

# CRYPTOLOGIC

## CRYPTOLOGIC RELEASES 2019 THIRD QUARTER FINANCIAL RESULTS

TORONTO, Ontario, November 27, 2019 -- Cryptologic Inc. (“**Cryptologic**” or the “**Company**”) (CSE:CRY) today announces its financial results for the quarter ended September 30, 2019. Selected financial information of the Company for the three month and nine month periods ended September 30, 2019 and 2018 and the year ended December 31, 2018 is set forth below:

	Three Months Ended September 30,		Nine Months Ended September 30,		Year ended December 31,
	2019	2018	2019	2018	2018
Revenue	\$ 8,690,484	\$ 8,230,518	\$ 23,554,470	\$ 10,939,694	\$ 18,079,005
Net income (loss) and comprehensive income (loss)	2,141,330	(3,437,552)	1,867,898	(55,328,776)	(74,252,959)
Adjusted EBITDA	3,864,861	3,022,290	9,340,636	3,454,175	5,018,658
Adjusted EBITDA margin	44%	37%	40%	32%	28%
Adjusted EBITDA per share	0.30	0.51	0.73	0.66	0.84
Total assets	28,472,513	64,847,400	28,472,513	64,847,400	17,973,697
Total liabilities	38,541,134	47,297,695	38,541,134	47,297,695	29,710,012
Basic and diluted net income (loss) and comprehensive income (loss) per common share	\$ 0.17	\$ (0.55)	\$ 0.15	\$ (10.61)	\$ (12.98)

Cryptologic mined a total of 602.91 Bitcoin in the three months ended September 30, 2019, at an average price per Bitcoin for the quarter of \$13,706. The Company achieved an Adjusted EBITDA<sup>1</sup> of \$3.9 million, or \$0.17 per outstanding share, resulting in an Adjusted EBITDA Margin<sup>1</sup> of 44% for the three months ending September 30, 2019. The Company’s cost of revenue, which includes electricity cost, contractors’ fees and general facility operating costs, but excludes non-cash depreciation of mining and infrastructure equipment, resulted in an average cost per Bitcoin mined of \$6,937, an increase of \$2,494 or 67% from \$4,443 for the three months ended June 30, 2019. The increase in the cost of mining a Bitcoin is attributable to the increase in network difficulty corresponding to an increase in network hashrate resulting in fewer coins mined for the period on a per miner basis. Average network difficulty for the three months ended September 30, 2019, was 10.08 trillion as compared to 6.87 trillion for the three months ended June 30, 2019.

The Company reported net income of \$2.1 million for quarter on revenue of \$8.7 million. For the nine months ended September 30, 2019, the Company reported net income of \$1.9 million on revenue \$23.6 million.

The financial statements for the three months ended September 30, 2019 and the related management’s discussion and analysis (“**MD&A**”) are available on Cryptologic’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

For information or interview please contact:

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<sup>1</sup> Refer to the “Non-IFRS Measures” section of this news release.

## **About Cryptologic Inc.**

Cryptologic Corp. is currently a cryptocurrency mining company that is focused on divesting its crypto mining assets and exploring acquisition opportunities in sectors outside of cryptocurrency mining.

## **Cautionary Note Regarding Forward-Looking Information**

Certain statements in this press release, including statements with respect to the Company's position to enter other aspects of cryptocurrency mining, contain forward-looking information which can be identified by the use of forward looking terminology such as "believes", "expects", "may", "desires", "will", "should", "projects", "estimates", "contemplates", "anticipates", "intends", or any negative such as "does not believe" or other variations thereof or comparable terminology. No assurance can be given that potential future results or circumstances described in the forward-looking statements will be achieved or will occur. By their nature, these forward-looking statements necessarily involve risks and uncertainties, including the risk that costs will be higher than anticipated reducing margins, that expense reductions will not be realized, the risk that the price of power to the Company increases and other risks and uncertainties discussed herein, that could cause actual results to significantly differ from those contemplated by these forward-looking statements. Such statements reflect the view of the Company with respect to future events and are based on information currently available to the Company and on assumptions, which it considers reasonable. Management cautions readers that the assumptions relative to the future events, several of which are beyond management's control, could prove to be incorrect, given that they are subject to certain risk and uncertainties, and that actual results may differ materially from those projected. Other factors which could cause results or events to differ from current expectations include, among other things, the impact of general economic, industry and market conditions. Management disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information. The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.

## **Non-IFRS Measures**

Certain terms used in this press release, such as Adjusted EBITDA and Adjusted EBITDA Margin, are not measures defined under International Financial Reporting Standards ("IFRS") as prescribed by the International Accounting Standards Board, do not have standardized meanings prescribed by IFRS and should not be compared to or construed as alternatives to profit/loss or other measures of financial performance calculated in accordance with IFRS. Adjusted EBITDA and Adjusted EBITDA Margin as computed by the Company may not be comparable to similar measures presented by other issuers. The Company uses these measures to better assess the Company's underlying performance and provides these additional measures so that investors may do the same. Further details on non-IFRS measures are set out in the Company's MD&A, which is available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).