

Prophecy DeFi Announces Acquisition of 60% of Layer2 Blockchain

TORONTO, July 9, 2021 /CNW/ - Prophecy DeFi Inc. ("Prophecy DeFi" or the "Company", formerly Bucephalus Capital Corp.) (CSE: PDFI) is pleased to announce that, further to its press release of June 8, 2021, it has completed the previously announced acquisition (the "Transaction") of 60% of the issued and outstanding common shares of Layer2 Blockchain Inc. ("Layer2"). As consideration for the Transaction, the Company issued an aggregate of 25,000,000 common shares of the Company (each a "Common Share"), to the shareholders of Layer2 on a pro rata basis.

All Common Shares issued in connection with the acquisition of Layer2 are subject to a four-month and one day resale restriction and voluntary lock-ups of up to 21 months, subject to certain accelerated releases in the event the Company's common shares trade above certain prices. Further information on the Transaction can be found in the press release of the Company dated June 8, 2021.

"Prophecy DeFi is thrilled to make this investment into Layer2," said John McMahon, CEO, Prophecy DeFi. "Layer2 is managed by an extremely talented team of DeFi operators, and we will be advancing the existing Layer2 business with capital and resources to accelerate their operations."

Going beyond fintech, decentralized finance (or "DeFi") has the potential to disrupt the centralized banking system, art markets, voting standards, and more by focusing on peer-to-peer transactions. The sector is experiencing tremendous success having grown from US\$2.4B in total value locked in DeFi a year ago, to over US\$55B today.¹ Prophecy DeFi is committed to building a connected ecosystem of decentralized finance investments and has begun this through its acquisition of Layer2.

Layer2 is a technology company focused on the rapidly emerging "Ethereum Layer Two" decentralized finance ecosystem. DeFi is currently the fastest growing and most innovative subsector in cryptocurrencies. Until recently, DeFi only existed on the Ethereum blockchain, however, scaling issues on Ethereum has pushed DeFi innovation onto a number of different but scalable "Layer Two" blockchains. This fragmentation has created a significant opportunity to realize outsized returns which the Layer2 team is uniquely poised to take advantage of. Layer2's current operations within the DeFi sector are focused on: liquidity provisioning and market making, cross-chain protocol arbitrage, network staking, validation and infrastructure.

"This Transaction allows us to capitalize on the depth of experience and connections of Prophecy DeFi so that we can expand our business and take advantage of the tremendous opportunities that specifically exist in the emerging DeFi market," said Andrew Young, CEO, Layer2. "Layer2 is pleased to be joining the Prophecy DeFi organization and as a team operating in decentralized finance, we are looking forward to being a central part of the ecosystem that they are building."

In connection with the Transaction, the Company agreed to issue 500,000 common shares to a certain eligible finder. The shares issued to such finder are subject to a four-month and one day resale restriction and the same lock-ups as noted above.

About Layer2 Blockchain

Layer2 Blockchain is focused on accelerating the development of the DeFi industry on scalable blockchains by providing early-stage liquidity to the most promising DeFi projects.

Additional information about the Company can be found on the Company's website at www.layer2defi.com

About Prophecy DeFi

Prophecy DeFi (CSE:PDFI) aims to bring together technology start-ups in the Blockchain and DeFi sectors to fund innovation, elevate industry research, and create new business opportunities in a coherent ecosystem.

Additional information about the Company can be found on the Company's website at: www.prophecydefi.com

Forward-Looking Information

Certain information set forth in this news release may contain forward-looking information that involves substantial known and unknown risks and uncertainties. This forward-looking information is subject to numerous risks and uncertainties, certain of which are beyond the control of the Company, including, but not limited to, the impact of general economic conditions, industry conditions, and dependence upon regulatory approvals and the possibility that the completion of the transaction may not occur. Readers are cautioned that the assumptions used in the preparation of such information,

although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking information. The parties undertake no obligation to update forward-looking information except as otherwise may be required by applicable securities law.

Neither the Canadian Securities Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.

¹Source: DeFi Pulse (<https://defipulse.com>)

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For further information: John McMahon, CEO, Tel: (416) 786-9031, Email: jmcmahon@prophecydefi.com

CO: Prophecy DeFi Inc.

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