



The Directors
Cryptology Asset Group p.l.c
Block A, Apt 12, Il-Piazzetta,
Tower Road,
Sliema
Malta

3 April 2020

Dear Sirs,

Re: Cryptology Asset Group p.l.c for the year ended 31 December 2019

Scope of report

We are currently auditing the financial statements of Cryptology Asset Group p.l.c, and we are hereby providing, without giving any form of opinion, the statement of financial position as at 31 December 2019, and the statement of comprehensive income for the year then ended.

Our audit work on the financial statements of the Company is being carried out in accordance with our statutory obligations and is subject to a separate engagement letter. The audit is still in process, and other matters might come to our attention that entail adjustments to the financials being provided. Our report will not extend to any financial statements of the Company taken as a whole.

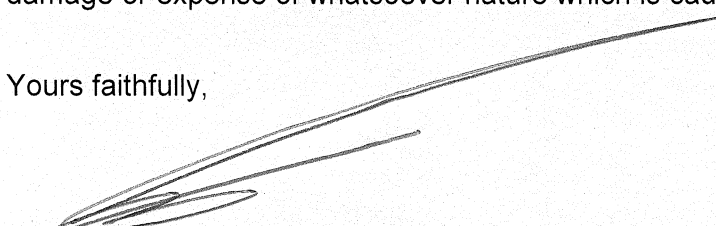
Statement

The financials set out on pages 1 to 4 of this report are an extract of the statement of financial position and statement of comprehensive income for the year ended 31 December 2019. The presented figures are subject to other possible provisions or adjustments, but which are not expected to have a material impact on the presentation of the audited financial statements. No link should be treated between this report and our Independent Auditors' Report which will be provided once the audit is completed.

Limitation of our scope

Our Report is prepared solely for the confidential use of Cryptology Assert Group plc and solely for the purpose of providing an initial presentation of the Company's financial results for the year ended 31 December 2019 to Small & Mid Cap Investmentbank AG, in connection with the Company's application with the Dusseldorf Exchange. It may not be relied upon by Cryptology Asset Group plc for any other purpose. Our Report must not be recited or referred to in whole or in part in any other document whatsoever, without our express written permission. Parker Randall Turner neither owes nor accepts any duty to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by their reliance on our Report.

Yours faithfully,


Arthur D. Turner – Managing Partner
On behalf of Parker Randall Turner

HEAD OFFICE:

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CRYPTOLOGY ASSET GROUP P.L.C.

STATEMENT OF FINANCIAL POSITION

At 31 December 2019

	2019	2018
	€	€
ASSETS		
Non-current assets		
Property, plant and equipment	7,018	13,523
Intangible assets	1,056,380	-
Investment in subsidiaries	240	480
Available-for-sale investments	79,933,526	36,473,830
Loans other receivables	5,000,000	-
	<u>85,997,164</u>	<u>36,487,833</u>
Other non-current assets		
Deferred tax asset	-	719,759
	<u>-</u>	<u>719,759</u>
Current Assets		
Held-for-trading investments	-	188,233
Trade and other receivables	60,187	8,564
Cash and cash equivalents	1,608	198,137
	<u>61,795</u>	<u>394,934</u>
TOTAL ASSETS	<u>€ 86,058,959</u>	<u>€ 37,602,526</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	2,732,500	2,650,000
Share premium	23,862,113	20,644,612
Retained earnings	43,796,347	6,990,603
	<u>70,390,960</u>	<u>30,285,215</u>
Non-Current Liabilities		
Trade and other payables	13,119,936	6,732,078
	<u>13,119,936</u>	<u>6,732,078</u>
Current Liabilities		
Interest-bearing loans and borrowings	2,209,797	-
Trade and other payables	338,266	585,233
	<u>2,548,063</u>	<u>585,233</u>
TOTAL EQUITY AND LIABILITIES	<u>€ 86,058,959</u>	<u>€ 37,602,526</u>

3/2/2020
Parker Randall Turner

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Chartered Certified Accountants & Auditors

CRYPTOLOGY ASSET GROUP P.L.C.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

	2019 (52 wks) €	2018 (51 wks) €
REVENUE	14,806,942	2,571,723
Cost of investments	(12,280,582)	(2,848,553)
Realised loss on purchase of investment	-	(1,229,073)
Loss on fair value on held-for-trading investments	-	(244,702)
GROSS OPERATING PROFIT/ (LOSS)	<u>2,526,360</u>	<u>(1,750,605)</u>
Administrative expenses	(261,933)	(527,248)
Other income	59,983	888
PROFIT/ (LOSS) ON ORDINARY ACTIVITIES BEFORE FINANCE COSTS	<u>2,324,410</u>	<u>(2,276,965)</u>
Finance costs	(234,310)	(41,716)
PROFIT/ (LOSS) FOR THE YEAR/ PERIOD BEFORE TAXATION	<u>2,090,100</u>	<u>(2,318,681)</u>
Taxation	(733,699)	719,759
PROFIT/ (LOSS) FOR THE YEAR/ PERIOD AFTER TAXATION	<u>1,356,401</u>	<u>(1,598,922)</u>
OTHER COMPREHENSIVE INCOME		
Assets that will not be taken to profit or loss:		
Available-for-sale investments: changes in fair value	35,150,439	7,673,970
Foreign exchange translations on available-for-sale investments	298,904	915,555
	<u>35,449,343</u>	<u>8,589,525</u>
TOTAL COMPREHENSIVE INCOME	<u>€ 36,805,744</u>	<u>€ 6,990,603</u>


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DETAILED INCOME STATEMENT SCHEDULES

For the year ended 31 December 2019

	2019 (52 wks) €	2018 (51 wks) €
COST OF INVESTMENTS		
Opening investments	188,233	-
Purchases of tokens/ investments	12,092,349	3,036,786
Realised loss on purchase of investment	-	1,229,073
	<hr/>	<hr/>
	12,280,582	4,265,859
Less: Closing investments	-	(188,233)
	<hr/>	<hr/>
- to page 2	€ 12,280,582	€ 4,077,626
	<hr/>	<hr/>
OTHER INCOME		
Bank interest receivable	2	48
Other interest receivable	59,981	840
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- to page 2	€ 59,983	€ 888
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 3/4/2020
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DETAILED INCOME STATEMENT SCHEDULES

For the year ended 31 December 2019

	2019 (52 wks) €	2018 (51 wks) €
ADMINISTRATIVE EXPENSES		
Audit fee	8,500	8,500
Consultancy fees	-	11,075
Depreciation	6,505	6,505
Director's remuneration	-	60,000
Director's fees	18,000	18,000
General office expenses	981	291
IT expenses	1,549	289
Legal fees	9,712	78,290
Licences and permits	2,375	3,070
Motor vehicle running expenses	17,976	988
Professional fees	61,335	237,994
Recruitment fees	-	6,493
Repairs and maintenance	3,723	184
Registration fees	2,431	1,745
Rent	4,446	1,590
Seminars and conferences	675	610
Stationery, printing and postages	1,027	4,335
Telecommunication costs	252	121
Wages and salaries	122,446	87,168
to page 2	€ 261,933	€ 527,248
FINANCE COSTS		
Bank interest and charges	176,923	18,254
Other interest on loans	38,259	12,083
Realised loss on exchange	19,129	29
Unrealized loss on exchange	-	11,350
to page 2	€ 234,311	€ 41,716


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