



# Tokens.com Reports Operating and Financial Results for Q2 2022

**TORONTO, ONTARIO, August 15, 2022** - [Tokens.com](https://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 crypto assets and incubates businesses linked to the Metaverse and NFTs, is pleased to announce its operating and financial results for the three and six months ended June 30, 2022 ("Q2 2022").

All dollar figures are in United States dollars ("USD"), unless otherwise stated.

## **Q2 2022 Highlights:**

- Revenue increased to \$251k, compared to \$201k for the period ended June 30, 2021 ("Q2-2021").
- Non-cash revaluation loss of digital assets of \$12.5 million, compared to \$6.7 million in Q2-2021, due to the drop in cryptocurrency prices during Q2.
- Realized loss on disposition of digital assets of \$1.7 million, compared to \$0.3 million in Q2-2021.
- Net loss, attributable to Tokens.com, of \$11.5 million, largely due to the non-cash revaluation loss, compared to \$8.5 million loss in Q2-2021, resulting in a net loss per share of \$0.12, compared to \$0.13 in Q2-2021.
- Acquired Decentraland's Music District
- Hosted Miami Fashion Week in Decentraland's Fashion District
- Entered an exclusive partnership with the Democratic Republic of Congo to identify and train a workforce of crypto gaming players

- Integrated Fireblocks, MPC- based custody solution to improve security and reporting management

Tokens.com is a Web3 technology company that purchases digital assets and builds service-based businesses around these assets. The Company focuses on three operating segments within the crypto sector: i) crypto staking, ii) the metaverse and, iii) crypto play-to-earn gaming. Tokens.com owns operating businesses within each of these segments. The staking operations occur within Tokens.com. The metaverse operations occur within a subsidiary called Metaverse Group Ltd. (“MGL”). The crypto gaming operations occur within a subsidiary called Hulk Labs (“Hulk”). All three businesses are tied together by the utilization of blockchain technology and being linked to high-growth macro trends within Web3.

Through sharing resources and infrastructure across these three business segments, Tokens.com is able to efficiently incubate these businesses from inception to revenue generation. As of the date of this press release, all three segments are revenue positive, despite MGL and Hulk being at the early stage of their inception. Each business segment owns its own cryptocurrency assets that are used to generate revenue that is not linked to the performance or market conditions of cryptocurrency. A further description of each business is provided in the Q2 2022 Management’s Discussion & Analysis available on the Company’s website and on the SEDAR website.

As a result of our businesses owning cryptocurrency assets, Tokens.com is required to revalue its digital assets at the end of every reporting quarter. This means our financial statements will have a positive or negative non-cash impact based on the market price of the digital assets owned at the end of that quarter. Tokens.com and its subsidiaries do not engage in the lending of tokens, digital assets, or in using derivative products to enhance returns. We do not custody tokens or engage in the active trading or hedging of crypto assets.

Q2 2022 was not a good quarter for cryptocurrencies or the digital assets owned by Tokens.com. This resulted in significant non-cash revaluation loss. Management notes that these are non-cash revaluation losses and are not tied to the operational growth within the staking business, MGL or Hulk.

“2022 has been a challenging year for capital markets and for crypto,” said Andrew Kiguel, CEO. “This has been reflected in our share price, which has not

performed well this year. Q2 is marked with non-cash losses that reflect the revaluation of the crypto assets we hold. However, these non-cash losses do not impact the ongoing expansion within our business segments that continue to see revenue growth. Tokens.com's balance sheet is healthy and we are seeing improved crypto asset pricing since the end of Q2, which will be reflected in Q3. We thank our shareholders for their support during a tough year in the markets. Management will continue to work to create value with an eye on the long term", added Kiguel.

Since the end of Q2 2022, the crypto markets have improved. For example, the staking assets and tokens owned by the Company have increased by approximately 60% since the end of Q2 2022 to the date of this press release. Bitcoin and Eth token prices have increased by 20% and 78% respectively since the end of Q2 2022 to August 12th, 2022. Confidence in the sector appears to be recovering and will positively impact Tokens.com's staking assets which include 3,160 Eth.

<i>For the periods ended June 30</i>	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
Revenue	\$ 250,714	\$ 203,990	\$ 577,034	\$ 305,599
Operating expenses	\$ (752,780)	\$ (2,154,114)	\$ (1,689,017)	\$ (2,417,092)
Loss on disposition of digital assets	(1,692,878)	(287,659)	(1,959,421)	(264,349)
Loss on revaluation of digital assets	(12,464,278)	(6,724,843)	(14,765,967)	(6,724,843)
Net loss	\$ (11,885,782)	\$ (8,537,342)	\$ (4,119,889)	\$ (8,674,514)
Net loss per share	\$ (0.12)	\$ (0.13)	\$ (0.04)	\$ (0.16)

<i>(CAD thousands)</i>	<b>As At</b>	
	<b>June 30, 2022</b>	December 31, 2021
<b>Financial position</b>		
Cash	\$ 5,738,505	\$ 9,741,810
Total digital assets	14,098,281	30,434,312
Total assets	22,809,995	43,548,227
Total liabilities	2,750,167	17,418,688
Total shareholder's equity	20,059,828	26,129,539
Working Capital <sup>(i)</sup>	18,959,349	38,669,789

(i) Calculated as current assets less current liabilities.

## **Q2 2022 Financial Review**

A complete financial reporting package, including the Condensed Interim Consolidated Financial Statements and Management's Discussion & Analysis,

is available on our corporate website ([www.tokens.com](http://www.tokens.com)), and the SEDAR website ([www.sedar.com](http://www.sedar.com)).

An investor call hosted by CEO Andrew Kiguel has been scheduled to discuss the Company's Q2 2022 financial results starting at 10:00 am ET on Tuesday, August 16th, 2022.

Date: August 16th, 2022

Time: 10:00 a.m. ET

Dial-In: 866-455-3403

PIN: 83349366#

## **About Tokens.com**

Tokens.com Corp is a publicly traded Web3 company that owns and invests in an inventory of Metaverse, NFT, DeFi, and gaming based digital assets. Tokens.com's focus is to invest in and build Web3 businesses through its primary entity and subsidiaries. Tokens.com is the majority owner of Metaverse Group, one of the world's first virtual real estate companies. Hulk Labs, a wholly-owned Tokens.com subsidiary, focuses on investing in play-to-earn revenue generating gaming tokens and NFTs. Additionally, Tokens.com owns and stakes crypto assets to earn additional tokens. Through its growing digital assets and NFTs, Tokens.com provides public market investors with a simple and secure way to gain exposure to Web3.

Visit [Tokens.com](http://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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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](http://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.