

# CRYPTOLOGIC

## CRYPTOLOGIC RELEASES 2020 FIRST QUARTER FINANCIAL RESULTS

TORONTO, Ontario, May 29, 2020 -- Cryptologic Inc. (“**Cryptologic**” or the “**Company**”) (CSE:CRY) today announces its financial results for the quarter ended March 31, 2020. Selected financial information of the Company for the three month periods ended March 31, 2020 and 2019 and the year ended December 31, 2019 is set forth below:

	Three Months Ended March 31,		Year Ended December 31,
	2020	2019	2019
Net loss and comprehensive loss from continuing operations	\$ (2,736,185)	\$ (3,017,817)	\$ (16,962,291)
Net loss and comprehensive loss	(2,190,854)	(3,124,357)	(11,722,599)
Total assets	15,194,752	23,425,111	15,581,954
Total liabilities	40,628,333	38,235,186	38,847,679
Basic and diluted net loss and comprehensive loss per common share from continuing operations	\$ (0.22)	\$ (0.24)	\$ (1.33)
Basic and diluted net loss and comprehensive loss per common share	\$ (0.17)	\$ (0.25)	\$ (0.92)

During the three months ended March 31, 2020, the Company earned \$2.89 million in revenue from the mining of Bitcoin and \$0.89 million from colocation hosting services as compared to \$5.33 million and \$nil in the prior year period. During the three months ended March 31, 2020, the Company mined 257.58 Bitcoins compared to 1,056.23 Bitcoins in the prior year period. The decrease in Bitcoins results from the sale of 8,475 mining machines as well as 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 March 31, 2020, was 14.03 trillion as compared to 5.97 trillion for the three months ended March 31, 2019, an increase of 135%. The average price for Bitcoin during the three months ended March 31, 2020, was \$11,133 compared to \$5,054 for the three months ended March 31, 2019.

Cost of revenue is comprised of site operating costs and depreciation. The cost of revenue decreased from \$5.26 million to \$3.05 million, a decrease of 42% due to lower depreciation expense and electricity costs. The cost of mining a Bitcoin, calculated by dividing site operating costs by the number of Bitcoin mined, for the three months ended March 31, 2020, was \$11,858, an increase of \$8,146 or 219.5% from \$3,712 for the three months ended March 31, 2019.

The Company reported a net loss of \$2.2 million for quarter ended March 31, 2020 compared to a loss of \$3.1 million for the same quarter in the previous year.

The financial statements for the three months ended March 31, 2020 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:

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.

## **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).