory risk (are we at risk for potentially fluctuations of the crypto asset price) and whether we control the crypto asset provided before it is transferred to the customer or whether we act as an agent by arranging for others to provide the crypto asset to the customer.

The Company enters into contracts that may include multiple performance obligations. The Company identifies the promises in the contract and assigns them to their appropriate performance obligation. These performance obligations may be part of a different revenue source and are listed separately below.

Athena Bitcoin ATM

The Company requires all users of the Athena Bitcoin ATM to agree to ATM Terms & Service. The ATM Terms & Service stipulate the terms and conditions of the transaction. The user, by inserting fiat currency and confirming that they agree to the transaction, is agreeing to the contract that governs the transaction. This contract meets all of the criteria to be a revenue contract under ASC 606.

The Company has a single performance obligation to provide a specific quantity of a crypto asset to the customer's crypto wallet. We utilize a mark-up for crypto assets sold to the customer. Athena Bitcoin ATMs permit transactions up to \$2,000. The Company considers itself the principal in this arrangement, as it controls the crypto asset prior to delivering, incurs inventory risk due to potential fluctuations in the market price of the crypto asset and has discretion in establishing the price of the crypto asset sold in the Athena Bitcoin ATM machine. Therefore, it records the gross cash received from the customer as the transaction price for the performance obligation.

Revenue is recognized at the point in time when the crypto asset is delivered to the customer's crypto wallet. Delivery to the customer's crypto wallet is governed by the crypto asset's blockchain and typically less than an hour.

Athena Plus

The Company requires all users of Athena Plus to agree to Athena Plus Terms & Service. The Athena Plus Terms & Service stipulate the terms and conditions of the transaction. The user, by wiring fiat currencies to the Company's bank account, is agreeing to the contract that governs the transaction. This contract meets all of the criteria to be a contract under ASC 606.

The Company has a single performance obligation to provide a specific quantity of a crypto asset to the customer's crypto wallet. We utilize a mark-up for crypto assets sold to the customer. The minimum transaction is \$10,000 USD (or equivalent value of local currency). The Company considers itself the principal in this arrangement, as it controls the crypto asset prior to delivering, incurs inventory risk due to potential fluctuations in the market price of the crypto asset and has discretion in establishing the price of the crypto asset sold. Therefore, it records the gross cash received from the customer as the transaction price for the performance obligation. The only exception for this are stable coins, which are considered financial assets. As such, the Company, in accordance with ASC 860-20, will recognize revenue net (markup) for any sale of stable coins.

Revenue is recognized at the point in time when the crypto asset is delivered to the customer's crypto wallet. Delivery to the customer's crypto wallet is governed by the crypto asset's blockchain.

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

White-label Service

The Company entered into multiple contracts that govern the white-label service with the El Salvadoran government for ATMs located in El Salvador and in the United States. These contracts detail the obligations and rights of both parties, including pricing and meet all of the criteria of a revenue contract under ASC 606. The contracts permit the customer to terminate the contract at any point or to adjust the number of ATMs that are in use without a substantive penalty. This results in each ATM and each service month for the ATM being considered a separate revenue contract per ASC 606.

The Company makes multiple promises to the customer. This includes installation as well as multiple promises for operating the ATMs on behalf of the customer. Installation is a separate performance obligation. This is due to the customer benefitting from the installation, the customer's ability to utilize a third-party to perform the installation if desired, no significant modification or customization is part of the installation, no significant integration of installation with operating the ATMs and installation does not affect the operating of the ATMs performance obligation (discussed below). This results in installation services being capable of being distinct and distinct in the context of the contract.

Operating the ATMs include multiple promises, including providing the Company owned ATMs, repairs and maintenance as necessary, loading and unloading cash and any other activities that are required to ensure that the ATMs are operating. In 2022, the Company entered a separate contract that require the Company to ensure that the ATMs provide ATM services at least 99% of the time. The Company evaluated these promises to operate the ATMs and determined that the individual promises are not distinct in terms of the contract. While the promise that are in the contract may vary each day, the tasks are activities to fulfill their service to operate the ATMs is a combined output that provides a continuous service to the customer. Each increment of the promised service, which is each day, is distinct in accordance with ASC 606-10-25-19. This is due to the customer benefitting from each increment of service on its own (it is capable of being distinct) and each increment of service is separately identifiable because no day of service significantly modifies or customizes another day of the contract and no day of service significantly affects either the entity's ability to fulfill another day of service or the benefit to the customer of another day of service. Therefore, the days are substantially the same and have the same pattern of transfer. Therefore, this meets the criteria to be considered part of a series and is combined into a single performance obligation for each contract.

Included in the operating the ATM performance obligation is providing Company owned ATMs to the customer. The Company elected the expedient in ASC 842-10-15-42A, which permits the combining the lease and non-lease components together if the lease component has the same timing and pattern of transfer as the non-lease component and the lease component is an operating lease. Both of these conditions are met. Given that that the predominant obligation is the non-lease component (servicing the ATM), the Company, in accordance with ASC 842-10-15-42B, will account for the performance obligation under the terms of ASC 606.

The Company generally charges a fixed fee for installation and a fixed fee each month for operating the ATMs as well as in certain cases (US based ATMs) collecting a .5% transaction fee. The fixed fees collected are allocated to the performance obligations based on an adjusted market assessment approach. The Company generally charges the customer for costs incurred to perform the service, including repairs and cash logistics. The fees for the specific services and the .5% transaction fees are considered variable consideration. The Company is considered the principal, as it controls any third-party good or service before it is transferred to the customer.

The prices for additional services and reimbursement of costs do not meet the definition of a material right, as the services included have separate pricing are not considered an additional good or service but part of the existing contract. These services are considered perfunctory, as they are necessary for the Company to fulfill its performance obligation to operate the machines on behalf of the customer.

For operating the ATM, revenue is recognized straight line over the requisite service period, which is typically one month, for operating the ATM. For installation, revenue is recognized at the point in time when installation is complete. The variable transaction fee is recognized in the month in which it has earned the fee. Variable transaction fees related to reimbursement of costs are recognized in the month in which it has incurred the costs and earned the revenue.

Cost of Revenues

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

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

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), crypto asset impairment and fees paid to service the ATM machines and transport cash to the banks.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

The Company maintains cash balances at various financial institutions. Accounts at these institutions are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. The Company has deposits in excess of the FDIC-insured limit. The Company has not experienced any losses in such accounts and believes that it is not exposed to significant credit risk due to the financial position of the depository institutions or investment vehicles in which those deposits are held. The Company has significant cash in ATM machines, which are insured by a third-party.

Restricted Cash Held for Customers

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

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 September 30, 2023 and December 31, 2022, respectively utilizing the CECL methodology.

Leases

The Company determines if an arrangement is a lease at inception. The Company classifies its arrangements for ATM retail spaces as an operating leases. The Company does not have any significant arrangements where it is the lessor. The Company elected to 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. Operating lease expense is recognized on a straight-line basis over the lease term.

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.

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

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 over the counter customers, there is no credit risk associated with customer concentration for these customers.

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

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 September 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.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Equipment is depreciated over the estimated useful lives of the assets. Leasehold improvements are depreciated over the shorter of the estimated useful lives of improvements or the term of the related lease. Repairs and maintenance costs are expensed as incurred.

Following are the estimated useful lives by type:

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

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.

Impairment of Long-Lived Assets

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 September 30, 2023 and September 30, 2022 except for impairment of crypto assets held, as discussed below.

Crypto Assets Held

Crypto assets are considered indefinite-lived intangible assets under ASC 350, Intangibles—Goodwill and are initially measured at cost and are not amortized. As intangible assets, the crypto assets held 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 crypto assets held are recorded as cost of revenues. For the nine months ended September 30, 2023 and September 30, 2022, the Company had impairment charges related to crypto assets held of \$9,000 and \$205,000, respectively which are included in the cost of revenues on the Condensed Consolidated Statement of Operations and Comprehensive Income. For the three months ended September 30, 2023 and September 30, 2022, the Company had impairment charges related to crypto assets held of \$9,000 and \$6,000 respectively, which are included in the cost of revenues on the Condensed Consolidated Statement of Operations and Comprehensive Income (Loss).

Expenses Paid in Crypto Assets

The Company enters into agreements with certain vendors and service providers that provide us with the option to settle their invoices in crypto assets. The amount due is fixed and is denominated in USD. There are no payment terms that include conversion options, variable settlement features, or alternative settlement provisions contingent upon future events or market price fluctuations that could potentially give rise to embedded derivatives.

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

The Company considers the guidance in ASC 350, ASC 606, ASC 610, and ASC 845 when it evaluates the derecognition of its crypto 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 crypto assets, 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 crypto 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 cost of revenues in the Condensed Consolidated Statement of Operations and Comprehensive Income (Loss).

For the nine months ended September 30, 2023 and September 30, 2022, the Company had losses related to the derecognition of crypto assets of \$14,000 and \$4,000, respectively. For the three months ended September 30, 2023, the Company had losses related to the derecognition of crypto assets held of \$15,000 and \$4,000 of gains September 30, 2022, respectively.

Foreign Currency

The functional currency of our wholly owned subsidiaries is the currency of the primary economic environment in which the Company operates. 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. Translation adjustments are included in comprehensive income in our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

Assets and liabilities of a subsidiary that are denominated in currencies other than the Company’s functional currency are re-measured into the functional currency. Transaction gains and losses related to exchange rate fluctuations on transactions denominated in a currency other than the functional currency of an entity are recorded within the Company’s Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) as a component of other expense (income).

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.

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.

Cash loans through a non-recourse note for the purpose of exercising options are considered to be a repurchase of shares previously held by the grantee and are treated like Treasury Stock.

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.

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

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.

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 condensed 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.

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.

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

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.

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.

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

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 nine months ended | |
|---------------------|----------------------------|-----------------------|---------------------------|-----------------------|
| | September 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 |
| | <i>(in thousands)</i> | | | |
| Athena ATMs | \$ 61,671 | \$ 9,623 | \$ 102,088 | \$ 35,612 |
| Athena Plus | 2,679 | 1,833 | 14,264 | 13,398 |
| White label | 1,277 | 2,574 | 3,802 | 4,672 |
| Ancillary and other | 19 | 19 | 56 | 68 |
| | <u>\$ 65,646</u> | <u>\$ 14,049</u> | <u>\$ 120,210</u> | <u>\$ 53,750</u> |

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

| | For the three months ended | | For the nine months ended | |
|----------------|----------------------------|-----------------------|---------------------------|-----------------------|
| | September 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 |
| | <i>(in thousands)</i> | | | |
| Revenue | | | | |
| United States | \$ 63,233 | \$ 12,999 | \$ 114,804 | \$ 46,448 |
| El Salvador | 2,332 | 957 | 5,143 | 7,040 |
| International | 81 | 93 | 263 | 262 |
| | <u>\$ 65,646</u> | <u>\$ 14,049</u> | <u>\$ 120,210</u> | <u>\$ 53,750</u> |

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 September 30, 2023 and December 31, 2022, the cash received as advances from GOES was \$201,000 and \$1,107,000 respectively, presented as part of Liability for cash held for customers on the Condensed Consolidated Balance Sheet .

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.

Athena Bitcoin Global
Notes to Unaudited Condensed Consolidated Financial Statements
For the three and nine months ended September 30, 2023 and 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).

4. Accounts Receivable

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

| | September 30, 2023 | December 31, 2022 |
|----------------------------|-----------------------|----------------------|
| | <i>(in thousands)</i> | |
| White-label fee receivable | \$ 276 | \$ 85 |
| Others | 51 | 24 |
| | \$ 327 | \$ 109 |

5. Crypto Assets Held

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

| | September 30, 2023 | | | December 31, 2022 | | |
|--------------|-----------------------|-----------------|------------------------------|----------------------|-----------------|------------------------------|
| | Qty ⁽¹⁾ | Average Rate | Amount <i>(thousands)</i> | Qty ⁽¹⁾ | Average Rate | Amount <i>(thousands)</i> |
| Bitcoin | 11 | \$ 25,673 | \$ 282 | 16 | \$ 18,069 | \$ 290 |
| Litecoin | – | – | – | 125 | 66 | 8 |
| Ethereum | – | – | – | 17 | 1,130 | 19 |
| Bitcoin Cash | – | – | – | 26 | 97 | 2 |
| Tether | 21,495 | 1 | 21 | 45,502 | 1 | 46 |
| | | | \$ 303 | | | \$ 365 |

(1) Rounded off to the nearest whole number

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 ⁽²⁾ |
|--|---------|----------|---------------------------|
| | Qty | Cost | Cost |
| <i>Nine months ended</i> | | | |
| January 1, 2022 | 17 | \$ 796 | \$ 46 |
| Purchases | 1,306 | 37,158 | 5,535 |
| Cost of sales | (1,225) | (35,069) | (5,208) |
| Crypto assets used for expenses | (78) | (2,264) | – |
| Crypto assets used for capital expenditure | (3) | (121) | – |
| Impairment | – | (125) | (80) |
| Change in bitcoin held on behalf of certain customers ⁽³⁾ | (4) | (124) | – |
| September 30, 2022 ⁽¹⁾ | 13 | \$ 251 | \$ 293 |

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

| | Bitcoin | | All Others ⁽²⁾ |
|--|-----------|---------------|---------------------------|
| | Qty | Cost | Cost |
| <i>Three months ended</i> | | | |
| October 1, 2022 | 13 | \$ 251 | \$ 293 |
| Purchases | 712 | 10,040 | 674 |
| Cost of sales | (672) | (9,363) | (609) |
| Crypto assets used for expenses | (37) | (627) | (283) |
| Change in bitcoin held on behalf of certain customers ⁽³⁾ | – | (11) | – |
| December 31, 2022 ⁽¹⁾ | <u>16</u> | <u>\$ 290</u> | <u>\$ 75</u> |
| <i>Nine months ended</i> | | | |
| January 1, 2023 | 16 | \$ 290 | \$ 75 |
| Purchases | 3,837 | 93,504 | 2,803 |
| Cost of sales | (3,674) | (89,816) | (2,043) |
| Crypto assets used for expenses | (166) | (3,680) | – |
| Crypto assets used for capital expenditure | (1) | (29) | – |
| Crypto assets used for other payments | – | – | (814) |
| Change in bitcoin held on behalf of certain customers ⁽³⁾ | (1) | 13 | – |
| September 30, 2023 ⁽¹⁾ | <u>11</u> | <u>\$ 282</u> | <u>\$ 21</u> |

⁽¹⁾ Rounded off to the nearest whole number

⁽²⁾ All others include Bitcoin Cash, Bitcoin SV, Ethereum, Litecoin, and Tether

⁽³⁾ Change in Bitcoin held related to discontinued operations

6. Property and Equipment

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

| | September 30, 2023 | December 31, 2022 |
|--|-----------------------|----------------------|
| | <i>(in thousands)</i> | |
| ATM Equipment | \$ 5,894 | \$ 4,923 |
| Capitalized software | 3,816 | 3,811 |
| Computer equipment | 114 | 111 |
| Office equipment | 25 | 22 |
| | <u>9,849</u> | <u>8,867</u> |
| Less accumulated depreciation and amortization | 4,553 | 3,028 |
| | <u>\$ 5,296</u> | <u>\$ 5,839</u> |

Depreciation expense for the three months ended September 30, 2023 and 2022 was \$360,000 and \$341,000 respectively. Depreciation expense for the nine months ended September 3, 2023 and 2022 was \$1,023,000 and \$1,022,000 respectively. Amortization expense for the three months ended September 30, 2023 and 2022 was \$168,000 and \$0 respectively. Amortization expense for the nine months ended September 30, 2023 and 2022 was \$502,000 and \$0 respectively.

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 Company never entered into final agreements contemplated in the letter of intent.

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

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 periods under other advances in the Condensed Consolidated Balance Sheets represented payment in full for certain software, code and technology developments. The cost of the software is included in capitalized software as of September 30, 2023 and December 31, 2022, and is being amortized over five years.

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

| | September 30, 2023 | December 31, 2022 |
|---------------|-----------------------|----------------------|
| | <i>(in thousands)</i> | |
| United States | \$ 4,078 | \$ 4,167 |
| El Salvador | 1,218 | 1,672 |
| | <u>\$ 5,296</u> | <u>\$ 5,839</u> |

7. Operating Leases

Lease liabilities as of consist of the following:

| | September 30, 2023 | December 31, 2022 |
|---|-----------------------|----------------------|
| | <i>(in thousands)</i> | |
| Current portion of lease liabilities | \$ 5,391 | \$ 786 |
| Long term lease liabilities, net of current portion | 10,549 | 1,965 |
| Total lease liabilities | <u>\$ 15,940</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.

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.

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

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

8. Prepaid Expenses and Other Assets

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

| | September 30, 2023 | December 31, 2022 |
|--|-----------------------|----------------------|
| <i>(in thousands)</i> | | |
| Prepaid expenses and other current assets: | | |
| Prepaid expense | \$ 240 | \$ 358 |
| Prepaid foreign taxes | 137 | 124 |
| Supplier advances | 821 | 680 |
| Others | 29 | 26 |
| | \$ 1,227 | \$ 1,188 |

9. Accounts Payable, Accrued Expenses and Other liabilities

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

| | September 30, 2023 | December 31, 2022 |
|--|-----------------------|----------------------|
| <i>(in thousands)</i> | | |
| Accounts payable and accrued expenses: | | |
| Accounts payable | \$ 1,203 | \$ 1,401 |
| Accrued expenses | 173 | 45 |
| Interest payable | 75 | 85 |
| | \$ 1,451 | \$ 1,531 |
| Other current liabilities: | | |
| Payroll liabilities | \$ 66 | \$ 39 |
| Foreign local taxes payable | 216 | 184 |
| Uncertain tax position | – | 106 |
| Other payable | 40 | 67 |
| | \$ 322 | \$ 396 |

10. Debt

Related Party

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 September 30, 2023, and December 31, 2022, the outstanding principal was \$90,000.

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 September 30, 2023, and December 31, 2022, the outstanding principal was \$0 and \$400,000, respectively.

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

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 September 30, 2023 the outstanding principal of the Revolving Credit Note was \$4,000,000. 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.

| | | |
|-----------------------------------|----|--------------|
| Remainder of 2023 | \$ | 90 |
| 2024 and Thereafter | | 4,000 |
| Total related party debt payments | \$ | <u>4,090</u> |

Third Party

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 September 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 September 30, 2023, and December 31, 2022, the outstanding principal was \$75,000 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. September 30, 2022, and December 31, 2022, the outstanding principal was \$666,000 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 September 30, 2023, and December 31, 2022, the outstanding principal was \$6,000 and \$49,000, respectively.

For third-party Debt, the principal payments due as of September 30, 2023 are as follows (in thousands):

| | | |
|------------|----|------------|
| 2023 | \$ | 136 |
| 2024 | | 548 |
| 2025 | | 12 |
| 2026 | | 16 |
| 2027 | | 20 |
| Thereafter | | 15 |
| | \$ | <u>747</u> |

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

Deferred financing costs are amortized using the effective interest method. Deferred financing for the three and nine months ended September 30, 2023 was \$19,000 and \$31,000 and \$100 and \$900 for the for the three and nine months ended September 30, 2022. Deferred financing costs had a carrying value of \$45,000 on September 30, 2023 and \$0 at December 31, 2022. These discounts are recorded as a reduction of debt on the Condensed Consolidated Balance Sheets.

11. Convertible debt

Related Party

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 September 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.

Third Party

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.

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 \$353,000 on September 30, 2023 and \$1,520,000 December 31, 2022.

Maturities on the Company's convertible debt are as follows:

| | | |
|---------------------------------|----|--------------|
| Remainder of 2023 | \$ | 353 |
| 2024 | | - |
| 2025 | | 3,000 |
| Total convertible debt payments | \$ | <u>3,353</u> |

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

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):

| | September 30, 2023 | | | | December 31, 2022 | | | |
|---|--------------------|-------------|-------------|------------------|-------------------|--------------|-------------|-----------------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Assets | | | | | | | | |
| Cash and cash equivalents | \$ 13,168 | \$ – | \$ – | \$ 13,168 | \$ 2,101 | \$ – | \$ – | \$ 2,101 |
| Restricted cash – cash held for customers | 504 | – | – | 504 | 1,107 | – | – | 1,107 |
| Crypto assets held | – | – | – | – | – | 59 | – | 59 |
| | <u>\$ 13,672</u> | <u>\$ –</u> | <u>\$ –</u> | <u>\$ 13,672</u> | <u>\$ 3,208</u> | <u>\$ 59</u> | <u>\$ –</u> | <u>\$ 3,267</u> |
| Liabilities | | | | | | | | |
| 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 September 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'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 purchase of 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.

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

15. General and Administrative Expenses

General and administrative expenses consisted of the following.

| | For the three months ended | | For the nine months ended | |
|-------------------------------------|----------------------------|-----------------------|---------------------------|-----------------------|
| | September 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 |
| | <i>(in thousands)</i> | | | |
| Salaries and benefits | \$ 709 | \$ 760 | \$ 1,811 | \$ 2,799 |
| General and administrative expenses | 499 | 387 | 1,300 | 1,655 |
| Travel | 44 | 40 | 135 | 193 |
| Rent | 45 | 7 | 99 | 89 |
| | <u>\$ 1,297</u> | <u>\$ 1,194</u> | <u>\$ 3,345</u> | <u>\$ 4,736</u> |

16. Sales and Marketing

Sales and marketing expenses consisted of the following.

| | For the three months ended | | For the nine months ended | |
|-----------------------------|----------------------------|-----------------------|---------------------------|-----------------------|
| | September 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 |
| | <i>(in thousands)</i> | | | |
| Salaries and benefits | \$ 14 | \$ 97 | \$ 158 | \$ 303 |
| Advertising | 25 | 31 | 33 | 157 |
| Other selling and marketing | 2 | – | 49 | 20 |
| | <u>\$ 41</u> | <u>\$ 128</u> | <u>\$ 240</u> | <u>\$ 480</u> |

17. 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 September 30, 2023, and December 31, 2022, the outstanding balance due from employees was \$1,006,000 and \$993,000, respectively.

18. Warrants

In 2017 Athena Bitcoin, Inc. 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 stock 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 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.

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 September 30, 2023 and December 31, 2022. The warrants will expire on May 30, 2025.

19. 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 September 30, 2023 and December 31, 2022 was \$407,000, and is recorded in Accounts payable, related party in the Condensed Consolidated Balance Sheets.

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

During the period ended September 30, 2023 and December 31, 2022 Company incurred cash logistics services of \$1,360,000 and \$718,000 and ATM conversion cost of \$670,000 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 100% interest in Swift Trust, LLC. He also has a 50% interest in Move On Security LLC. As of September 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 \$371,000 and \$58,000, respectively.

20. Fees on Virtual Vault Services

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.

Fees on borrowings for the three months ending September 30, 2023 and September 30, 2022 respectively was \$312,000 and \$0 and for the nine months ending September 30, 2023 and September 30, 2022 were \$543,000 and \$67,000.

21. Income Taxes

The Company's effective tax rate ("ETR") for the three months ended September 30, 2023 and 2022 was 25.02% and 85.00% respectively. The Company's effective tax rate ("ETR") for the nine months ended September 30, 2023 and 2022 was 27.72% and 541.00% respectively. The ETR of 25.02% for the three months ended September 30, 2023 and 27.72% for the nine months ended September 30, 2023 was higher than the U.S. statutory rate of 21.0% due to due to the valuation allowance on domestic and foreign deferred tax assets, and foreign withholding taxes.

22. Net Earnings (Loss) Per Share

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

| | For the three months ended | | For the nine months ended | |
|---|---|-----------------------|---------------------------|-----------------------|
| | September 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 |
| | <i>(in thousands, except per share amounts)</i> | | | |
| Basic net income (loss) per share: | | | | |
| Numerator | | | | |
| Net income (loss) | \$ 5,930 | \$ 138 | \$ 8,191 | \$ (1,611) |
| Denominator | | | | |
| Weighted-average shares of common stock used to compute net loss per share attributable to common stockholders, basic | 4,094,459,545 | 4,083,081,524 | 4,094,459,545 | 4,083,081,524 |
| Net income (loss) per share attributable to common stockholders, basic | \$ 0.00145 | \$ 0.00003 | \$ 0.00200 | \$ (0.00039) |

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

| | For the three months ended | | For the nine months ended | |
|---|---|-----------------------|---------------------------|-----------------------|
| | September 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 |
| | <i>(in thousands, except per share amounts)</i> | | | |
| Diluted net income (loss) per share: | | | | |
| Numerator | | | | |
| Net income (loss), basic | \$ 5,930 | \$ 138 | \$ 8,191 | \$ (1,611) |
| Add: Interest expense on convertible debt | 72 | 92 | 236 | – |
| Net income (loss), diluted | \$ 6,002 | \$ 230 | \$ 8,427 | \$ (1,611) |
| Denominator | | | | |
| Weighted-average shares of common stock used to compute net loss per share attributable to common stockholders, basic | 4,094,459,545 | 4,083,081,524 | 4,094,459,545 | 4,083,081,524 |
| Weighted-average effect of potentially dilutive securities: | | | | |
| Convertible Debt | 265,200,000 | 265,200,000 | 265,200,000 | – |
| Unexercised warrants | 124,469,000 | 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 | 4,472,750,525 | 4,484,128,545 | 4,083,081,524 |
| Net income (loss) per share attributable to common stockholders, diluted | \$ 0.00134 | \$ 0.00005 | \$ 0.00188 | \$ (0.00039) |

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

23. 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 nine months ended September 30, 2023 and for the year ended December 31, 2022 were 0% and 3% of total revenue respectively.

24. 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 September 30, 2023, and December 31, 2022, were \$740,625 and \$278,000.

25. Subsequent Events

The Company has evaluated subsequent events after the balance sheet date of September 30, 2023 through November 14, 2023 the date on which these Unaudited Condensed Consolidated Financial Statements were available to be issued.

Equipment Financing Agreement

On November 2, 2023, the Company entered into an Equipment Financing Agreement (the "Financing Agreement") with Taproot Acquisition Enterprises, LLC, a Delaware limited company (the "Lender") in which the Company agreed to purchase certain Bitcoin ATM machines (the "Equipment") from the Lender. The Company and the Lender have previously entered into an Equipment Sublease Agreement on April 13, 2023 (the "Sublease Agreement"), whereby Lender as a lessee of cryptocurrency ATMs, subleased to the Company certain Bitcoin ATM machines listed in the Sublease Agreement on the terms and conditions specified in the Sublease Agreement. The Financing Agreement amends and modifies the Sublease Agreement into a purchase and financing agreement. The Company is obligated to make additional payments for other units identified in the Equipment schedules, to complete the transfer of the title to the Company on those additional units. The Financing Agreement contains certain restrictive covenants and representations with which the Company must comply, such as maintaining required financial ratios, providing financial statements and reports, and obtaining the Lender's consent for certain transactions. The Financing Agreement also provides the Lender with certain remedies in the event of default by the Company, such as accelerating the payments, repossessing the Equipment, or enforcing any of the available remedies against the Lender's security interest in the units of the Equipment to which the Company has title. As of the date of this filing, the Company was in compliance with all the covenants and representations under the Financing Agreement. In conjunction with the Agreement, the Company amended the Senior Secured Loan Agreement with KGPLA Holdings LLC ("KGPLA") dated May 15, 2023, and amended as of June 6, 2023, July 27, 2023, on November 1, 2023 by entering into the Third Amended Secured Loan Agreement with KGPLA (the "Third Amendment"). Third Amendment allows the Company to incur additional debt and liens in connection with the purchase of the Equipment from the Lender, subject to certain conditions and limitations. Concurrent with the execution of the Third Amendment, and as required by the terms of the Third Amendment, the Lender, the Company and KGPLA entered into an intercreditor agreement pursuant to which KGPLA has been granted a security interest in and lien on the Equipment purchased by the Company from the Lender, which is subordinate in all respects to the Lender's security and interest in the Equipment to secure the Company's obligations under the Financing Agreement. The Financing Agreement will be terminated upon the completion of the required payments for the Equipment listed in the Financing Agreement, on their respective applicable terms.