

July 10th, 2023Company:  **BITCOIN DEPOT**

Bitcoin Depot begins trading on the Nasdaq exchange

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Bitcoin Depot Public Market Overview

Bitcoin Depot, a cryptocurrency ATM network operator, commenced trading on the Nasdaq on July 1st, 2023 under the ticker "BTM". The company went public via a merger with a special purpose acquisition corporation (SPAC), GSR II Meteora (NASDAQ: GSR).

Bitcoin Depot Overview (NASDAQ: BTM)

Bitcoin Depot allows users the ability to convert between fiat and Bitcoin via a network of automated teller machine (ATM) kiosks. The firm is the largest operator of Bitcoin ATMs in North America with over 7,000 locations, located within Circle K convenience stores and independent retailers.

Bitcoin Depot was founded in 2016 by Brandon Mintz, President and CEO, leading the firm's ~150 employees.

Historical Financial Performance

All numbers \$M	2020	2021	2022	2023E	Q1 (March)	
					2022	2023
Gross Revenue	\$245	\$549	\$647	\$815	\$155	\$164
Gross Profit	29	43	54	92	7	22
Adjusted EBITDA ^(a)	21	30	41	48	6	12
Net Income	14	6	4	-	(3)	5

(a) Adjusted EBITDA excludes non-recurring expenses and special bonuses

Operating Metrics

Number of ATMs ~7,000
 U.S. Crypto ATM Market Share 21%
 Monthly Active Users 24,000
 Q1 2023 Transaction Volume ~\$200M
 Median Transaction Size \$200

Competitors # of ATMs^(b)

CoinFlip 4,247
 CoinCloud^(c) +4,000
 BitStop 2,066
 RockItCoin 1,964
 CoinHub 1,228

(b) Data on ATMs as of April 21, 2023, according to Bitcoin Depot Investor Presentation

(c) CoinCloud is currently undergoing a Chapter 11 reorganization

SPAC Merger Timeline

Bitcoin Depot announced the merger with GSR II in August 2022 at a proposed equity value of \$885M and an expectation that up to \$170M in cash could be on the balance sheet post-close. This represented an enterprise value of \$750M, assuming no redemptions by the providers of the SPACs cash holdings.

Stock Initial Performance

Bitcoin Depot began trading as a combined company on July 1st, rising to pre-market open highs of \$6.60 before closing Friday at \$3.23. As of July 7th the stock was trading at \$2.80 resulting in a market capitalization of \$167M.

Valuation Multiples

Enterprise Value /	July 7
2022 Revenue	0.2x
Gross Profit	2.1x
EBITDA	2.9x
2023E Revenue	0.1x
Gross Profit	1.3x
EBITDA	2.4x

Architect Partners' Observations

Bitcoin Depot has built a successful, rapidly growing, and profitable business. Physical fiat cash remains a popular form of payment in the U.S., representing 20% of all consumer payments in 2021 according to the Federal Reserve. Bitcoin Depot and others have built an impressive fiat-to-crypto onramp that physically resides in an ATM machine at the largest chain retailers in the U.S. Why do people buy Bitcoin at retail ATMs? (28% of Bitcoin Depot's volume comes from retail chains) According to their survey data, the main driver of purchases are to: 1) Send money to others (remittances) 2) Purchase goods online, and 3) As an investment. What is also impressive is that transaction volumes have remained remarkably resilient through "Crypto Winter", quite the opposite of popular online and mobile options like Coinbase and Kraken. In fact, BTM's revenue and profits were up, from Q1 2022 to Q1 2023, while Coinbase's revenue was down 34% over the same period.

Despite BTM's solid growth and profitability, completing its de-SPAC merger with GSR proved to be difficult. SPACs have been out of favor for over a year, as investors have shown skepticism towards all SPAC transactions. This negative sentiment caused GSR and BTM to compromise on several key points in order to finalize the deal. Specifically, GSR had to invest more money, BTM shareholders (primarily Mintz) sold fewer secondary shares than originally negotiated, the bankers took lower fees, and the stock is trading at very low multiples of revenue and EBITDA. Currently, there are more sellers than buyers of BTM, but we believe that the stock will rise over time as investors realize that there is a real need and use-case for Bitcoin ATMs and that BTM is a growing and profitable leader in the space.



Bitcoin Depot De-SPAC Detailed Analysis

Transaction Valuation

Valuation Breakdown

Current BTM Outstanding	
Common Stock Issued at IPO	32,500,000
Common Stock to Sponsors	7,702,760
Bitcoin Depot Rollover	44,100,000
PIPE Shares	4,300,000
Shares Redeemed	(28,925,000)
Fully Diluted Shares Outstanding	59,677,760

BTM Stock Price ^(a)	\$2.80
Post-Transaction Market Capitalization	\$167,097,728
Plus: Existing Debt	\$26,900,000
Less: Post-Transaction Cash	\$76,800,000
Post-Transaction Enterprise Value	\$117,197,728

(a) Stock price as of July 6, 2023

Source: 6/20/2023 Proxy Filing, April Investor Presentation

Cap Table Post-Close

Pro-Forma Capitalization

	% Ownership
Bitcoin Depot Team	73.9%
Public Shareholders	6.0%
PIPE Investors	7.2%
GSR Sponsors	12.9%
Total	100.0%

Sources & Uses

Sources (\$M)

Cash & Investments Held in Trust	
Account, Net of Redemptions	\$36,000,000
Bitcoin Depot Equity Rollover	448,000,000
Cash from PIPE	43,000,000
Total Sources	\$527,000,000

Uses (\$M)

Cash to Balance Sheet	\$44,200,000
Bitcoin Depot Equity Rollover	448,000,000
Cash to Existing Equityholders	-
Fees & Expenses	34,800,000
Total Uses	\$527,000,000

Sources

PitchBook, Company Investor Relations, Public Filings