

Form 51-102F3

**Material Change Report**

**Item 1 Name and Address of Company**

KABN Systems NA Holdings Corp. (“**KABN NA**”)  
1 – 7357 Woodbine Avenue, Suite 605  
Markham, Ontario  
L3R 6L3

**Item 2 Date of Material Change**

June 4, 2020

**Item 3 News Releases**

June 4, 2020: News release disseminated by Newsfile Corp. announcing the completion of the Business Combination (as defined below) on June 4, 2020. See Schedule “A”.

June 10, 2020: News release disseminated by Newsfile Corp. announcing the listing and commencement of trading of KABN NA’s common shares on the Canadian Securities Exchange (the “**CSE**”) on June 10, 2020. See Schedule “B”.

**Item 4 Summary of Material Change**

On June 4, 2020, KABN NA (formerly Torino Power Solutions Inc. (CSE:TPS)) closed its previously announced “three-cornered” amalgamation (the “**Business Combination**”), pursuant to which KABN Systems North America Inc. (“**KABN**”) and 2733668 Ontario Inc., a wholly-owned subsidiary of KABN NA, amalgamated, the existing shareholders of KABN became shareholders of KABN NA, and the amalgamated entity continued as a subsidiary of KABN NA. In addition, immediately prior to the completion of the Business Combination, KABN NA consolidated its issued and outstanding shares on the basis of 10:1 and changed its name from Torino Power Solutions Inc. to KABN Systems NA Holdings Corp.

KABN NA received the conditional approval for the listing of its common shares on the CSE on April 21, 2020. Trading of the shares commenced on the CSE under the symbol “KABN” on June 10, 2020.

**Item 5 Full Description of Material Change**

**Item 5.1 Full Description of Material Change**

The material change is fully described in KABN NA’s press release dated June 4, 2020 attached hereto as Schedule “A”, which is incorporated by reference herein.

**Item 5.2 Disclosure for Restructuring Transaction**

The Business Combination is described in KABN NA’s listing statement dated June 5, 2020, which is available on KABN NA’s SEDAR profile at [www.sedar.com](http://www.sedar.com) and is incorporated by reference herein.

**Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102**

This report is not being filed on a confidential basis.

**Item 7 Omitted Information**

No information has been omitted.

**Item 8 Executive Officer**

Benjamin Kessler, Chief Executive Officer  
647-725-7742 Ext. 700

**Item 9 Date of Report**

June 10, 2020

**Schedule "A"**

See attached.

# KABN North America Completes Reverse Takeover of Torino Power Systems

Toronto, Ontario--(Newsfile Corp. - June 4, 2020) - KABN Systems NA Holdings Corp. (formerly Torino Power Solutions Inc.) (CSE: TPS) (the "**Company**" or "**Torino Power**") is pleased to announce that its reverse take-over (the "**RTO**") by KABN Systems North America Inc. ("**KABN North America**") has been completed. The RTO was approved by shareholders of the Company on March 31, 2020 and is a "fundamental change" for the Company within the meaning of applicable policies of the Canadian Securities Exchange.

In connection with the RTO, effective June 3, 2020 the Company changed its name to KABN Systems NA Holdings Corp. and consolidated its shares on a 10 for 1 basis (the "**Consolidation**").

The RTO was structured as an amalgamation of KABN North America and a wholly-owned subsidiary of the Company whereby the shareholders of KABN North America received post-Consolidation common shares of the Company in exchange for their common shares of KABN North America ("**KABN Shares**"). In accordance with the terms of the RTO, the Company issued a total of 59,777,942 post-Consolidation common shares to the shareholders of KABN North America in exchange for all of the outstanding KABN Shares based on a share exchange ratio of one post-Consolidation common share of the Company for each KABN Share. As part of the RTO, the Company assumed the obligation to issue common shares on the exercise of 13,799,968 warrants of KABN North America, 4,350,000 KABN North America options, and under certain other agreements and instruments. Further details can be found in the Company's listing statement that will be available on SEDAR.

The Company also announces that on June 1, 2020, KABN North America completed its second tranche of its private placement financing of units of KABN North America (the "**Units**") in connection with the RTO for additional gross proceeds of approximately \$1,231,600. Each Unit was priced at \$0.15 CDN and consisted of (a) one common share in the share capital of KABN North America and (b) one-half (1/2) KABN North America common share purchase warrant, with each whole warrant having an exercise price of \$0.20 for a period of 18 months from the date of issue. Aggregate gross proceeds of \$2.2 million were raised by KABN North America in connection with the RTO.

## **Exchanges of Shares**

Registered shareholders of the Company will receive a letter of transmittal from the Company's transfer agent, Odyssey Trust Company, describing the process by which shareholders may obtain new certificates or DRS Advices representing their post-Consolidation common shares. Shares held in uncertificated form by shareholders through brokerage accounts will be converted through each shareholder's brokerage account, and shareholders are not required to take any action to surrender for exchange common shares held in this way. Until surrendered, each certificate or DRS Advice representing common shares prior to the Consolidation will be deemed for all purposes to represent the number of whole common shares to which the holder thereof is entitled as a result of the Consolidation.

Notwithstanding the letter of transmittal for KABN North America shareholders referred to in the management information circular of the Company dated February 24, 2020, the Company has determined to distribute the post-Consolidation common shares to be issued in the RTO by way of a direct "push-out" from the Company's transfer agent.

## **Outstanding Shares**

Following the closing of the RTO, the Company has, assuming no rounding as a result of the Consolidation, a total of 65,750,240 common shares issued and outstanding, and has reserved for issuance 19,579,367 common shares issuable pursuant to warrants, incentive stock options and other agreements and instruments. Further details can be found in the Company's listing statement that will be available on SEDAR.

An aggregate of 27,425,000 common shares and 662,500 warrants held by Principals of the Company are, to the extent required under National Policy 46-201, subject to escrow and such shares will be released from escrow as follows: ten percent (10%) of the escrowed shares will be released from escrow on the date of listing and an additional fifteen percent (15%) will be released every 6 months thereafter.

## **The Resulting Issuer**

The Company is now operating through KABN North America, 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 reusable, *Always On*, compliant, biometrically-based, identity verification and validation platform that forms the engine of the KABN Network.
- **LIQUID AVATAR:** a digital image-based "wallet and keyring" platform that allows users to manage their digital identity.
- **KABN's Visa Card:** an approved prepaid Visa card that includes a Mobile Banking Wallet that supports both digital and traditional currencies.

- **KABN KASH:** a robust loyalty and engagement platform with cashback and card-linked programs.

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.

Liquid Avatar is a KABN (Gibraltar) Limited program and the terms of its use will be included as a new product under the current exclusive license with KABN North America.

#### Management and Board of the Resulting Issuer

As a result of the completion of the RTO the persons below are now directors and executive officers of the Resulting Issuer:

##### *Benjamin Kessler - Director, 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.

##### *Bryan Loree - Chief Financial Officer*

Mr. Loree is currently the Chief Financial Officer of the Company. Mr. Loree holds a Certified Management Accountant designation, a Financial Management Diploma from the British Columbia Institute of Technology, and a BA from Simon Fraser University. Mr. Loree has held various senior accounting roles for public and private companies in various industries including, renewable energy, exploration, and construction.

##### *Michael Konikoff - Chief Revenue Officer*

Mr. Konikoff has over 25 years of marketing, loyalty and partnerships experience. Prior to his position with KABN as Chief Revenue Officer, Mr. Konikoff held such positions as Head of Marketing for the Toronto Parking Authority, Vice President of Strategic Partnerships at Engage People and Senior Vice President at Fairlane Group.

##### *Lynn Cumiskey - Chief Compliance Officer*

Ms. Cumiskey is Chief Compliance Officer for both KABN Systems NA Holdings Corp. and KABN (Gibraltar) Limited. Ms. Cumiskey has an extensive background working in the technology arena with securities and corporate counsel, auditors, regulators and investment brokers and dealers, having previously held positions in both public and private firms (Canada / US / Europe) over a 20+ year career, most recently as a Vice President of Corporate Operations for an Artificial Intelligence based language translation company.

##### *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.

##### *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.

*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.

**Re-Commencement of Trading**

Trading in the Company's shares was halted until all the requirements of the CSE have been met and the resumption of trading is approved by the CSE. The Company has delivered materials to the CSE. The Company expects that its common shares will resume trading on a post-Consolidation basis on the CSE under the symbol "KABN" on or before June 10, 2020.

**For further information, please contact:**

Benjamin Kessler  
Chief Executive Officer  
**647-725-7742 Ext. 700**

[ir@kabnsystemsna.com](mailto:ir@kabnsystemsna.com)

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

*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 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: changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation. 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.

*Not for distribution to United States newswire services or for release publication, distribution or dissemination, directly or indirectly, in whole or in part, in or into the United States.*



To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/57306>

**Schedule "B"**

See attached.



# KABN North America Begins Trading on the Canadian Securities Exchange

Toronto, Ontario--(Newsfile Corp. - June 10, 2020) - KABN Systems NA Holdings Corp. (formerly Torino Power Solutions Inc.) (CSE: KABN) (the "**Company**" or "**KABN**" or "**KABN North America**") is pleased to announce that it has commenced trading on the Canadian Securities Exchange under the symbol **KABN** as of today.

KABN North America is a Canadian FinTech company that specializes in continuous online identity verification, management and monetization and is currently in development to launch a digital banking and financial services platform. With the evolving macroenvironment and the increasing amount of time spent online, the Company believes that digital identity will become more important as users look to work, play, educate, game and shop virtually and will need to protect, manage and control the use of their digital identity.

KABN believes that ownership of identity is a basic human right and individuals should be the primary beneficiary of any use of their identity. The KABN North America platform provides, at no cost to consumers, the ability to create a digital identity with our Liquid Avatar platform ([www.liquidavatar.com](http://www.liquidavatar.com)), verify their identity through KABN ID and create value for the use of their identity through KABN North America's cashback, engagement and loyalty program, KABN KASH, as well as the KABN Visa card.

KABN North America generates revenue by providing our users, at no cost, with high value services and delivering permission-based offers that fit their aggregated public data profiles. KABN never rents, sells or provides data to outside parties without permission, and complies with jurisdictional privacy rules and regulations.

## KABN North America Value Proposition

The Company is focused on 3 principle tenets that it believes will drive potential value:

**The Addressable Market** - Digital Identity is relevant to 100% of the online market.

**The Unique Business Model** - KABN's solutions are built to empower users, generate revenue and create stakeholder value.

**The Team** - KABN's management team, advisors and board of directors are seasoned executives from the technology, banking, payments and loyalty industry and have the acumen to help drive the Company to success.

## KABN North America Product Suite

KABN North America has 4 primary products that enable users to verify, manage and monetize their digital identity:

- **KABN ID:** a reusable, *Always On*, compliant, biometrically-based, identity verification and validation platform that forms the engine of the KABN Network.
- **LIQUID AVATAR:** a digital image-based "wallet and keyring" platform that allows users to manage their digital identity.
- **KABN Card:** an approved prepaid Visa card that includes a mobile banking wallet that supports both digital and traditional currencies.
- **KABN KASH:** a robust loyalty and engagement platform with cashback and card-linked programs.

"We are excited to be trading on the CSE and we look forward to creating value for all of our stakeholders," said Benjamin Kessler, CEO. "KABN North America is uniquely positioned to provide all our ecosystem partners with value given our low cost of user acquisition and our highly scalable infrastructure."

Over the coming weeks, KABN will begin its rollout of products and programs, initially on an invitational basis only to its customers, social media, gaming and its network partners.

**About KABN** - [www.kabnaholdco.com](http://www.kabnaholdco.com)

KABN Systems NA Holdings Corp. through its wholly owned subsidiary KABN Systems North America Inc. focuses on the verification, management and monetization of digital identity, empowering users to control and benefit from its use of their online identity. KABN proprietary technology suite includes 4 key products:

**KABN ID** is an *Always On*, biometric and blockchain based digital identity validation and verification platform allowing users to continuously and confidently prove themselves throughout the online community.

**Liquid Avatar** allows users to create high quality digital icons representing their online personas. These icons, in conjunction with KABN ID, allows users to use Liquid Avatars to share public and permission based private data when they want and with whom they want. [www.liquidavatar.com](http://www.liquidavatar.com)

**KABN Card** is a Visa approved prepaid card program allowing users to manage both digital and fiat currencies and earn cashback and other loyalty incentives.

**KABN KASH** is a cashback, loyalty and engagement program that powers the KABN revenue ecosystem.

KABN provides its products and services at no cost to consumers and generates revenues through permission-based partner programs.

KABN Systems NA Holding Corp. is publicly traded on the Canadian Securities Exchange under the symbol: **KABN**

For more information, please visit [www.kabnnaholdco.com](http://www.kabnnaholdco.com) or [www.kabnsystemsna.com](http://www.kabnsystemsna.com)

**For further information, please contact:**

Benjamin Kessler  
Chief Executive Officer  
**647-725-7742 Ext. 700**

[ir@kabnsystemsna.com](mailto:ir@kabnsystemsna.com)

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

*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 is not limited to, information concerning the ability of the Company to generate revenues, roll out new programs and 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: changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation. 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.



To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/57561>