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## **CYPHER METaverse INC. ANNOUNCES LETTER OF INTENT FOR PROPOSED BUSINESS COMBINATION WITH AGAPI LUXURY BRANDS INC.**

**May 18, 2023, Vancouver, British Columbia** – Cypher Metaverse Inc. (CSE: CODE) (“**CODE**” or the “**Company**”) is pleased to announce that it has entered into a binding letter of intent (“**LOI**”) dated May 10, 2023, to enter into a business combination (the “**Transaction**”) with Agapi Luxury Brands Inc. (“**Agapi**”). It is expected that upon completion of the Transaction, the combined entity (the “**Resulting Issuer**”) will meet the listing requirements for an industrial issuer and constitute a “Reverse Takeover” (“**RTO**”) under the policies of the Canadian Securities Exchange (the “**CSE**”).

### **Terms of the Transaction**

The Transaction is expected to be completed by way of a three-cornered amalgamation, share purchase, share exchange or alternate transaction to be determined with input from the legal and tax advisors to each of CODE and Agapi, which will result in Agapi becoming a wholly-owned subsidiary of CODE.

Upon the satisfaction or waiver of the conditions set out in the definitive transaction agreement to be entered into by CODE and Agapi (the “**Definitive Agreement**”), the following, among other things, will be completed in connection with the Transaction:

- the holders of Agapi Common Shares will receive 0.7601 common shares of the Resulting Issuer in exchange for each of their Agapi Common Shares, (the “**Exchange Ratio**”);
- all outstanding Code warrants will be replaced with equivalent convertible or exchangeable securities of the Resulting Issuer entitling the holders thereof to acquire common shares of the Resulting Issuer;
- the management and board of directors of the Resulting Issuer will be determined by Agapi and announced in further press releases; and
- CODE will change its name to such name as determined by Agapi in its sole discretion, in compliance with applicable law and as may be acceptable to the CSE.

The Transaction is a non-arm’s length transaction or a related party transaction pursuant to the policies of the CSE and NI 61-103 as the CEO of CODE is a significant shareholder of Agapi. As a result, CODE is being represented in these negotiations by a special committee made up of independent directors. In addition the Company has commissioned an independent valuation of Agapi and will seek the approval of disinterested shareholders.

### **Private Placement Financing**

In connection with and as a condition to the Transaction, Agapi intends to complete an equity financing of Agapi Common Shares for gross proceeds of up to \$750,000 (the “**Private Placement**”). It is expected that the issue price per Agapi Common Share will be \$0.10. The Agapi Common Shares are expected to be sold to “accredited investors” and other parties pursuant to exemptions from prospectus requirements under Canadian securities laws.

The Private Placement is intended to be completed prior to or concurrently with closing of the Transaction. The net proceeds of the Private Placement will be used for working capital and general corporate purposes.

The ultimate structuring of the Private Placement is subject to receipt of tax, securities law and corporate law advice.

### **Conditions of the Transaction**

Completion of the Transaction is subject to the satisfaction of customary closing conditions, including: (i) the satisfactory completion of due diligence by each of CODE and Agapi; (ii) receipt of all required approvals and consents relating to the Transaction, including without limitation any approvals of the shareholders of CODE and Agapi as required by the CSE and under applicable corporate or securities laws; (iii) completion of the Private Placement; and (iv) the CSE's approval for listing the shares of the Resulting Issuer.

### **Bridge Loan**

CODE has agreed to lend Agapi \$600,000 by way of a secured bridge loan (the "**Bridge Loan**") at an annual interest rate of 8%. The Bridge Loan will be forgiven by CODE upon completion of the Transaction. The Bridge Loan will be repayable within six months of termination of the Definitive Agreement in accordance with its terms. Final terms of the Bridge Loan will be set out in a definitive loan agreement and related security documentation which will contain such terms as are customary in comparable transactions.

The Bridge Loan will be used by Agapi for working capital and general corporate purposes.

### **Trading Halt**

Trading in CODE Common Shares on the CSE will remain halted in compliance with the policies of the CSE in connection with the announcement of the Transaction as this would be a change of business under the policies of the CSE and is expected to remain halted pending the review of the Transaction by the CSE, and satisfaction of the conditions of the CSE for resumption of trading. It is not expected that trading in the CODE Common Shares will resume prior to the Closing.

### **Filing Statement**

In connection with the Transaction and in compliance with the policies of the CSE, CODE will file on SEDAR a filing statement or information circular which will contain details regarding the Transaction, CODE, Agapi and the Resulting Issuer.

### **Additional Information**

If and when a Definitive Agreement is executed, CODE will issue a subsequent press release containing details of the Definitive Agreement and additional terms of the Transaction, including information relating to summary financial information in respect of Agapi, and to the extent not contained in this press release, additional information with respect to the Private Placement, history of Agapi and the proposed directors, officers, and insiders of the Resulting Issuer upon completion of the Transaction.

### **About Cypher Metaverse Inc.**

Cypher Metaverse Inc. seeks early-stage investments in emerging technology sectors, including the blockchain ecosystem, fintech and the metaverse. The Company identifies such opportunities and applies its relationships and capital to advance its interests.

The common shares of CODE ("**CODE Common Shares**") are currently listed on the CSE and CODE is a reporting issuer in the provinces of British Columbia, Alberta and Ontario.

CODE currently has 15,571,906 CODE Common Shares issued and outstanding and securities exercisable or exchangeable into 3,288,070 CODE Common Shares.

#### **About Agapi Luxury Brands Inc.**

Agapi's premium luxury branded cigars sold under the brand "Freud Cigar Co.", are exclusively handcrafted using the finest tobacco leaves that are carefully selected and aged to perfection, and artistically blended to produce an unforgettable smoking experience for the luxury consumer. The company has partnered with renowned industry veterans Eladio Diaz, William Ventura with the aim to disrupt the luxury cigar segment. The company has successfully commercialized products in the US and international markets selling over 40,000 and 10,000 cigars in each respective market.

Agapi is a private company and was incorporated under the *Business Corporations Act* (British Columbia) on June 11, 2021.

Agapi currently has approximately 65,571,906 common shares ("**Agapi Common Shares**") issued and outstanding and securities exercisable or exchangeable into approximately 84,542,058 Agapi Common Shares.

#### **For further information please contact:**

##### **Cypher Metaverse Inc.**

Brian Keane - Director

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##### **Agapi Luxury Brands Inc.**

David Stadnyk, CEO

Phone: 236-521-7211

***All information in this press release relating to Agapi has been provided by Agapi and is the sole responsibility of Agapi.***

#### **Cautionary Note**

Completion of the Transaction is subject to a number of conditions, including but not limited to, CSE acceptance and if applicable pursuant to CSE requirements, majority of the minority 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 circular 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.

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

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

### **Forward-Looking Statements**

This news release contains “forward-looking information” within the meaning of applicable securities laws relating to the exploration and development of Agapi’s products, the proposal to complete the Transaction and associated transactions, including statements regarding the terms and conditions of the Transaction the Exchange Ratio, the name change of the Company, the Private Placement, the use of proceeds of the Private Placement, the Bridge Loan and the proposed directors and officers of the Resulting Issuer. The information about Agapi contained in the press release has not been independently verified by CODE. Although CODE believes in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because CODE can give no assurance that they will prove to be correct. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, the risks that the parties will not proceed with the Transaction, the name change of the Company, the Private Placement, the appointment of the proposed directors and officers of the Resulting Issuer and associated transactions, that the ultimate terms of the Transaction, the Private Placement, the appointment of the proposed directors and officers of the Resulting Issuer and associated transactions will differ from those that currently are contemplated, and that the Transaction, the name change of the Company, the Private Placement, the appointment of the proposed directors and officers of the Resulting Issuer and associated transactions will not be successfully completed for any reason (including the failure to obtain the required approvals or clearances from regulatory authorities). The terms and conditions of the Transaction may change based on CODE’s due diligence and the receipt of tax, corporate and securities law advice for both CODE and Agapi. The statements in this press release are made as of the date of this press release. CODE undertakes no obligation to comment on analyses, expectations or statements made by third-parties in respect of CODE, Agapi, their securities, or their respective financial or operating results (as applicable) except as required by securities laws.