Tokens.com Announces Q1 2022 Financial Results

TORONTO, ONTARIO, May 16, 2022 - 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 businesses linked to the Metaverse and NFT's, is pleased to announce its financial results for the three months ending March 31, 2022 ("Q1 2022"). All dollar figures are in United States dollars ("USD"), unless otherwise stated.

Q1 2022 HIGHLIGHTS:

- Q1 2022 net income of $7,765,893 (CAD$9,704,260) and comprehensive income of $6,575,626 (CAD$8,216,902) representing net income per share and comprehensive income per share of $0.08 (CAD$0.10) and $0.07 (CAD$0.09), respectively.
- Digital asset inventory growth of 5% from Q4 2021.
- Staking rewards recognized equating to an annualized rate of 11.4% on the original cost of tokens deployed.
- Gain on revaluation of warrant liability of $10,763,697 (CAD$13,450,316).
- Successful completion of Metaverse Fashion Week which was hosted on digital real estate owned by subsidiary, Metaverse Group.
- Successful launch of Hulk Labs, a new Tokens.com subsidiary focused on the play-to-earn crypto gaming sector.
- Expansion of service offerings adding Metaverse advising via Metaverse Group.

- Additional Metaverse real estate assets including the Music District in Decentraland and landmark parcels in SuperWorld.

- Successful tenant leases for virtual land for brands including Forever 21 and Skechers.

- Completion of Tokens.com Tower, which serves as the digital headquarters for Tokens.com and its subsidiaries.

<u>Metaverse Fashion Week Highlights</u>

- Visitor traffic of over 100,000 unique visitors.
- 1 billion media impressions.
- Over 60 brands in attendance.
- Average of 27 minutes spent by visitors in Metaverse Group designed storefronts.

Crypto and stock market conditions in Q1 and continuing into Q2, remain volatile. Crypto has continued to sell off since the end of Q1 through to mid-May. During Q2, Tokens.com rebalanced its portfolio and most significantly, sold 90% of its Terra Luna tokens before the price collapsed due to uncertainty around the peg of Terra's UST (TerraUSD) stablecoin. Management was concerned about the consequences of UST depegging on Luna's price and ultimately sold 90% of its tokens above our original purchase price. We do not foresee any material consequences resulting from the crash in the Terra token.

While we remain frustrated by our share price performance, we are not unique in the current sell off in small cap tech stocks. Management believes this to be temporary and is focused on creating shareholder value for the long term through growing its assets and businesses in the Web3 space.

During these volatile times, management is focused on making sure Tokens.com is in a strong cash position and focused on diversifying its business activities beyond just crypto staking, to operating businesses such as Metaverse Group and Hulk Labs. While volatile crypto pricing does impact the value of the assets within these businesses, we continue to see operational growth and do not see the volatility as an impediment to further operational growth in 2022.

"Q1 was a mixed quarter for Tokens.com. While we have been successful in building beyond the staking business in the Metaverse and gaming, our share price has not performed to our expectations," said Andrew Kiguel, CEO. "Metaverse Group has grown from a small entity into one of the largest

Metaverse landowners, developers, and landlords. Hulk Labs, while still in its infancy, is showing great growth potential. Overall, we are not only investing in Web3 assets but also leveraging our infrastructure to build exciting new Web3 businesses" added Kiguel.

OPERATING AND FINANCIAL OVERVIEW

(USD thousands, except for per share amounts)	**Three months ended March 31, 2022**	**Three months ended March 31, 2021**
Revenue	$ 326	$ 102
Operating Expenses	958	263
Gain (loss) of disposition of digital assets	(266)	23
Revaluation of digital assets	(2,301)	-
Gain on revaluation of warrant liability	10,764	-
Net income (loss)	7,765	(137)
Revaluation of digital assets in OCI	(1,190)	2,849
Net income (loss) per share	0.08/CAD0.10	(0.07)/CAD(0.09)
Comprehensive income (loss)	6,575	2,712
Comprehensive income (loss) per share	0.07/CAD0.09	nmf

(USD thousands)	**March 31, 2022**	**December 31, 2021**
Cash	$ 5,891	$ 9,742
Total digital assets	31,839	30,434
Total assets	40,784	43,548
Total liabilities	6,714	17,419
Total shareholders' equity	34,070	26,129
Working capital[1]	35,841	38,670

(1) Calculated as current assets less current liabilities

Tokens.com marks its digital asset inventory to market at the end of every quarter and the total revaluation of digital assets of $(3,491,000) was reflective of the drop in crypto market prices through March 31, 2022.

In addition, Metaverse Group started to generate revenue towards the end of Q1. While the aggregate amount is small, it is significant in that i) Tokens.com has moved beyond relying solely on staking and ii) our thesis that brands and retailers are willing to pay to rent out digital real estate came to fruition. Once Hulk Labs becomes fully operational, we expect to have revenue being generated from all three verticals - Staking, Metaverse Group and Hulk labs.

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

CONFERENCE CALL

An investor call, hosted by CEO Andrew Kiguel, has been scheduled to discuss the Company's Q1 2022 financial results, starting at 4:00 pm ET on Monday, May 16, 2022.

Date: May 16, 2022
Time: 4:00 pm ET
Dial-In: 1 (866) 455-3403
Passcode: 16246076#

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 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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