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TORONTO, Jan. 25, 2021 (GLOBE NEWSWIRE) — **COIN Hodl Inc. (TSXV: COIN)** (“**COIN**”) is pleased to announce that it has entered into a letter of intent dated effective January 21, 2021 (the “**LOI**”) with Tokens.com Inc. (“**Tokens**”), a privately held Ontario corporation. The LOI sets out the general terms and conditions pursuant to which COIN has agreed to acquire all of the issued and outstanding securities of Tokens in exchange for securities of COIN (the “**Transaction**”).

The Transaction will result in the reverse takeover of COIN by Tokens, as contemplated under the policies of the TSX Venture Exchange (the “**Exchange**”). COIN and Tokens are at arm’s length and the Transaction will not be a non-arm’s length transaction under the policies of the Exchange. On closing of the Transaction (the “**Closing**”), it is expected that the Resulting Issuer will be listed as a Technology Issuer on the Exchange and its business will be that of Tokens.

Description of Tokens

Tokens is a company that utilizes Proof-of-Stake (“**PoS**”) or staking technology to provide security and transaction validation services to digital assets that are built on blockchain technology. Tokens provides its staking services to digital assets in the cryptocurrency sector that developers use to write smart contracts and decentralized finance (“**DeFi**”) applications, such as Ethereum 2.0. DeFi is a new class of financial applications that provides users with automated and transparent financial services, such as borrowing and lending, without the need for financial institutions. PoS is inextricably linked to DeFi, with staking providing the infrastructure and security needed to process transactions and secure blockchains. Management of Tokens believes that as DeFi applications become mainstream in the future, the need for Tokens’ staking services will commensurately increase.

Tokens has deployed capital into staking blockchain based digital assets. Tokens gets compensated for providing its staking services in the underlying digital asset it is

staking. Currently, the company's gross staking compensation, expressed as a percentage of deployed capital, is averaging approximately 12% annualized. Tokens may also benefit from the potential appreciation in the underlying digital asset inventory used for staking. Staking is a next generation technology used by many digital assets, such as Ethereum 2.0, to secure their networks. Unlike traditional cryptocurrency mining, which is used to mine older blockchains like Bitcoin and Ethereum 1.0, staking is not reliant on specialized hardware that can rapidly become outdated, and does not consume vast amounts of electricity. Instead, staking technology uses digital asset ownership and intelligent software to make digital asset transactions secure, reliable and sustainable.

Tokens has entered into agreements with industry leaders, Polychain Labs, Bison Trails and Staked, to manage its staking operations and provide the underlying technology and services. Tokens holds the majority of its digital assets in Coinbase Custody, a SOC 1/ SOC 2 certified digital asset custodian, which claims to hold \$20bn+ of digital assets in segregated cold-storage. Some of Tokens' digital assets that cannot be custodied at Coinbase Custody (e.g., if Coinbase does not support the custodying or staking of a particular digital asset) are custodied by Tokens internally, using its extensive security protocols and internal controls.

Tokens' founding team includes blockchain entrepreneur, Andrew Kiguel, co-founder and former CEO of Hut 8 Mining Corp., one of North America's largest bitcoin miners. Tokens was formed in collaboration with Polychain Labs, an affiliate of Polychain Capital, which is one of the largest cryptocurrency venture capital firms in Silicon Valley. In December 2020, Tokens conducted a private placement which included strategic investments by Bitbuy Limited, First Block Capital, HIVE Blockchain Technologies Ltd., PowerOne Capital Group, Matthew Roszak (the co-founder and Chairman of Bloq, Inc.), and Olaf Carlson-Wee (the founder and CEO of Polychain Capital).

Terms of the Transaction

The Transaction is expected to proceed by way of a three-cornered amalgamation, pursuant to which Tokens will merge with a wholly-owned Ontario subsidiary of COIN formed for the purposes of completing the Transaction, following which COIN (following the Closing, the "**Resulting Issuer**") will change its name to "Tokens.com Inc.", or such other name as may be determined by Tokens (the "**Name Change**"), and continue the business of Tokens. The final transaction structure will be determined after the parties have considered applicable tax, securities and accounting matters.

The parties intend to enter into a definitive agreement in respect of the Transaction (the “**Definitive Agreement**”) within 45 days of the date of the LOI, or such other date as may be agreed to by COIN and Tokens. Prior to the Closing, it is expected that the issued and outstanding common shares in the capital of COIN (each, a “**COIN Share**”) will be consolidated (the “**Consolidation**”) such that, immediately prior to the Closing, the number of COIN Shares outstanding will be equal to \$1,000,000 divided by the price at which subscription receipts are sold under the Private Placement (as defined below). The Consolidation ratio will be included in a subsequent news release.

It is anticipated that certain Resulting Issuer Shares to be issued to holders of Tokens Shares will be subject to lock-up arrangements, pursuant to which 25% will become freely tradeable at the Closing and 25% will become freely tradeable on each of the first, second and third months following the Closing. In addition, certain Resulting Issuer Shares will be subject to the escrow requirements of the Exchange.

Completion of the Transaction will be subject to various conditions, including:

- the parties entering into the Definitive Agreement;
- the parties obtaining all required directors’, shareholders’, regulatory and third-party consents, including the conditional approval of the Exchange, for the Transaction;
- approval of all matters put forward by COIN at the COIN Meeting (as defined below);
- completion of the Private Placement;
- completion of the Consolidation;
- completion of the Return of Capital (as defined below);
- compliance with applicable listing requirements of the Exchange; and
- at the Closing, the liabilities and obligations (contingent or otherwise) of COIN being zero, and COIN having at least \$360,000 in available cash.

It is expected that, prior to the Closing, COIN will distribute, as a tax-free return of capital to its shareholders, on a pro rata basis, between approximately \$1,600,000 and \$2,400,000 in cash (depending pre-distribution option exercises and expenses of the distribution), and 1,011,250 shares of Abaxx Technologies Inc., which represent all of the common shares in the capital of Abaxx held by COIN (the “**Return of Capital**”), on terms to be agreed, in writing, by Tokens, acting reasonably, and in compliance with all applicable securities laws.

Tokens Private Placement

Prior to the Closing, Tokens expects to complete a private placement financing of subscription receipts, to raise minimum gross proceeds of \$15,000,000 (the “**Private Placement**”), on terms to be determined.

None of the securities to be issued in connection with the Transaction or the Private Placement have been, or will be, registered under the United States *Securities Act of 1933*, as amended (the “**1933 Act**”), or any state securities laws, and may not be offered or sold within the United States or to any U.S. Person (as defined in Regulation S under the 1933 At) unless registered under the 1933 Act and applicable state securities laws or an exemption from such registration is available. This press release does not constitute an offer to sell or a solicitation of an offer to sell any securities in any jurisdiction where such offer or solicitation would be unlawful, including the United States.

COIN Shareholder Meeting

Prior to the Closing, COIN will call a meeting of its shareholders (the “**COIN Meeting**”) for the purpose of approving, among other things:

- the Name Change;
- the Consolidation;
- the adoption of a new omnibus equity incentive plan in form and substance satisfactory to Tokens, acting reasonably, and the Exchange;
- the election, effective as of the Closing, of such new directors as determined by Tokens, acting reasonably, and, if required, an increase in the number of the directors and an amendment to COIN’s articles to permit the board of directors to appoint up to one-third of the number of additional directors as was elected at the last shareholder meeting;
- to the extent requested by Tokens, the adoption of new bylaws, including an advance notice bylaw, in form and substance satisfactory to Tokens, acting reasonably; and
- if required under applicable securities laws, the Return of Capital.

Management and Directors of the Resulting Issuer

At the Closing, it is anticipated that all current directors and officers of COIN will resign and be replaced by nominees of Tokens. It is expected that the board of directors of the Resulting Issuer shall be fixed at five directors, which will include Andrew Kiguel and such other directors as may be determined by Tokens prior to the Closing. Biographical information regarding Mr. Kiguel and Tokens’ officers is set out below:

Andrew Kiguel – Co-Founder and Chief Executive Officer

Mr. Kiguel co-founded Hut 8 Mining Corp, one of North America's largest bitcoin miners, for which he served as CEO until April 2020. Prior to joining Hut 8, Mr. Kiguel played an integral role, for more than 18 years, in the Real Estate and Retail Capital Markets groups of GMP Securities, including most recently as Managing Director, Investment Banking, and was a key member of GMP's Blockchain Investment Banking Group. Mr. Kiguel has extensive experience in providing investment banking and M&A advisory services to numerous public and private entities.

Deven Soni – Chief Operating Officer

Mr. Soni is an experienced operations executive and investor. He spent several years as a technology-focused investor at Goldman Sachs and Highland Capital Partners, where he played an integral role in funding several top technology businesses. Mr. Soni is also the co-founder of Wired Investors (a private equity fund focused on small cap buyouts), and an active investor in the digital assets space.

Kyle Appleby – Chief Financial Officer

Mr. Appleby spent the first 10 years of his career working in public accounting, where he provided both audit and advisory services to private companies and investment funds. In 2007, Mr. Appleby left the world of public accounting to focus on providing management and accounting services to public companies across a variety of industries, including crypto-currency, technology, junior mining, food production, agriculture, cannabis and others. Mr. Appleby has been the chief financial officer of companies listed in Canada, the United States and London, UK, and has extensive experience in financial reporting, IPOs, fund raising and corporate governance.

Trading in COIN Shares

Trading in COIN Shares on the Exchange has been halted in compliance with the policies of the Exchange in connection with this announcement. Trading in COIN Shares will remain halted pending the review of the proposed Transaction by the Exchange and satisfaction of the conditions of the Exchange for resumption of trading. It is likely that trading in the COIN Shares will not resume prior to the Closing.

Sponsor

The Transaction will be subject to the sponsorship requirements of the Exchange unless a waiver or exemption from the sponsorship requirement is available. If required, a sponsor will be identified at a later date and will be announced in a subsequent news release. COIN intends to apply for a waiver of the sponsorship requirement in connection with the Transaction.

Further Information

A summary of significant financial information with respect to Tokens, as well as the expected directors, officers and other insiders of the Resulting Issuer following the Closing, will be included in a subsequent news release.

Further details about the proposed Transaction, the Private Placement and the Resulting Issuer will be provided in the disclosure document to be prepared and filed in connection with the Transaction. Investors are cautioned that, except as disclosed in such disclosure document, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon.

All information contained in this news release with respect to COIN or Tokens, as applicable, was provided by management of such party and has not been independently verified by the other party.

Completion of the Transaction is subject to a number of conditions, including Exchange acceptance and, if applicable, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circulate or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of COIN should be considered highly speculative.

The Exchange has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this press release.

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION:

This news release contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking statements”) within the meaning of applicable Canadian securities laws. All statements other than statements of historical fact are forward-looking statements, and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often using phrases such as “expects”, “anticipates”, “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 statements. In this news release, forward-looking statements relate, among other things, to: the terms and conditions of the proposed Transaction; the terms of the proposed Private Placement; the current business of Tokens; the business and operations of COIN and Tokens following the Closing; and expected directors and officers of the Resulting Issuer following the Closing. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include: general business, economic, competitive, political and social uncertainties; delay or failure to receive any necessary board, shareholder or regulatory approvals, including the approval of the Exchange; the risk that the Exchange may not approve the Transaction; that factors may occur which impede or

prevent Tokens' future business plans; and other factors beyond the control of COIN and Tokens. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. The terms and conditions of the Transaction and the Private Placement may change based on the receipt of tax, corporate and securities law advice for each of the parties. Except as required by law, COIN and Tokens assume no obligation to update the forward-looking statements, whether they change as a result of new information, future events or otherwise, except as required by law.