Wellfield to Acquire Coinmama - Trusted Brand, over US$130M in Annual Sales, more than 3.5M Registered Users and Established Global Infrastructure - Enables Rapid Launch of DeFi Services at Scale

- Coinmama will integrate Wellfield's Seamless branded DeFi protocols into its current platform. This will enhance monetization of Coinmama's more than 3.5 million registered users by expanding from a single offering, transaction-oriented model to a multi-product, recurring revenue business that leverages DeFi protocols and self-custody.
- Wellfield's MoneyClip branded DeFi app will integrate Coinmama's regulatory, banking and operational infrastructure to expedite its expansion with significantly less capital investment.
- In fiscal 2021, Coinmama generated approximately US$130 million in annual sales[1].

TORONTO, March 24, 2022 /CNW/ - Wellfield Technologies, Inc. (TSXV: WFLD) (FRANKFURT: K8D) (the "**Company**" or "**Wellfield**"), is pleased to announce that it has signed a definitive agreement (the "**Definitive Agreement**"), dated March 24, 2022, to acquire New Bit Ventures Ltd., d/b/a Coinmama ("**Coinmama**") (the "**Transaction**"). Founded in 2013, Israel-based Coinmama has achieved outstanding growth with sales of US$130 million in 2021 by building a global platform for millions of buyers and sellers of digital currencies using everyday payment methods. Coinmama currently has more than 3.5 million registered users, each of which has undergone regulatory verification and transacted on the platform.

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Management Commentary

Levy Cohen, CEO of Wellfield commented, "We have followed Coinmama's pioneering journey as an early blockchain business for some time and are confident that their nearly decade of success in the sector and proven regulatory and operations expertise will bring significant value to Wellfield. We expect this transaction to generate substantial synergies for the Company. Following the transaction, Wellfield will be positioned with all of the attributes required to achieve its mission to scale next generation financial applications powered by blockchain technology: robust decentralized protocols, verifiable and secure credentialing, established regulatory and banking infrastructure, and a scalable consumer facing DeFi application."

Chanan Steinhart, Chief Strategy and Business Development Officer of Wellfield added, "We are very excited to welcome Coinmama to Wellfield. Customer acquisition is one of the most expensive and difficult portions of any product launch and this transaction gives Wellfield an exciting foundation of over 3.5 million registered users, to which we will provide DeFi services when we launch our Seamless protocols later this year. These users are engaged with Coinmama and already looking for access to DeFi services delivered by a trusted party. For Wellfield's MoneyClip brand, the transaction gives us established infrastructure that we will leverage to scale the MoneyClip app within Canada and eventually into other markets. Together, we are even better positioned to build a sector-defining company that unlocks the power of DeFi and makes accessibility and adoption easy for both individuals and institutions."

Laurence Newman, Co-founder and Co-CEO of Coinmama added, "When Coinmama was founded in 2013, our goal was to introduce the world to Bitcoin and to make it effortless to buy and own. We set out to create a safe platform to learn and grow from within the rapidly growing industry. We identified an important gap in the market and successfully created a secure and easy infrastructure for global users to buy digital currencies. We're very proud of the role our organization played in the formative years of cryptocurrency adoption, serving more than 3.5 million registered users from all over the world. Nine years later blockchain is enabling yet another leap forward beyond the era of centralized products and solutions, towards DeFi services and this transaction will enable us to be an important part of this ongoing transformation."

Nimrod Gruber, Co-founder and Co-CEO of Coinmama added, "Within our own registered user base, we have seen a significant acceleration in demand for a broad selection of DeFi services. Wellfield has developed a unique suite of products and services under its Seamless brand, that address some of today's most critical DeFi infrastructure gaps, and that will give us the technology we need to make DeFi adoption possible for both individuals and institutions. Our senior team is excited to leverage the solid foundation we have built at Coinmama, into a robust, full-service DeFi platform as part of Wellfield."

Transaction Details

Pursuant to the Definitive Agreement and subject to customary closing adjustments, Wellfield will acquire all of the issued and outstanding securities of Coinmama in exchange for total aggregate consideration of US$3,000,000 payable in cash (the "**Cash Consideration**") and the issuance of 22,988,467 common shares in the capital of Wellfield (the "**Share Consideration**" and together with the Cash Consideration, the "**Purchase Price**"). Upon closing of the Transaction (the "**Closing**"), Coinmama will become a wholly owned subsidiary of Wellfield. Although the Share Consideration is fixed, the deemed issue price per share will be equal to the fourteen (14) day volume weighted average price per Wellfield common share prior to Closing.

It is currently anticipated that following the Closing, former security holders of Coinmama will hold approximately 19% of the issued and outstanding common shares of Wellfield. Each Consideration Share will be subject to a four month hold period in accordance with applicable Canadian securities laws as well as contractual restrictions on transfer which periodic releases from such restrictions over a period of nineteen (19) months.

The terms of the Transaction were negotiated at arm's length. The Transaction will constitute a Fundamental Acquisition under TSX Venture Exchange (the "**TSXV**") Policy 5.3 and as such it will require TSXV approval. As both Coinmama and its shareholders are arm's length and there is not expected to be any new control persons or insiders created, it is not expected that shareholders of Wellfield will be required to approve the Transaction. There are no finder's fees payable in connection with the Transaction.

Pursuant to the Definitive Agreement, the obligations of the parties to complete the Transactions subject to customary conditions for a transaction of this nature, including: the accuracy of representations and warranties; the fulfilment of certain covenants; the receipt of certain regulatory and governmental approvals, the approval of TSXV; the receipt of consents of certain third parties;

and there having been no material adverse effect as of the time of Closing.

Transaction Benefits

- **Enables rapid launch of DeFi products and services, at scale** – Coinmama brings Wellfield over 3.5 million registered users, each of which has undergone regulatory verification and transacted on the platform. These users are an ideal target audience for Wellfield's Seamless branded DeFi services. By integrating these services into Coinmama's existing platform, Wellfield expects to see accelerated capital formation and enhanced liquidity for the Company's critical DeFi infrastructure technology when it launches later this year.

- **Opportunity to significantly enhance monetization of Coinmama's user base** – During 2021, Coinmama generated over US$130 million in sales, and over US$5.8 million in gross profit[2]. Wellfield has identified a significant opportunity to enhance the monetization of Coinmama's user base by evolving from a single offering, and transaction-oriented model to a multi-product recurring revenue business that leverages DeFi protocols and self-custody.

- **Coinmama's website generates millions of unique visitors per year, which presents a significant user conversion and expansion opportunity** – Coinmama has been a trusted brand in the blockchain space since 2013. Because of this position in the industry, the company's website generates millions of unique non-user visitors annually, primarily via organic traffic. This consistent flow of visitors offers Wellfield an embedded audience to which it expects to market current products more actively, as well as future products and services.

- **Established infrastructure to facilitate growth within Canada and efficient future expansion** – Coinmama has served customers in countries around the world, and has robust global regulatory, banking, and operational infrastructure. This infrastructure will reduce cost and time specifically as Wellfield seeks to grow the MoneyClip app both within Canada, and eventually to additional markets.

- **Adds experienced team to manage growth** – Coinmama's team of over 50 full time personnel, including the organization's senior management team, will be joining Wellfield. This is expected to provide the Company with the experience it needs to manage the growth it expects as it scales its offerings.

[1] Unaudited fiscal 2021 results
[2] Unaudited fiscal 2021 results

About Wellfield Technologies (TSXV:WFLD; FRANKFURT: K8D)

Wellfield builds advanced technology that uses blockchain to create the next generation of financial solutions for institutions and consumers. The Company has strong academic and development expertise in the rapidly growing Decentralized Finance (DeFi) sector, building its branded applications and critical infrastructure solutions directly on public blockchains like Bitcoin and Ethereum.

Join Wellfield's digital community on LinkedIn and Twitter, and for more details, visit wellfield.io.

Cautionary Notice on Forward-Looking Statements

This press release contains statements that constitute "forward-looking information" ("forward-looking information") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking information and are based on expectations, estimates and projections as at the date of this news release. Any statement that discusses predictions, expectations, beliefs, plans, projections, objectives, assumptions, future *events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information. Forward-looking statements in this news release include statements regarding the Company's success in launching the protocols and other technologies and utilities discussed herein. In disclosing the forward-looking information contained in this press release, the Company has made certain assumptions. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, it can give no assurance that the expectations of any forward-looking information will prove to be correct. Known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information. Such factors include, but are not limited to: compliance with extensive government regulations; domestic and foreign laws and regulations adversely affecting the Company's business and results of operations; the impact of COVID-19; the decentralized finance industry generally, in Canada and abroad; and general business, economic, competitive, political and social uncertainties. Readers are cautioned that the foregoing list is not exhaustive and readers are encouraged to review the listing application prepared in accordance with the policies of the TSXV and other disclosure documents accessible on the Company's SEDAR profile at www.sedar.com. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking information to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking information or otherwise.*

The TSXV has neither approved nor disapproved the contents of this news release. Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

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