



Tokens.com Reports Financial Results for Q1 2023

TORONTO, ONTARIO, February 14, 2023 - Tokens.com Corp. (NEO Exchange Canada: COIN)(Frankfurt Stock Exchange: 76M) (OTCQB US: SMURF) ("Tokens.com" or the "Company"), a publicly-traded company that invests in web3 assets and builds businesses linked to crypto staking, the metaverse, and play-to-earn gaming, is pleased to report its financial results for three months ended December 31, 2022 ("**Q1-2023**"). All dollar figures are in United States dollars ("**USD**"), unless otherwise stated.

Q1-2023 Operation Highlights:

- Tokens.com's subsidiary, Metaverse Group Ltd, fully leased its digital real estate in two popular Decentraland neighborhoods. The land was occupied by a diverse collection of esteemed brands and businesses.
- Metaverse Group hosted its first metaverse music festival in Decentraland on its Music Hub property.
- Metaverse Group successfully acquired CocoNFT, an NFT platform for non crypto-native creators.
- Tokens.com and Metaverse Group have partnered with the AIR MILES® Reward Program to become the first brand-agnostic loyalty program of the metaverse.
- Hulk Labs signed a partnership agreement with Aftermath Islands Limited, a controlled subsidiary of Liquid Avatar Technologies.
- Hulk Labs has successfully integrated over a thousand player wallets

into its network, with a primary focus on Africa.

- Hulk Labs acquired a validator node license for Splinterlands, one of the longest running and most active play-to-earn games, and entered into a broad partnership with the Splinterlands team.
- Tokens.com liquidated some of its tokens in inventory in favour of holding cash, in consideration of volatile crypto prices and the ongoing turmoil caused by the bankruptcy of FTX and BlockFi.

Management is focused on building its web3 businesses, Metaverse Group and Hulk Labs. Those businesses are focused on innovation in the web3 sector in ways that are not tied to the performance of cryptocurrencies. Both businesses have made great strides in providing corporate and brand partners with new ways to engage their customers.

Metaverse Group and Hulk Labs both became revenue positive in 2022 through focus on innovative services and through building proprietary intellectual property. The Company's strategy is to limit its crypto exposure to Layer 1 cryptocurrencies such as Ethereum and Polkadot, while also building sustainable and profitable businesses that leverage web3 and blockchain technology. This strategy provides investors with the potential upside in crypto prices and the growing use cases for blockchain technology.

"In 2022, Tokens.com was successful in laying down the foundation for two new operating segments being Metaverse Group and Hulk Labs in the metaverse and gaming sectors, respectively. These subsidiaries are now revenue positive, but still in the very early stages of their growth. For 2023, management is focused on scaling growth within those operations to generate more significant levels of revenue," said Andrew Kiguel, CEO.

Q1-2023 Financial Highlights

- The Company achieved revenue of \$152k for the three months ended December 31, 2022, compared to \$326k for the three months ended December 31, 2021 ("Q1-2022").

- Total cash and cryptocurrency holdings of \$10.4 million, or CAD\$13.5 million as of December 31, 2022.
- Staking revenue was \$40k for the three months ended December 31, 2022, compared to \$216k for the three months ended December 31, 2021.
- Increased Ethereum holdings to 3,273, as of the date of this press release.
- Average gross staking yields of 6.9% for Q1-2023, compared to 4.6% for Q1-2022, due to a change in token mix.
- Metaverse Group continued to gain traction in its metaverse consulting business, with consulting revenue of \$85k and lease revenue of \$23k during Q1-2023.
- Operating expenses were \$718k for the three months ended December 31, 2022, compared to \$3.3 million for the three months ended December 31, 2021.
- A non-cash loss on revaluation of its cryptocurrency assets of \$1.3 million for Q1-2023, compared to a loss of \$829k for Q1-2022. Loss on disposal of digital assets was \$102k for the three months ended December 31, 2022, compared to a gain of \$1.5 million during the three months ended December 31, 2021.
- A net loss and comprehensive loss for the three months ended December 31, 2022, attributable to Tokens.com, of \$1.6 million, compared to net loss of \$3.7 million and comprehensive loss of \$1.6 million, attributable to Tokens.com, for the three months ended December 31, 2022.

Continuous Disclosure

Further to a review by the staff of the Ontario Securities Commission (the "OSC") of the Company's continuous disclosure, the Q1-2023 MD&A includes enhanced disclosures with respect to the Company's staking operations and custody of its assets.

As a result of having to make such enhanced disclosure after the OSC review, the Company has been placed on the public list of Refilings and Errors in accordance with OSC Staff Notice 51-711 (Revised) - *Refilings and Corrections of Errors* for a period of three years, effective today.

A complete financial reporting package, including the Unaudited Condensed Consolidated Interim Financial Statements and Management's Discussion & Analysis, is available on our corporate website (www.tokens.com), and the SEDAR website (www.sedar.com).

An investor call has been scheduled to discuss the Company's Q1-2023 financial results, hosted by CEO Andrew Kiguel, starting at 10:00 am ET on February 15, 2023.

Conference Call Details:

Date: February 15, 2023

Time: 10:00 a.m. ET

Zoom Webinar Registration:

https://us06web.zoom.us/webinar/register/WN_hmo4N8q2RIawvs51C1-nRg

To join the webinar, register using the link provided above. Upon registration a Zoom link will be emailed to the registered email address. The webinar will be available via computer, tablet, and smartphone devices. In addition, a dial-in phone number will be provided in the email upon registration. Callers dialing in using a telephone will automatically be placed in a listen only mode. The question period will not be available to dial-in callers.

About Tokens.com

Tokens.com Corp is a publicly traded technology company that invests in web3 assets and builds web3 businesses. The Company focuses on three operating segments: i) crypto staking, ii) the metaverse and, iii) play-to-earn crypto gaming. Tokens.com owns digital assets and operating businesses within each of these three segments.

Staking operations occur within Tokens.com. Metaverse real estate and ecomm3 solutions operations occur within a subsidiary called Metaverse Group. Crypto gaming operations occur within a subsidiary called Hulk Labs. All three businesses are tied together by the utilization of blockchain technology and are linked to high-growth macro trends within web3. Through sharing resources and infrastructure across these business segments, Tokens.com is able to efficiently incubate these businesses from inception to revenue generation.

As a result of each of the three business segments owning digital assets, Tokens.com is required to mark-to-market these digital assets at the end of every reporting quarter. As a result, the Company's financial statements will have non-cash related gains or losses based on the market performance of the digital assets owned from quarter-to-quarter. These non-cash revaluations of owned digital assets do not impact the operations or growth within our business segments. The digital assets are owned for the purpose of generating revenue within each business segment. In some instances, the Company may choose to dispose of certain assets if they no longer meet our ownership criteria.

Visit [Tokens.com](https://tokens.com) to learn more.

Keep up-to-date on Tokens.com developments and join our online communities on [Twitter](#), [LinkedIn](#), and [YouTube](#).

Tokens.com Corp.

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Forward-Looking Statements

This news release includes certain forward-looking statements as well as management's objectives, strategies, beliefs and intentions. Forward looking statements are frequently identified by such words as "may", "will", "plan", "expect", "anticipate", "estimate", "intend" and similar words referring to future events and results. Forward-looking statements are based on the current

opinions and expectations of management. All forward-looking information is inherently uncertain and subject to a variety of assumptions, risks and uncertainties, including the speculative nature of cryptocurrencies, as described in more detail in our securities filings available at www.sedar.com. Actual events or results may differ materially from those projected in the forward-looking statements and we caution against placing undue reliance thereon. We assume no obligation to revise or update these forward-looking statements except as required by applicable law.