

Tokens.com Announces Successful Capital Deployment into Key Digital Asset Holdings and Operating Performance

TORONTO, ONTARIO, May 12, 2021 - Tokens.com Corp. (NEO: [COIN](#)) (FSE: 76M) ("Tokens.com" or "the Company"), a Proof-of-Stake technology company that provides investors with a simple and secure way to gain exposure to Staking rewards and digital assets that power Decentralized Finance (DeFi) and Non-Fungible Tokens (NFTs), is pleased to provide an update on the Company's crypto asset holdings and capital deployment since receiving the escrowed proceeds from its CAD\$25 million subscription receipt financing (the "Offering") in connection with the closing of its go-public transaction on April 28, 2021. The Company is also pleased to share the operating performance of its Staked digital assets year-to-date. All amounts in this news release are unaudited and, unless otherwise indicated, are in US dollars.

As of the end of Q1, the inventory held for Staking had appreciated by 151.9%, as compared to December 31, 2020, with a Simple Weighted Average Yield of 12.8%. As previously announced, the Company will release Q1 financial results and hold an investor call hosted by CEO Andrew Kiguel on May 17, 2021.

Since the end of Q1, using additional capital from the Offering, the Company has acquired ETH (Ethereum token), DOT (Polkadot token), and BNB (Binance token), and initiated Staking of these crypto assets. In addition to Staked digital assets, the Company also holds a balance of 28.0 Bitcoin as of the date of this news release for the purpose of purchasing additional crypto assets for Staking.

Tokens.com is earning a Simple Weighted Annualized Average Return on its current holdings of 13.0%. These returns are paid to the Company in additional tokens of whichever token is being Staked.

Below is a table of the Staked Assets owned by Tokens.com, quantity, price, and simple Staking yield as of the time indicated. The aggregate value of the Company's Staked Assets plus Bitcoin as of the time indicated is approximately \$23.6M.

Tokens.com Staked Assets:

Blockchain (Token)	Quantity	Current Price*	Simple Staking Yield
Polkadot (DOT)	228,963	\$37.56	14.10%
Ethereum (ETH)	2,053	\$4,017.95	8.20%
Binance (BNB)	4,946	\$667.56	18.03%
Orchid (ROSE)**	9,123,200	\$0.14	18.00%

Staking returns are subject to change and the figures above represent a current simple yield provided by each token.

* As of 12pm EST on May 11, 2021

** Estimated Holdings

“We are excited to be scaling our proven business model, and be putting capital to work efficiently during a time when DeFi and NFTs are at an inflection point in terms of global recognition, use, and adoption. We believe that the crypto assets being Staked by Tokens.com are ones that we believe underpin a multi-trillion dollar global market opportunity,” commented the Company’s CEO, Andrew Kiguel.

Tokens.com: A Scalable, ESG Business Model for Accelerating Trends

The world is rapidly digitizing and digital assets are expected to play a key role in this global transformation. The COVID-19 pandemic has accelerated and brought increased awareness to this trend. Tokens.com was created to capitalize on major fundamental changes occurring with this potential shift and expected increased global demand for this model:

- The macro environment, fiscal stimulus and democratization of finance is accelerating adoption trends towards blockchain technology and the continued digitization of assets and financial products and services. The Company believes this movement is here to stay and still in its infancy when it comes to broad adoption. The leading use cases today are DeFi and NFTs, each of which have seen increased adoption and growth globally. As of this news release, there is \$80 billion locked in DeFi¹ and over \$2 billion was spent on NFTs in Q1 2021².
- A magnitude of applications for DeFi and NFTs are being built on programmable digital assets platforms such as Ethereum and Polkadot. These applications pay fees to Ethereum and Polkadot each time there are transactions. Tokens.com plays an essential role through

Staking or transaction validation services and is compensated in tokens for this service.

- There are two primary ways to validate transaction blocks on a blockchain: crypto-mining or Staking. The Company believes all key new digital asset platforms are being built on Staking technology, not only because it is environmentally friendly, but because it is faster and has exponentially more throughput than traditional crypto-mining.
- Tokens.com views Staking as a far superior model to crypto-mining because instead of expending computational energy that requires expensive hardware, Staking uses ownership to perform the exact same transaction validation service. Stakers get to own appreciating crypto assets while crypto-miners have to own rapidly depreciating hardware. This is why Staking is viewed as the environmentally friendly alternative to crypto-mining.

Pillars of Tokens.com's next generation business model:

Ethereum:

Ethereum is not a currency; it is a decentralized computing platform that provides the infrastructure necessary for transformational trends and decentralized applications such as Decentralized Finance (DeFi) and Non-Fungible Tokens (NFTs) through its programmable asset, ether (ETH).

Ethereum launched in 2015 as a decentralized, blockchain-based global supercomputer to serve as the foundation for an ecosystem of interoperable, decentralized applications powered by token economies and automated smart contracts. Assets and applications designed on Ethereum are built with self-executing smart contracts that remove the need for a central authority or intermediary. The network is fueled by its native cryptocurrency, ether (ETH), which is used to pay transaction fees on the network. Being open-source, programmable, private and censorship resistant, Ethereum forms the backbone of a decentralized internet, which has already spawned significant innovation like initial coin offerings, stablecoins and DeFi applications. The ETH token currently has a market cap exceeding \$450 billion as of this press release³.

Polkadot:

Polkadot is a network for interoperable blockchains. The Polkadot blockchain network allows blockchains to be designed for very specific uses and still be able to leverage security and data built within the Polkadot framework.

Moreover, Polkadot is a blockchain network designed to support various interconnected, application-specific sub-chains called parachains (short for parallelized chains). Each chain built within Polkadot uses Parity Technologies' Substrate modular framework, which allows developers to select specific components that suit their application-specific chain best. Polkadot refers to the entire ecosystem of parachains that plug into a single base platform known as the Relay Chain. This base platform, which also leverages Substrate, does not support application functionality but instead provides security to the network's parachains and contains Polkadot's consensus, finality, and voting logic³.

Staking

In Proof-of-Stake (PoS) consensus mechanisms, nodes deposit tokens that are then used to validate transactions on the network. The nodes that are chosen are done so at random and are compensated in tokens in return. Staking is an alternative to crypto-mining on a Proof-of-Work network, where rather than expending computational energy, they give up the opportunity cost of capital. Staking requires a level of technical expertise⁴.

Some PoS networks allow the holders of the Staked coins to participate in major governance decisions of the network through a voting process. Generally speaking, the more coins that are Staked, the more power this individual has on the network⁴.

Decentralized Finance (DeFi)

Decentralized finance (DeFi) is a new class of financial applications that provides users with automated and transparent alternatives to traditional financial services without the need of financial institutions. The most popular DeFi applications include decentralized lending, borrowing, asset exchanges, and the decentralized creation of derivative assets. Once Ethereum migrates to PoS in connection with Ethereum 2.0, Tokens believes the vast majority of DeFi applications will be built on top of PoS blockchains. As the DeFi sector grows, the blockchains that power DeFi are also expected to scale, as are the rewards paid by those blockchains to secure their networks⁴.

Non-Fungible Tokens (NFTs)

Non-fungible tokens (NFTs) are a class of individually unique tokens frequently issued using the Ethereum ERC-721 standard. While cryptocurrencies strive to be fungible in that each token is interchangeable with one another, NFT's are one of a kind making them particularly useful for the gaming industries. The standardization allows any in-game items or identity to be used across various applications, even if they were built by

different companies. While gaming is one use case, there are others such as rare art that can benefit from provable digital scarcity for unique items⁴.

Sources:

¹ <https://defipulse.com/>

² <https://nonfungible.com/>

³ <https://messari.io/asset/ethereum>

⁴ messari.com

About Tokens.com

Tokens.com Corp. is a Proof-of-Stake technology company that provides investors with a simple and secure way to gain exposure to Staking rewards and digital assets that power Decentralized Finance and Non-Fungible Tokens, without the burden of buying, managing and securing digital assets themselves. The Company creates value for its investors through earning Staking yields and the appreciation of its digital asset inventory, all achieved through environmentally friendly technology.

Further information can be found on the Company's website: [Tokens.com](https://tokens.com).

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