



## ***For Immediate Release***

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### **KABN North America and Torino Power Announce Definitive Agreement for Proposed Reverse Takeover of Torino Power by KABN North America**

**Toronto, Ontario, January 14, 2020** – KABN Systems North America Inc. (“**KABN North America**”) and Torino Power Solutions Inc. (CSE: TPS) (the “**Company**” or “**Torino Power**”) are pleased to announce that they have entered into a definitive agreement (the “**Definitive Agreement**”) dated January 13, 2020 with respect to the previously announced proposed reverse takeover of Torino Power by KABN North America. The Definitive Agreement outlines the terms and conditions pursuant to which KABN North America and the Company will effect a business combination that will constitute a fundamental change of the Company and will result in a reverse takeover of the Company by the securityholders of KABN North America (the “**Proposed Transaction**”). The Definitive Agreement was negotiated at arm’s length.

KABN North America is a Canadian FinTech company that specializes in continuous online Identity Verification, Identity Management and Monetization and is currently in development to launch a digital banking and financial services platform. It is developing a financial services platform in North America (the “**KABN NA Platform**”) that consists of:

- **KABN ID:** a blockchain and biometrically based, patent-pending, EU General Data Protection Regulations (GDPR) compliant, “always on” ID validation and verification process at its core.
- **KABN Card:** new types of financial and related services through a payment card-approved, digital currency-linked prepaid card and mobile banking wallet program for a variety of digital currencies and multi-currency fiat transactions.
- **KABN KASH:** a robust loyalty and customer engagement platform.

KABN North America is the exclusive licensee in Canada and the United States of America of the intellectual property (the “**Licensed IP**”) that is comprised in the KABN ID, KABN Card and KABN KASH programs. KABN North America’s key shareholders are KABN (Gibraltar) Limited and Crypto KABN Holdings Inc. of Vancouver, British Columbia, Canada, which are the licensors of the Licensed IP.

#### **Summary of the Transaction**

The Proposed Transaction will be structured as an amalgamation of KABN North America and a wholly-owned subsidiary of the Company whereby the shareholders of KABN North America will receive post-Consolidation common shares of the Company (“**Torino Shares**”) in exchange for their common shares of KABN North America (“**KABN Shares**”).

Completion of the Proposed Transaction is subject to a number of conditions, including receipt of all necessary shareholder and regulatory approvals, including approval of the existing shareholders of the Company, and conditional approval of the Canadian Securities Exchange (the “**CSE**”) for the listing of the common shares of the resulting issuer (the “**Resulting Issuer**”) following completion of the Proposed Transaction.

In connection with the Proposed Transaction, the Company will be required to, among other things: (i) change its name to a name requested by KABN North America and acceptable to applicable regulatory authorities (the “**Name Change**”), (ii) consolidate its outstanding Torino Shares on a basis of ten old Torino Shares for one post-Consolidation Torino Share (the “**Consolidation**”) and (iii) replace certain directors and officers of the Company on closing of the Proposed Transaction with nominees of KABN North America.

#### Management and Board of the Resulting Issuer

Upon completion of the Proposed Transaction, it is anticipated that the persons identified below will serve as directors and officers of the Resulting Issuer:

##### *Houssam (Sam) Kawtharani – Director*

Mr. Kawtharani is a director of KABN North America and the co-founder of Corl Financial Technologies Inc., a fintech that offers data-driven growth capital to startups. Prior to co-founding Corl Financial Technologies Inc. Mr. Kawtharani was the Head of Product at IOU Financial Inc., a publicly-listed online lender (TSX:IOU), where he supported the company in originating over \$500 million in loans across the United States of America and Canada through continuous product development and innovation Mr. Kawtharani is also the founder and director of Sam Kay Consultancy Inc. o/a FinBlox Labs, a fintech and blockchain advisory services firm for startups, enterprises and financial institutions. Mr. Kawtharani is also currently an advisor at KABN, AuBit International, EzyStayz Holiday Rentals Pty Ltd., OmniPsarx PBC and Trusted Inc. Holdings Limited. Mr. Kawtharani has a Bachelor of Science in computer science and business administration from the American University of Beirut and a Masters in Engineering from Concordia University.

##### *Benjamin Kessler – Director, Interim Chief Executive Officer*

Mr. Kessler has over 20 years of account management, business development, marketing and partnership experience in the financial services sector. Mr. Kessler is currently Chief Executive Officer and a director of KABN North America, as well as Chief Executive Officer of KABN (Gibraltar) Limited. Most recently, Mr. Kessler served as Managing Director, Payments Solution Group – Banc of California from January 2016 to 2017. Prior to that, Mr. Kessler served as Vice President, Global Account Management at Earthport North America TLC from 2013 to 2015. Mr. Kessler has also served as Vice President, Emerging Verticals at Mastercard Worldwide from 2006 to 2011. Mr. Kessler has a Bachelor of Arts degree from Brandeis University and a Master of Business Administration from the New York University Stern School of Management.

##### *David Lucatch – Director, President*

Mr. Lucatch has more than 30 years inventing technology and business solutions in the international marketing arena and over 20 years of that developing and taking to market internet and mobile based platforms. Mr. Lucatch has held senior management posts and directorships at both private and public media

and technology firms and is currently President and a director of KABN North America. Mr. Lucatch has a Bachelor of Arts degree with a double major in commerce and economics from the University of Toronto.

*J. Patrick Mesina – Director*

Mr. Mesina is currently a director of the Company, KABN North America and Cortland Credit Group Inc., as well as a director and audit committee member of TSX Venture Exchange-listed Brockton Ventures Inc. Mr. Mesina presently works as a director with a Canadian based institutional investment firm, Cortland Credit Group Inc. Mr. Mesina had served as Vice President with a Toronto based institutional investment firm AIP Private Capital Inc. from March 2012 to September 2017. Since September 2017 he has been a consultant for several companies, including Vive Crop Protection Inc. and Northern Lights Partners Inc. Mr. Mesina has an Honours Bachelor of Arts degree in economics and political science from the University of Toronto.

*Craig McCannell – Interim Chief Financial Officer*

Mr. McCannell is currently the Chief Financial Officer of KABN North America, Chief Executive Officer of KABN (Gibraltar) Limited, and the Chief Financial Officer of Pegasus Fintech Canada Inc., a full service blockchain, technology and growth accelerator advisory firm. Mr. McCannell had served as Chief Financial Officer at two publicly traded companies and was a senior manager at Ernst & Young LLP. Mr. McCannell has an Honours Bachelor of Business Administration from Wilfred Laurier University and obtained his Certified Professional Accountant (Chartered Accountant) designation in 2002.

*Ravinder Mlait – Director*

Mr. Mlait has served as director of the Company since February 2015 and Chief Executive Officer of the Company since December 2015. From December 2013 to present, Mr. Mlait has served as Chief Executive Officer of Cannabix Technologies Inc., an early stage technology company listed on the CSE. Mr. Mlait has served as director and officer of Brockton Ventures Inc., a capital pool company listed on the TSX Venture Exchange since February 22, 2018. From June 2010 to present, Mr. Mlait has served as Chief Executive Officer and President of Rockland Minerals Corp., a mineral exploration company listed on the TSX Venture Exchange. Mr. Mlait obtained a Bachelor of Arts degree (Economics) from Simon Fraser University in 1999 and obtained his Masters of Business Administration from Royal Roads University in Victoria, British Columbia in 2010.

Torino Shareholder Meeting

It is anticipated that a special shareholder meeting of the Company (the “**Special Meeting**”) will take place in Q1 of 2020 to approve, among other matters: (i) a special resolution authorizing the Name Change; and (ii) an ordinary resolution authorizing the fundamental change of the Company resulting from the Proposed Transaction. Assuming completion of a contemplated private placement of approximately 13 million shares by KABN North America prior to completion of the Proposed Transaction, the shareholders of Torino Power following the Proposed Transaction will hold approximately 9.3% of the shares of the Resulting Issuer and the shareholders of KABN North America will hold approximately 90.7% of the shares of the Resulting Issuer.

Other Conditions Precedent

Other conditions to completion of the Proposed Transaction include, but are not limited to:

- The representations and warranties being true and correct in all material respects as of the closing of the Proposed Transaction.
- No material adverse change prior to completion of the Proposed Transaction.
- The Company not having undertaken any business, other than in connection with the completion of the Proposed Transaction, from and after November 21, 2019.
- Conditional approval by the CSE of the listing of post-Consolidation Torino Shares.
- Cancellation of the stock options of the Company held by certain officers and directors (and former officers and directors) of the Company.
- Resignation of certain directors and officers of the Company and its subsidiaries without payment by or any liability to the Company, its subsidiary and KABN North America.
- KABN North America having raised aggregate gross proceeds of at least \$750,000 prior to and in connection with the Proposed Transaction through issuances of KABN Shares and share purchase warrants to purchase KABN Shares.
- No order or decree restraining the Proposed Transaction.

### Termination Rights

The Definitive Agreement may, with certain exceptions, be terminated prior to the closing of the Proposed Transaction:

- by mutual consent of TPS, its subsidiary and KABN North America;
- by a party if a condition in its favour or a mutual condition is not satisfied by April 30, 2020;
- by the Company or KABN North America if:
  - there has been a breach of any of the representations, warranties, covenants and agreements on the part of the other party, which breach has or is likely to result in the failure of the conditions precedent set out in the Definitive Agreement and is not cured within ten business days following receipt by the breaching party of written notice of such breach by the non-breaching party;
  - any permanent order or decree preventing the consummation of the Proposed Transaction has become final and non-appealable;
  - the other party (or the board of directors or any committee of such party) withdraws or modifies in a manner adverse to the initial party its approval of the Definitive Agreement or its recommendation to shareholders to vote in favour of the resolutions necessary to the completion of the Proposed Transaction; or
  - the Proposed Transaction is not completed by April 30, 2020.

### Trading Halt

Trading in the Torino Shares will remain halted until all the requirements of the CSE have been met and the resumption of trading is approved by the CSE.

For more information, please visit [www.torinopower.com](http://www.torinopower.com) or contact Bryan Loree at 604-808-2225 or [info@torinopower.com](mailto:info@torinopower.com).

*On behalf of the Board of Directors of Torino*

*“Rav Mlait”*

CEO and Director  
Torino Power Solutions Inc.

*On behalf of the Board of Directors of KABN North America*

*“David Lucatch”*

President and Director  
KABN Systems North America Inc.

*The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*

*As noted above, completion of the Proposed Transaction is subject to a number of conditions. The Proposed Transaction cannot close until the required shareholder approval is obtained in respect of the applicable matters. There can be no assurance that the Proposed Transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the management information circular or listing statement of the Company to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Torino should be considered highly speculative.*

*This news release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities under the KABN Financing in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

#### **Forward-Looking Information and Statements**

This press release contains certain “forward-looking information” within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Company’s beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company’s control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or may contain statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “will continue”, “will occur” or “will be achieved”. The forward-looking information and forward-looking statements contained herein may include, but are not limited to, information concerning the Proposed Transaction, expectations regarding whether the Proposed Transaction will be consummated, including whether conditions to the consummation of the Proposed Transaction will be satisfied, the timing for holding the special meeting of shareholders of the Company and the timing for completing the Proposed Transaction, expectations for the effects of the Proposed Transaction or the ability of the combined company to successfully achieve business objectives, and expectations for other economic, business, and/or competitive factors.

By identifying such information and statements in this manner, the Company is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such information and statements. In addition, in connection with the forward-looking information and forward-looking statements

contained in this press release, the Company has made certain assumptions. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information and statements are the following: the ability to consummate the Proposed Transaction; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other conditions to the consummation of the Proposed Transaction on the proposed terms and schedule; the potential impact of the announcement or consummation of the Proposed Transaction on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation; and the diversion of management time on the Proposed Transaction. Should one or more of these risks, uncertainties or other factors materialize, or should assumptions underlying the forward-looking information or statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.

Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to the Company or persons acting on its behalf is expressly qualified in its entirety by this notice.