

Consolidated Statement of Comprehensive Income ( in EUR )



	Audited 31 Dec 2018	Audited 31 Dec 2019	Audited 31 Dec 2020	Audited 31 Dec 2021	30 Jun 2022 Unaudited	Remark	Notes
Revenue	2,648,098	15,001,942	2,545,167	13,196,945	2,321,485		3
Cost of Investments	(2,848,553)	(12,280,582)	(1,964,952)	(11,265,227)	(909,661)		
Realised (loss)/Profit on investment purchase	(1,229,073)	-	-	-	-		3
FV movements on HFT	(244,702)	-	2,141,882	(309,392)	(1,293,786)		
Gross Profit	(1,674,230)	2,721,360	2,722,097	1,622,326	118,038		5
Profit on Sale of AFS	-	-	8,702,857	34,094,836	5,079,000		3
Impairments & loss on intangibles	-	-	(228,455)	(817,926)	-		
Total Operating Profit	(1,674,230)	2,721,360	11,196,499	34,899,236	5,197,038		
Admin Expenses	(553,515)	(279,650)	(924,700)	(1,630,321)	(728,591)		6
Other Income	890	59,990	348,714	971,460	398,991		
EBIT	(2,226,855)	2,501,700	10,620,513	34,240,375	4,867,437		
Finance Costs	(42,982)	(234,622)	(666,764)	(1,204,769)	(127,488)		4
Taxation	700,616	(795,877)	306,561	767,328	-	A	8
Profit / (Loss) after taxation	(1,569,221)	1,471,201	10,260,310	33,802,934	4,739,949		
EPS	-€ 0.03	€ 0.03	€ 0.19	€ 0.59	€ 0.08	B	7
<b>OTHER COMPREHENSIVE INCOME</b>							
<b>Changes in fair value</b>							
Quoted AFS investments	-	31,383,020	139,653,275	(28,138,151)	(109,684,435)		
Unquoted AFS investments	7,673,970	3,767,419	91,413,873	37,560,057	12,787,053		
Foreign Exchange translations	915,555	298,904	(1,597,264)	3,389,827	271,238		
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>7,020,304</b>	<b>36,920,544</b>	<b>239,730,194</b>	<b>46,614,667</b>	<b>(91,886,195)</b>		
Acquisition of Treasury Stock			(1,637,632)				

A The taxation shown in positive refers to deferred adjustment on FV under OCI

B The EPS has been re-calculated retrospectively for ease of comparatives and consistency, after the share-split of 20:1 that came into effect in July 2021.

### Consolidated Statement of Financial Position ( in EUR )

	Audited	31 Audited	31	Audited	Audited	H1/2022	Remarks	Notes
	Dec 2018	Dec 2019	Dec 2020	31 Dec 2020	31 Dec 2021	30 Jun 2022		
	€	€	€	€	€	Unaudited €		
<b>ASSETS</b>								
<b>Non-current assets</b>								
Intangible assets	14,567	1,056,380	-	-	-	-	B	
Plant & Equipment	977	8,816	20,388	6,789	5,883	5,883		10
AFS investments	36,473,830	79,933,526	326,228,575	407,462,330	294,124,524	294,124,524	A	13
Other receivables		5,000,000	396,154	375,281	-	-		
deferred tax - asset	719,759	-	369,694	1,190,076	1,190,076	1,190,076		11
	37,209,133	85,998,722	327,014,811	409,034,476	295,320,483	295,320,483		9
<b>Current Assets</b>								
HFT investments	188,233	-	2,310,000	2,008,489	837,818	837,818		14
Trade & other receivables	90,954	61,558	505,259	3,137,053	3,534,593	3,534,593		15
Cash & cash equivalents	212,689	4,057	55,786	1,353,430	436,421	436,421		
	491,876	65,615	2,871,045	6,498,972	4,808,832	4,808,832		
<b>TOTAL ASSETS</b>	<b>37,701,009</b>	<b>86,064,337</b>	<b>329,885,856</b>	<b>415,533,448</b>	<b>300,129,315</b>	<b>300,129,315</b>		
<b>EQUITY AND LIABILITIES</b>								
<b>Equity</b>								
Share Capital	2,650,000	2,732,500	2,732,500	2,860,875	2,860,875	2,860,875	C	16
Authorised Shares	2,650,000	2,732,500	2,732,500	64,000,000	64,000,000	64,000,000		
Issued Shares	2,650,000	2,732,500	2,732,500	57,217,500	57,217,500	57,217,500		
Treasury Stock	-	-	(31,491)	-	-	-		
Capital Reserve	20,644,612	23,862,113	23,862,113	54,053,895	54,053,895	54,053,895		16
Retained earnings	7,020,304	43,940,848	282,033,410	330,285,709	238,399,515	238,399,515	D	16
	30,314,916	70,535,461	308,596,532	387,200,479	295,314,285	295,314,285		
<b>Non-Current Liabilities</b>								
Trade & other payables	6,732,078	6,250,860	7,740,875	2,012,505	-	-	E	
<b>Current Liabilities</b>								
interest bearing loans & borrowings	-	2,209,797	6,720,329	5,992,934	4,044,575	4,044,575	F	20
trade & other payables	654,015	7,068,219	6,828,120	20,327,530	770,455	770,455	G	18
	654,015	9,278,016	13,548,449	26,320,464	4,815,030	4,815,030		
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>37,701,009</b>	<b>86,064,337</b>	<b>329,885,856</b>	<b>415,533,448</b>	<b>300,129,315</b>	<b>300,129,315</b>		
	€0.57	€1.29	€5.71	€6.77	€5.16	€5.16	H	

A. Valuations of our key investments that were fully audited have been calculated strictly according to IFRS standards. The fair value of some investments can be significantly higher. For the unaudited Financials, in particular with regards to investments in Block.one, we have taken a fair approximation of their own NAV as Block.one holds substantial amount of liquidity, primarily in USD and Bitcoins and holds 80% in Bullish Inc. whose financials are audited.

B. Mainly composed of crypto assets which are valued at reporting date. From year ending Dec 2021 these assets were considered as 'held for trading' investments in view that such assets were being traded regularly.

C. Outstanding capital includes Treasury Stock, where applicable. In July 27th, 2021 the company resolved to execute a share split of 20:1

D. Comprising 'other comprehensive income'

E. a debt of €6.25ML was fully repaid by Dec 2021. By end of Dec 2021, the company carried a debt of €2ML as bank loan which was fully repaid by June 2022

F. loans and bank overdraft

G. current payables that are paid as per agreed terms

H. NAVs are now regularly published on a weekly basis and can easily be viewed from company's website. On 27th July 2021, the share split of 20:1 was approved during the EGM and these are shown to retroactively apply for ease of comparisons

**CONSOLIDATED STATEMENT - Changes in Equity**  
all amounts are in €

		Share Capital	Capital Reserve	Treasury Stock	Retained Earnings	TOTAL
31-Dec-18	Closing Position for the Year	2,650,000	20,644,612	-	7,020,304	30,314,916
31-Dec-19	Issue of Capital	82,500				82,500
	Increase in Capital Reserves		3,217,501			3,217,501
	Total Comprehensive Income				36,920,544	36,920,544
31-Dec-20	Acquisition of own shares			(31,491)	(1,637,632)	(1,669,123)
	Total Comprehensive Income				239,730,194	239,730,194
30-Jun-21	Acquisition of own shares			(134)	(10,586)	(10,720)
	Issue of Capital	123,375	31,845,000	31,625		32,000,000
	Total Comprehensive Income				131,880,373	131,880,373
	as at 30th June 21	2,855,875	55,707,113	-	413,903,197	472,466,185
31-Dec-21	Issue of shares	5,000	(1,653,218)			(1,648,218)
	Total Comprehensive Income				(83,617,488)	(83,617,488)
	as at 31st December 2021	2,860,875	54,053,895	-	330,285,709	387,200,479
30th June 2022	Total Comprehensive Income				(91,886,194)	(91,886,194)
	as at 30th June 2022	2,860,875	54,053,895	-	238,399,515	295,314,285

Notes to Consolidated Financial Statements as of 30<sup>th</sup> June 2022

Note

1	Statement of Compliance								
	<p><i>The financial statements of Cryptology Asset Group plc have been prepared in accordance with the requirements of IFRS as issued by the IASB and as adopted by the EU.</i></p> <p><i>Assets and liabilities are measured at historical cost except for the financial assets where these were measured at fair value through other comprehensive income (FVTOCI) and those at fair value through profit or loss (FVTPL).</i></p> <p><i>The Consolidated Financial Statements have also been prepared in accordance with the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta).</i></p>								
2	Significant Accounting Policies								
	<p><i>The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all the financial periods presented, unless otherwise stated.</i></p> <p><i>Equity Instruments. The company elects, on an investment-by-investment, to recognize an equity investment that is not held for trading. Other equity instruments are classified as measured at FVTPL.</i></p> <p><i>Total gains or losses recognized in OCI are kept within OCI on disposal of an investment.</i></p> <p><i>Equity instruments are classified either as 'held-for-trading' or 'available-for-sale' assets since the latter would be intended to be held for an indefinite period.</i></p>								
3	Revenue								
	<p><i>Comprising the following:</i></p> <table border="0"> <tr> <td><i>Sale of cryptocurrencies and tokens</i></td> <td style="text-align: right;"><i>115,166</i></td> </tr> <tr> <td><i>Sale of held-for-trading investments</i></td> <td style="text-align: right;"><i>2,206,318</i></td> </tr> <tr> <td><i>Profit on sale of AFS investments</i></td> <td style="text-align: right;"><i>5,079,000</i></td> </tr> <tr> <td><i>FV Measurement – unrealised</i></td> <td style="text-align: right;"><i>(1,293,786)</i></td> </tr> </table>	<i>Sale of cryptocurrencies and tokens</i>	<i>115,166</i>	<i>Sale of held-for-trading investments</i>	<i>2,206,318</i>	<i>Profit on sale of AFS investments</i>	<i>5,079,000</i>	<i>FV Measurement – unrealised</i>	<i>(1,293,786)</i>
<i>Sale of cryptocurrencies and tokens</i>	<i>115,166</i>								
<i>Sale of held-for-trading investments</i>	<i>2,206,318</i>								
<i>Profit on sale of AFS investments</i>	<i>5,079,000</i>								
<i>FV Measurement – unrealised</i>	<i>(1,293,786)</i>								
4	Finance Costs								
	<table border="0"> <tr> <td><i>Interest on loans &amp; bank borrowings &amp; charges</i></td> <td style="text-align: right;"><i>127,488</i></td> </tr> </table>	<i>Interest on loans &amp; bank borrowings &amp; charges</i>	<i>127,488</i>						
<i>Interest on loans &amp; bank borrowings &amp; charges</i>	<i>127,488</i>								

5 *Gross Income*

*Gross income is arrived at after deducting the cost of the sold equity investments that were held for sale.*

6 *Compensation Benefits of Employees and Directors*

*Included under 'Admin Expenses' are the following:*

<i>Salaries paid for the period</i>	<i>281,651</i>
<i>Director's remuneration</i>	<i>30,000</i>
<i>Director's fees</i>	<i>6,000</i>

7 *Earnings per Share*

*Earnings per share at the reporting date is €0.08 calculated on Operating Net Profit after tax*

8 *Taxation*

*No tax is chargeable up till the time of reporting on the Holding Company in view of the ' participation exemption holding' tax rule*

9 *Intangible Assets*

*Intangible assets, comprising crypto-assets, have been re-classified under ' HFT investments' in view that such assets are now being held for on-going trading ( vide Note 14 below)*

10 *Plant and Equipment*

	<i>Computer-Equipment</i>	<i>Computer Software</i>
<i>Cost as at 1 Jan 22</i>	<i>4,772</i>	<i>46,420</i>
<i>Additions</i>	<i>5,091</i>	<i>0</i>
<i>Accum. Depreciation &amp; Amort</i>	<i>(3,980)</i>	<i>(46,420)</i>

11 *Deferred Taxation*

*The deferred tax of €1,190,076 may be fully recognized by 31st December 2022. This amount relates to unutilized tax losses which will be balanced-off in future periods.*

*This represents shares held in Cryptology Advisory Limited of 1,199 Ordinary 'A' shares at €1 each, 20% paid-up. The percentage holding of the issued shares is 99.9% and is grouped under 'AFS investments.*

*The registered office of Cryptology Advisory Limited is at 'Beatrice,' 66/67, Amery Street Sliema, SLM1707, Malta.*

*The financial statements of Cryptology Advisory Limited have been consistently prepared using IFRS as adopted by EU and have been in line with previous years' audit methodology in accordance with International Standards on Auditing.*

*As of 30<sup>th</sup> June 2022, Cryptology Advisory Limited registered an 'unrealised' loss of €1,252,105 caused primarily by the revaluation of all crypto-assets which performed negatively on the crypto-markets. at end of the reporting period.*

*Quoted Equity measured at FVOCI*

<i>Amount as at 1st Jan 22</i>	<i>€155,109,413</i>
<i>Net Additions and disposals</i>	<i>470,436</i>
<i>Fair value movement</i>	<i><u>(102,684,435)</u></i>
	<i><u>€45,895,414</u></i>

*Convertible Loan is measured at its original cost as per Note 15*

*Unquoted Equity measured at FVOCI*

<i>Amount as at 1st Jan 22</i>	<i>252,352,917</i>
<i>Net Additions and disposals</i>	<i>(17,182,098)</i>
<i>Fair value movement</i>	<i><u>13,058,291</u></i>
	<i><u>€248,229,110</u></i>

*Total Available for Sale investments    €294,124,524*

14

*Investments held for trading*

*An amount of €837,818 were held by the subsidiary company – Cryptology Advisory Limited – in crypto-assets for on-going trading.*

15

*Trade & Other Receivables*

*Amount falling due for payment in less than 12-months may be converted to equity investments until 30<sup>th</sup> April 2025.*

*The total value comprises:*

<i>Payments made for the purchase of AFS investments not yet materialized</i>	<i>€1,728,253</i>
<i>Short-term loans</i>	<i>€ 200,000</i>
<i>Accrued income and prepayments</i>	<i>€ 506,340</i>
<i>Convertible bonds</i>	<i>€1,100,000</i>

16

*Equity*

<i>a) Share Capital</i>	
<i>Issued, allotted and 100% paid-up as of 1 January 2022</i>	<i>57,217,500 shares</i>
<i>Issued, allotted and 100% paid-up as of 30th June 2022</i>	<i>57,217,500 shares</i>
<i>Nominal value of shares</i>	<i>€0.05 each</i>
<i>Total share capital as of 30th June 2022</i>	<i>€ 2,860,875</i>
<i>b) Total Treasury Stock held as of 30<sup>th</sup> June 2022 June 2021</i>	<i>Nil</i>
<i>c) Capital reserves</i>	
<i>represent the excess paid by shareholders over the nominal value of the shares at €0.05 each.</i>	
<i>d) Retained Earnings.</i>	
<i>Being accumulated earnings of operating profits after tax, if applicable, and after adjusting for 'other comprehensive income'</i>	



17 *Non-Current Liabilities – Other  
Payables*

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*There were no other long-term liabilities as at end of the reporting period*

18 *Current Liabilities – Trade and  
Other Payables*

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<i>Short-term loan from third party</i>	<i>600,000</i>
<i>Taxation owed by the subsidiary company</i>	<i>53,054</i>
<i>Accruals</i>	<i>108,682</i>
<i>Trade creditors</i>	<i>8,719</i>

19 *Deferred Payment*

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*There were no deferred payments due as at the reporting date*

20 *Bank Overdraft and Loans*

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*The company holds one overdraft facility. This is repayable by end of 2023 and may be extended beyond. The facility is pledged by quoted security held by the Company.*

*A bank loan of €2 million, that was available as of 1<sup>st</sup> January 2022 was fully repaid by the reporting period.*

21 *Retained Earnings*

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*As per Note 16<sup>o</sup> above, these represent the accumulated operating profits after taxation and after adjusting for Other Comprehensive Income. The profit is attributable to equity holders.*

22 *Fair Value of Financial Instruments*

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*For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3. This is based on the degree to which the inputs to the fair value measurements are observable and the significance of such inputs to the fair value measurement in its entirety.*

*Level 1 inputs refer to quoted prices unadjusted in active markets. This can easily be retrieved at the measurement date from investment public markets.*

*Level 2 inputs are inputs that are observable for the asset or liability, whether directly or indirectly. This would include securities using quoted market prices in active markets for similar securities or for identical securities in markets that are considered less active or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.*

*Level 3 inputs are those for which the valuation technique includes inputs not based on observable data and the unobservable inputs that may have significant effect on the securities' valuation.*

*Basis of valuing financial assets measured at fair value:*

Available for sale investments – Level 1	€ 45,895,414
Level 3	€248,229,110
Held for trading investments Level 1	€ 837,818

Instruments classified under Level 3 are based on the obtaining of financial information from the respective investees. The Company will always ascertain whether the financial asset is active or not in the market.

Valuations under Level 3 only provide an estimate of true value, and the Company ensures to be closest to accuracy by selecting the best practices in a valuation technique. During the period under review, the Company did not hold information on its investments that could be easily observable in arriving at fair value. Since such shares are not traded in the open market and financial information may lack details, hence the Company was unable to carry out exhaustive search to identify the market price, the Company rested on the latest financing-rounds in the investee at a further discounted price for prudence's sake.

Based on the above, the Company applied level 3 by making its utmost in maximising the use of relevant observable inputs.

*Our financials are based on IFRS 13 for fair value measurements. Our valuation of 'fair value' is the price that a financial asset can be sold at in an orderly transaction in a market on that date under market conditions, irrespective as to whether the price is observable on an Exchange or using valuation approach. IFRS 13 does not preclude CAG from using its own collected data where it always obtains financial information directly from the investee to compare the NAV against market value of the market-participant.*

## 23 Subsequent Events

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*The Company passed a resolution during an Extraordinary General Meeting held on 30th May 2022 where it approved the repurchase of own shares not exceeding 10% of the issued share capital and the share price shall be at any price but not to exceed €15 per share. The repurchase exercise started in July 2022.*

*In 2021 the Company had purchased AFS investments against a capital creditor. In January 2022, the contractual parties agreed to cancel the agreement and such investment did not materialize.. The asset and liability in the period up till 30th June 2022 reflect such cancellation of investment.*

## 24 Capital Commitments

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During the first 6 months of 2022, the Company redeemed part of its investments in funds amounting to US\$1,392,009.

Another tranche amounting to circa US\$589,000, depending on the performance of the fund up till the time of redemption, is expected to be liquidated in October 2022,

A capital commitment to purchase further equity to the value of US\$1.5 million and the purchase of convertible bonds of approximately €1.3 million is expected to materialize by the end of December 2022.

## CONSOLIDATED STATEMENT OF CASH FLOWS

REPORTING PERIOD	Group H1/22	Group H1/21	Group 2021 Audited	Group 2020 Audited	Group 2019 Audited
<b>OPERATING ACTIVITIES</b>					
Cash (used) / generated from operations					
Profit prior to tax	4,739,949	16,676,856	33,035,606	9,953,749	2,267,078
Adjustments for:					
Depreciation	4,878	7,594	13,599	16,296	7,379
Interest receivable	(398,991)		( 886,103)	( 348,714)	( 59,990)
Interest payable	12,500		550,579	479,003	175,327
Fair value movements in HFT investments	-	-	309,392	( 2,141,882)	-
Profit on disposal of AFS investments	( 1,240,225)		( 34,094,836)	( 8,702,857)	-
Impairment loss on intangibles	-	-	817,926	189,665	-
Loss on disposal on intangibles	-	-	-	38,790	-
	<u>3,118,112</u>	<u>16,684,450</u>	<u>( 253,837)</u>	<u>( 515,950)</u>	<u>2,389,794</u>
Movement in HFT investments		-	( 7,881)	( 168,118)	188,233
Movement in receivables	(1,078,145)	615,867	( 1,228,297)	( 4,837)	29,446
Movement in payables	21,907,418	( 81,398)	( 115,708)	47,567	89,907
	<u>23,947,385</u>	<u>17,218,918</u>	<u>( 1,605,723)</u>	<u>( 641,338)</u>	<u>2,697,380</u>
Interest paid	(50,263)		( 460,037)	( 434,356)	( 144,904)
Interest received			582,606	109,800	8,620
Taxation paid	-	-	( 125,311)	( 33,083)	-
<b>NET CASH (USED) / GENERATED FROM OPERATING ACTIVITIES</b>	<u>23,897,122</u>	<u>17,218,918</u>	<u>( 1,608,465)</u>	<u>( 998,977)</u>	<u>2,561,096</u>
<b>INVESTING ACTIVITIES</b>					
Purchase of Plant & Equipment	(4,687)	-	-	( 27,868)	( 601)
Purchase of intangible assets		( 1,422,366)	( 817,926)	-	( 1,056,380)
Proceeds from sale of intangibles		-	-	604,528	-
Net Movements AFS investments	(17,587,692)	2,310,000	35,308,316	12,864,153	10,000
Purchase of investments & Funds	(1,483,753)	( 31,738,079)	( 56,438,669)	( 16,325,427)	( 7,883,355)
Repayment of Exchg Note		( 5,852,241)	-	-	-
Convertible loan advances	(1,777,135)	-	( 1,079,127)	( 396,154)	( 5,000,000)
<b>NET CASH (USED) FROM INVESTING ACTIVITIES</b>	<u>(20,853,267)</u>	<u>( 36,702,686)</u>	<u>( 23,027,406)</u>	<u>( 3,280,768)</u>	<u>( 13,930,336)</u>
<b>FINANCING ACTIVITIES</b>					
Issued share capital	-	123,375	160,000	-	82,500
Issue of share premium	-	24,551,625	31,840,000	-	3,217,501
Repurchase of own shares	-		( 10,720)	( 1,669,123)	-
Sale of Treasury Stock	-	6,325,000	-	-	-
Capital Allotment Reserve	-	1,000,000	-	-	-
Bank loan advances	( 2,012,505)		522,490	1,490,015	-
Repayment to related parties	-		-	( 200,000)	( 600,000)
Loan advances to related parties	-	( 4,200,000)	-	200,000	-
Repayment of Loans		( 7,996,728)	( 6,450,860)	-	-
Loan advances from third parties	-	600,000	600,000	-	6,250,860
<b>NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES</b>	<u>(2,012,505)</u>	<u>20,403,272</u>	<u>26,660,910</u>	<u>( 179,108)</u>	<u>8,950,861</u>
Net movement in cash & cash equivalents	1,031,350	919,504	2,025,039	( 4,458,853)	( 2,418,379)
Cash & cash equivalents at beginning of the year	(4,639,504)	( 6,664,543)	( 6,664,543)	( 2,205,690)	212,689
<b>CASH &amp; CASH EQUIVALENTS AT END OF REPORTING PERIOD</b>	<u>(3,608,154)</u>	<u>( 5,745,039)</u>	<u>( 4,639,504)</u>	<u>( 6,664,543)</u>	<u>( 2,205,690)</u>