CRYPTOLOGIC RELEASES 2019 YEAR END FINANCIAL RESULTS

TORONTO, Ontario, May 13, 2020 -- Cryptologic Inc. ("**Cryptologic**" or the "**Company**") (CSE:CRY) today announces its financial results for the year ended December 31, 2019. Selected financial information of the Company for the three months and years ended December 31, 2019 and 2018 is set forth below:

	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Net loss and comprehensive loss from continuing operations	$ (9,718,162)	$ (4,419,635)	$ (16,962,291)	$ (8,340,441)
Net loss and comprehensive loss	(13,590,497)	(18,924,184)	(11,722,599)	(74,252,959)
Total assets	15,581,954	17,973,697	15,581,954	17,973,697
Total liabilities	38,847,679	29,710,012	38,847,679	29,710,012
Basic and diluted net loss and comprehensive loss per common share from continuing operations	$ (0.73)	$ (0.84)	$ (1.33)	$ (1.59)
Basic and diluted net loss and comprehensive loss per common share	$ (0.85)	$ (3.60)	$ (0.92)	$ (14.13)

For the Three Months Ended December 31, 2019 and 2018

During the three months ended December 31, 2019, the Company mined 300.74 Bitcoins compared to 918.35 Bitcoins in the prior year period. The decrease in Bitcoins results from (i) the sale of 8,475 mining machines representing approximately 38% of the Company's total miners, and (ii) increased network difficulty due to increased network hashrate and a corresponding decrease in coin production per miner. Average network difficulty for the three months ended December 31, 2019 was 13.03 trillion as compared to 6.57 trillion for the three months ended December 31, 2018, an increase of 98%. The average price for Bitcoin during the three months ended December 31, 2019 was $10,559, an increase of $3,733 or 54.7% from $6,826 for the three months ended December 31, 2018. Cost of revenue is comprised of site operating costs and depreciation. The cost of mining a Bitcoin, calculated by dividing site operating costs by the number of Bitcoin mined, was $10,243 for the three months ended December 31, 2019, an increase of $5,557 or 119% from $4,686 for the three months ended December 31, 2018.

For the Years Ended December 31, 2019 and 2018

During the year ended December 31, 2019, the Company earned $26.4 million in revenue from the mining of Bitcoin and $2.3 million from colocation hosting services as compared to $15.8 million and $2.3 million respectively in the prior year periods, representing a total increase of 50.8%. During the year ended December 31, 2019, the Company mined 2,952 Bitcoins compared to 1,978 Bitcoins in the prior year period. The increase in Bitcoins mined is related to a full twelve months of mining operations at both the 205 and 828 facilities in 2019 as compared to the prior year, offset by increased network difficulty corresponding to increased network hashrate and a decrease in miner count as 8,475 miners were sold in late Q3 of 2019. The average price for Bitcoin during the year ended December 31, 2019 was $9,881 compared to $8,587 for the period April 2, 2018 through to December 31, 2018. The cost of mining a Bitcoin for the year ended December 31, 2019 was $5,466, an increase of $923 or 20% from $4,543 for the year ended December 31, 2018. Average network difficulty for the year ended December 31, 2019 was 9.00 trillion as compared to 5.70 trillion for the year ended December 31, 2018, an increase of 58%.

Cryptologic incurred a net loss and comprehensive loss from continuing operations in 2019 of $16.96 million compared to a net loss of $8.34 million in the prior year. Net loss and comprehensive loss, including discontinued operations and tax recovery, was $11.72 million in 2019 compared to $74.25 million in the prior year.

Assets Held for Sale

During 2019, Cryptologic's management and board of directors evaluated the cryptocurrency mining business and decided to divest of its crypto assets and look for a strategic pivot of the business. On August 3, 2019, the Company entered into a non-binding letter of intent with Wayland Group Corp. ("**Wayland**"), a vertically integrated cultivator and processor of cannabis, with production facilities in Langton, Ontario where it operates a cannabis cultivation, extraction, formulation and distribution business. The decision led to the classification of the crypto-mining related assets and liabilities as held for sale. See note 8 to the Company's consolidated financial statements for the year ended December 31, 2019 for more information.

Write Off of Loan Receivable

In connection with the proposed Wayland transaction, on August 9,2019 the Company provided Wayland with a $5,000,000 subordinated bridge loan. In connection with this loan, Wayland granted the second-lien security over the assets to be purchased by Cryptologic, which is subordinate to Wayland's existing secured convertible debentures in accordance with their terms. On September 17, 2019, the Company and Wayland entered into an amended and restated loan agreement under which the Company advanced an additional $1,000,000 to Wayland. In November 2019, the Company advanced an additional $250,000 to Wayland.

On December 2, 2019, Wayland was granted an order from the Ontario Superior Court of Justice under the *Companies' Creditors Arrangement Act*. The initial order provides for, among other things, a stay of proceedings in favour of Wayland and certain of its affiliates (the "**Wayland Group**"), and the appointment of PricewaterhouseCoopers Inc. as monitor of the Wayland Group. As at December 31, 2019, after review of the market conditions in the cannabis industry and the developments with Wayland, management concluded that it was unlikely that the Company would recover the balance of the loan and decided to provide for an allowance of $6.55 million, representing the entire balance of the loan including accrued interest.

Asset Impairment

The Company recognized impairment losses related to the mining equipment of $3.29 million for the three months ended December 31, 2019, as compared to $14.50 million for the comparative period in the prior year. As at December 31, 2019, the Company determined that the recoverable amount of mining equipment and mining infrastructure was less than the previously impaired value. The Company impaired the mining equipment and mining infrastructure to its recoverable amount (see notes 10 and 21 to the Company's consolidated financial statements for the year ended December 31, 2019 for more information).

Subsequent Event

On April 8, 2020, the Company announced that it had closed a transaction to sell all the shares of its wholly-owned subsidiary 9376-9974 Quebec Inc. ("9376"), which holds the rights to a 30 megawatt dedicated cryptocurrency mining operation located in Lachute, Quebec, to HIVE Blockchain Technologies Ltd. ("Hive"). As consideration for the shares of 9376, Hive issued 15,000,000 common shares to the Company at a deemed price of $0.20 per share, which are subject to a four-month lock-up agreement, and paid the Company $1,956,231 in cash, being the cash portion of the purchase price as adjusted by estimated closing working capital and a holdback amount.

The financial statements for the year ended December 31, 2019 and the related management's discussion and analysis ("**MD&A**") are available on Cryptologic's SEDAR profile at www.sedar.com.

For information or interview please contact:

Jordan Greenberg
Chief Financial Officer
(647) 715-3707

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.