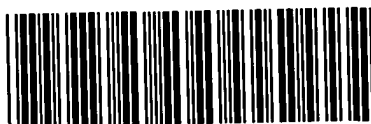


REGISTERED NUMBER: 08757996 (England and Wales)

**Group Strategic Report, Report of the Director and**  
**Consolidated Financial Statements for the Year Ended 31 December 2022**  
**for**  
**CEX.IO LTD**

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**CEX.IO LTD (Registered number: 08757996)**

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for the Year Ended 31 December 2022**

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**CEX.IO LTD**

**Company Information**  
**for the Year Ended 31 December 2022**

<b>DIRECTOR:</b>	O Lutskevych
<b>REGISTERED OFFICE:</b>	33 St. James's Square London United Kingdom SW1Y 4JS
<b>REGISTERED NUMBER:</b>	08757996 (England and Wales)
<b>AUDITORS:</b>	Zenith Audit Ltd Statutory Auditors First floor 18 Devonshire Row London EC2M 4RH

**CEX.IO LTD (Registered number: 08757996)**

**Group Strategic Report**  
**for the Year Ended 31 December 2022**

The director presents his strategic report of the company and the group for the year ended 31 December 2022.

**REVIEW OF BUSINESS**

During the year, the company significantly restructured its business strategy, moving away from its original role as a digital assets marketplace to focus on developing software products and managing intellectual property, with a special focus on the fintech sector. It leverages its substantial expertise in compliance, customer support, and financial services to create revenue streams, mainly through licensing its software products and offering a range of IT services.

As it adapts to its new operational focus, it maintains strict control over its intellectual assets, managing a portfolio that includes patents, trademarks, and copyrights that are utilized by companies within its corporate group. Despite seeing significant potential in the fintech space, the company is wary of various economic risks, including the heightened scrutiny from central banks and the broader economic instability. In response to these challenges, the company has not only ventured into new markets but also emphasized a prudent approach to cost control.

By the end of 2022, the company successfully transitioned to the new business model, ensuring a stable financial footing with no outstanding liabilities related to client funds or assets. Moving forward, it plans to continue exploiting emerging opportunities in the fintech domain while sustaining its operations through healthy cash reserves, grounded on a billing system that is firmly rooted in contractual agreements and invoicing. This prudent financial management, paired with a visionary approach to fintech solutions, positions the company well for the future.

The company changed its business strategy, concluding its activities as a marketplace for digital assets and pivoting to the development of software, as well as the creation of intellectual property for its subsequent licensing and sale. Currently, the company owns a software product, which it licences out for a monthly fee. Additionally, the company has amassed considerable expertise and potential in compliance, customer support, and financial services for the fintech sector. These services are the foundation for revenue generation. The company plans to develop software products for the fintech sphere.

The period to 31.12.2022, showed a decline in growth in the business with a reported turnover of £11m (£28.7m in 2021), as well as loss before taxation of £12m (profit of £11m in 2021).

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company's management continues to perceive a significant risk in having contractors based in Ukraine. In 2022, this risk was substantially mitigated through relocation. Additionally, management is highly attentive to the risk of economic downturn, tightening actions by central banks, and economic uncertainty. In response to this, the company is expanding into potential new markets to seek fresh opportunities and is also focusing considerably on cost control.

Our principal risks are those that have been identified as having the most impact on our business. CEX.IO Ltd has a strong process in place to manage the mitigation of these risks through robust business continuity capabilities.

Principal risks underlined by the management are:


**Cybersecurity risk**

A crucial part of stability for the digital assets marketplace. Being a centralized exchange service, the platform is responsible for security of assets, kept before any trades or conversions. These risks are managed by proactive approach of CISO team, number of penetration tests, internal procedures and policies.

**Significant decrease in the price of crypto currencies**

Cryptocurrency prices are subject to a multitude of factors, such as global economic conditions, regulatory changes, and investor sentiment, which can be highly unpredictable and volatile. Due to the decline in the price of cryptocurrency in 2022 the value of the company's crypto assets depreciated. The company has plans to diversify its treasury to mitigate the risk of concentration in the future.

**ON BEHALF OF THE BOARD:**

DocuSigned by:  
  
.....  
O Lutskevych - Director

Date: 25th October 2023

**CEX.IO LTD (Registered number: 08757996)**

**Report of the Director**  
**for the Year Ended 31 December 2022**

The director presents his report with the financial statements of the company and the group for the year ended 31 December 2022.

**PRINCIPAL ACTIVITY**

Following its transition away from operating as a digital marketplace platform, the core focus of the English company, in accordance with the Companies Act 2006, has become the administration and licensing of intellectual property (IP) rights. This encompasses overseeing patents, trademarks, and copyrights, which are licensed to affiliated companies within its corporate group. Moreover, the company is involved in software development and offers a spectrum of information technology (IT) services, including IT consultancy, systems integration, and solutions in cybersecurity.

**DIVIDENDS**

No dividends are to be distributed for the current financial year.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

O Lutskevych has held office during the whole of the period from 1 January 2022 to the date of this report.

Other changes in directors holding office are as follows:

D Kalynovsky - resigned 31 March 2022

K Anissimov ceased to be a director after 31 December 2022 but prior to the date of this report.

**GOING CONCERN**

As at 31.12.2022 company had net assets of £7,109,723 (2021: £18,639,999) and loss before tax of £12,316,257 (profit for 2021: £10,989,832). Assessment of the company's ability to continue as a going concern includes an assessment of the future economic environment as well as the company's future prospects and performance. The reorganisation of the company's activities during the year ended 2022 and the significant decrease of digital currency prices on the global markets had a very significant impact on the company's performance in 2022, and at the date of this report there is a material uncertainty about its ultimate effect on the company's operations. As a result of these events, the company realised losses for the first time in 2022 and is currently looking for new business opportunities. The Group perceives significant potential in the chosen trajectory of fintech software product development. Engaging in contracts with group entities that provide licensed services furnishes the company with the capacity to anticipate the evolution of new services and to position a competitive product in the marketplace. Moreover, the Group maintains a robust cash reserve (including of digital currencies), ensuring financial sustenance for its operational endeavours over the forthcoming several years.

The financial statements have been prepared on a going concern basis. CEX.IO Holding Ltd, Cyprus, the immediate parent company, and Mr O Lutskevych, the ultimate beneficial owner, have provided the company with an undertaking that for a period of at least 12 months from the date of approval of these financial statements, they will make available such funds as are needed by the company to enable it to meet its liabilities as and when they fall due. The ultimate beneficial owner has already provided two loans of £1million and \$1million respectively, during the year 2022 and further £4million long term loans for the first nine months of 2023. This together with the company's own working capital will, in the opinion of the directors, enable the company to continue in operational existence for the foreseeable future.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**CEX.IO LTD (Registered number: 08757996)**

**Report of the Director**  
**for the Year Ended 31 December 2022**

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES - continued**

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, Zenith Audit Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

DocuSigned by:



.....  
O Lutskevych - Director

Date: 25th october 2023  
.....

**Report of the Independent Auditors to the Members of  
CEX.IO LTD**

**Opinion**

We have audited the financial statements of CEX.IO LTD (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material uncertainty related to going concern**

In forming our opinion on the financial statements, we have considered the disclosures made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The reliance on the letters of support from the parent company and ultimate beneficial owner, the uncertainties around the digital currency market prices and the restructuring of the company's operations in the year ended 2022 give rise to a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter. In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Director.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Report of the Independent Auditors to the Members of  
CEX.IO LTD**

**Responsibilities of director**

As explained more fully in the Statement of Director's Responsibilities set out on pages three and four, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We performed risk assessment procedures and obtained an understanding of the Company and its environment, the applicable financial reporting framework, the applicable laws and regulations, the Company's system of internal control and the fraud risk factors relevant to the Company that affect the susceptibility of assertions to material misstatement due to fraud. We made enquiries with management regarding actual or suspected fraud, non-compliance with laws and regulations, potential litigation and claims. The engagement partner led a discussion among the audit team with particular emphasis on how and where the Company's financial statements may be susceptible to material misstatement due to fraud, including how fraud might occur. The engagement partner assessed that the engagement team collectively had the appropriate competence and capability to identify or recognise non-compliance with laws and regulations.

We considered compliance with UK Companies Act 2006, FCA regulations and the applicable tax legislation as the key laws and regulations which non-compliance could directly lead to material misstatement due to fraud at the financial statement level. We evaluated whether the selection and application of accounting policies by the Company may be indicative of fraudulent financial reporting. Our audit procedures responsive to assessed risks of material misstatement due to fraud at the assertion level included but were not limited to:

- Testing the appropriateness of manual journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- Making inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries;
- Selecting and testing journal entries and other adjustments made at the end of a reporting period and throughout the period;
- Reviewing accounting estimates for biases that could represent a risk of material misstatement due to fraud.
- Reviewing key correspondence with regulatory authorities such as the Financial Conduct Authority.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements due to irregularities, including fraud, may not be detected, even though we have properly planned and performed our audit in accordance with the auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as they may involve collusion, forgery, intentional omissions, override of internal controls, or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.



**Report of the Independent Auditors to the Members of  
CEX.IO LTD**

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Milena Mitova*

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Milena Mitova (Senior Statutory Auditor)

for and on behalf of Zenith Audit Ltd

Statutory Auditors

First floor

18 Devonshire Row

London

EC2M 4RH

11/3/2023

Date: .....

**CEX.IO LTD (Registered number: 08757996)****Consolidated Income Statement**  
**for the Year Ended 31 December 2022**

		Year Ended 31.12.22 £	Period 1.12.20 to 31.12.21 £
	Notes		
<b>TURNOVER</b>		10,922,590	28,724,581
Cost of sales		<u>(13,153,973)</u>	<u>(24,336,455)</u>
<b>GROSS (LOSS)/PROFIT</b>		(2,231,383)	4,388,126
Administrative expenses		<u>(6,889,889)</u>	<u>(5,390,107)</u>
		(9,121,272)	(1,001,981)
Other operating income		<u>(3,179,933)</u>	<u>12,010,351</u>
<b>OPERATING (LOSS)/PROFIT</b>	5	(12,301,205)	11,008,370
Interest receivable and similar income		<u>-</u>	<u>10,435</u>
		(12,301,205)	11,018,805
Interest payable and similar expenses	6	<u>(15,052)</u>	<u>(28,974)</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(12,316,257)	10,989,831
Tax on (loss)/profit	7	<u>797,131</u>	<u>(1,068,247)</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<u>(11,519,126)</u>	<u>9,921,584</u>
(Loss)/profit attributable to:			
Owners of the parent		(11,517,879)	9,921,603
Non-controlling interests		<u>(1,247)</u>	<u>(19)</u>
		<u>(11,519,126)</u>	<u>9,921,584</u>

The notes form part of these financial statements

**CEX.IO LTD (Registered number: 08757996)****Consolidated Other Comprehensive Income  
for the Year Ended 31 December 2022**


	Notes	Year Ended 31.12.22 £	Period 1.12.20 to 31.12.21 £
<b>(LOSS)/PROFIT FOR THE YEAR</b>		<b>(11,519,126)</b>	<b>9,921,584</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Currency translation difference		(11,150)	(7,186)
Income tax relating to other comprehensive income		<u>-</u>	<u>-</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<u>(11,150)</u>	<u>(7,186)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>(11,530,276)</u>	<u>9,914,398</u>
Total comprehensive income attributable to:			
Owners of the parent		(11,529,029)	9,914,417
Non-controlling interests		<u>(1,247)</u>	<u>(19)</u>
		<u>(11,530,276)</u>	<u>9,914,398</u>

The notes form part of these financial statements

**CEX.IO LTD (Registered number: 08757996)****Consolidated Balance Sheet**  
**31 December 2022**

	Notes	31.12.22 £	31.12.21 £
<b>FIXED ASSETS</b>			
Intangible assets	11	9,992	15,302
Tangible assets	12	970,963	449,843
Investments	13	-	-
		<u>980,955</u>	<u>465,145</u>
<b>CURRENT ASSETS</b>			
Stocks	14	861	1,182
Debtors	15	7,965,411	7,656,674
Investments	16	4,532,153	11,454,471
Cash at bank	17	<u>615,086</u>	<u>3,093,699</u>
		13,113,511	22,206,026
<b>CREDITORS</b>			
Amounts falling due within one year	18	<u>(6,984,743)</u>	<u>(4,031,172)</u>
<b>NET CURRENT ASSETS</b>		<u>6,128,768</u>	<u>18,174,854</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,109,723</u>	<u>18,639,999</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	500,000	500,000
Other reserves	20	(27,964)	(16,814)
Retained earnings	20	<u>6,641,119</u>	<u>18,158,998</u>
<b>SHAREHOLDERS' FUNDS</b>		7,113,155	18,642,184
<b>NON-CONTROLLING INTERESTS</b>		<u>(3,432)</u>	<u>(2,185)</u>
<b>TOTAL EQUITY</b>		<u>7,109,723</u>	<u>18,639,999</u>

The financial statements were approved by the director and authorised for issue on 25th October 2023 and were signed by:

DocuSigned by:  
  
 O Lutskevych Director


The notes form part of these financial statements

**CEX.IO LTD (Registered number: 08757996)****Company Balance Sheet**  
**31 December 2022**

	Notes	31.12.22 £	31.12.21 £
<b>FIXED ASSETS</b>			
Intangible assets	11	-	-
Tangible assets	12	945,342	396,016
Investments	13	<u>49,745</u>	<u>178,999</u>
		<u>995,087</u>	<u>575,015</u>
<b>CURRENT ASSETS</b>			
Debtors	15	7,706,068	7,284,330
Investments	16	4,532,153	11,454,471
Cash at bank	17	<u>594,223</u>	<u>2,963,375</u>
		12,832,444	21,702,176
<b>CREDITORS</b>			
Amounts falling due within one year	18	<u>(6,734,101)</u>	<u>(3,660,079)</u>
<b>NET CURRENT ASSETS</b>		<u>6,098,343</u>	<u>18,042,097</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,093,430</u>	<u>18,617,112</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	500,000	500,000
Retained earnings	20	<u>6,593,430</u>	<u>18,117,112</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>7,093,430</u>	<u>18,617,112</u>
Company's (loss)/profit for the financial year		<u>(11,523,682)</u>	<u>9,919,828</u>

The financial statements were approved by the director and authorised for issue on 25th October 2023 and were signed by:

DocuSigned by:



.....  
O Lutskevych - Director

The notes form part of these financial statements

**CEX.IO LTD (Registered number: 08757996)****Consolidated Statement of Changes in Equity  
for the Year Ended 31 December 2022**

	Called up share capital £	Retained earnings £	Other reserves £
<b>Balance at 1 December 2020</b>	280,000	8,237,395	(9,628)
<b>Changes in equity</b>			
Issue of share capital	220,000	-	-
Total comprehensive income	-	9,921,603	(7,186)
<b>Balance at 31 December 2021</b>	<u>500,000</u>	<u>18,158,998</u>	<u>(16,814)</u>
<b>Changes in equity</b>			
Total comprehensive income	-	(11,517,879)	(11,150)
<b>Balance at 31 December 2022</b>	<u>500,000</u>	<u>6,641,119</u>	<u>(27,964)</u>
	Total £	Non-controlling interests £	Total equity £
<b>Balance at 1 December 2020</b>	8,507,767	(2,166)	8,505,601
<b>Changes in equity</b>			
Issue of share capital	220,000	-	220,000
Total comprehensive income	9,914,417	(19)	9,914,398
<b>Balance at 31 December 2021</b>	<u>18,642,184</u>	<u>(2,185)</u>	<u>18,639,999</u>
<b>Changes in equity</b>			
Total comprehensive income	(11,529,029)	(1,247)	(11,530,276)
<b>Balance at 31 December 2022</b>	<u>7,113,155</u>	<u>(3,432)</u>	<u>7,109,723</u>

The notes form part of these financial statements

**CEX.IO LTD (Registered number: 08757996)**

**Company Statement of Changes in Equity**  
**for the Year Ended 31 December 2022**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 December 2020</b>	280,000	8,197,284	8,477,284
<b>Changes in equity</b>			
Issue of share capital	220,000	-	220,000
Total comprehensive income	-	9,919,828	9,919,828
<b>Balance at 31 December 2021</b>	<u>500,000</u>	<u>18,117,112</u>	<u>18,617,112</u>
<b>Changes in equity</b>			
Total comprehensive income	-	(11,523,682)	(11,523,682)
<b>Balance at 31 December 2022</b>	<u>500,000</u>	<u>6,593,430</u>	<u>7,093,430</u>

The notes form part of these financial statements

**CEX.IO LTD (Registered number: 08757996)****Consolidated Cash Flow Statement**  
**for the Year Ended 31 December 2022**

		Year Ended 31.12.22 £	Period 1.12.20 to 31.12.21 £
<b>Cash flows from operating activities</b>	Notes		
Cash generated from operations	1	(2,514,984)	1,364,141
Finance costs paid		(15,052)	(28,974)
Tax paid		<u>797,131</u>	<u>373,575</u>
Net cash from operating activities		<u>(1,732,905)</u>	<u>1,708,742</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(4,910)	(6,666)
Purchase of tangible fixed assets		(733,295)	(489,154)
Interest received		<u>-</u>	<u>10,435</u>
Net cash from investing activities		<u>(738,205)</u>	<u>(485,385)</u>
<b>Cash flows from financing activities</b>			
Share issue		<u>-</u>	<u>220,000</u>
Net cash from financing activities		<u>-</u>	<u>220,000</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(2,471,110)</u>	<u>1,443,357</u>
<b>Cash and cash equivalents at beginning of year</b>	2	3,093,699	1,657,527
Effect of foreign exchange rate changes		<u>(7,503)</u>	<u>(7,185)</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>615,086</u></u>	<u><u>3,093,699</u></u>

The notes form part of these financial statements



**CEX.IO LTD (Registered number: 08757996)****Notes to the Consolidated Cash Flow Statement  
for the Year Ended 31 December 2022****1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	Year Ended 31.12.22 £	Period 1.12.20 to 31.12.21 £
(Loss)/profit before taxation	(12,316,257)	10,989,831
Depreciation charges	222,395	59,772
Finance costs	15,052	28,974
Finance income	-	(10,435)
	<u>(12,078,810)</u>	<u>11,068,142</u>
Decrease/(increase) in stocks	321	(1,182)
Decrease/(increase) in trade and other debtors	6,789,357	(15,398,700)
Increase in trade and other creditors	<u>2,774,148</u>	<u>5,695,881</u>
<b>Cash generated from operations</b>	<u><b>(2,514,984)</b></u>	<u><b>1,364,141</b></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2022**

	31.12.22 £	1.1.22 £
Cash and cash equivalents	<u>615,086</u>	<u>3,093,699</u>

**Period ended 31 December 2021**

	31.12.21 £	1.12.20 £
Cash and cash equivalents	<u>3,093,699</u>	<u>1,657,527</u>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.22 £	Cash flow £	At 31.12.22 £
<b>Net cash</b>			
Cash at bank	<u>3,093,699</u>	<u>(2,478,613)</u>	<u>615,086</u>
	<u>3,093,699</u>	<u>(2,478,613)</u>	<u>615,086</u>
<b>Liquid resources</b>			
Current asset investments	<u>11,454,471</u>	<u>(6,922,318)</u>	<u>4,532,153</u>
	<u>11,454,471</u>	<u>(6,922,318)</u>	<u>4,532,153</u>
<b>Total</b>	<u><b>14,548,170</b></u>	<u><b>(9,400,931)</b></u>	<u><b>5,147,239</b></u>

The notes form part of these financial statements

**CEX.IO LTD (Registered number: 08757996)**

**Notes to the Consolidated Financial Statements  
for the Year Ended 31 December 2022**

**1. STATUTORY INFORMATION**

CEX.IO LTD is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Basis of consolidation**

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In the company's own financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The consolidated financial statements incorporate those of CEX.IO LTD and its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All the financial statements are made up to 31 December 2022. All intra-group transactions, balances and unrealised gains on transaction between groups companies are eliminated on consolidation.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

**Going concern**

As at 31.12.2022 company had net assets of £7,109,723 (2021: £18,639,999) and loss before tax of £12,316,257 (profit for 2021: £10,989,832). Assessment of the company's ability to continue as a going concern includes an assessment of the future economic environment as well as the company's future prospects and performance. The reorganisation of the company's activities during the year ended 2022 and the significant decrease of digital currency prices on the global markets had a very significant impact on the company's performance in 2022, and at the date of this report there is a material uncertainty about its ultimate effect on the company's operations. As a result of these events, the company realised losses for the first time in 2022 and is currently looking for new business opportunities. The Group perceives significant potential in the chosen trajectory of fintech software product development. Engaging in contracts with group entities that provide licensed services furnishes the company with the capacity to anticipate the evolution of new services and to position a competitive product in the marketplace. Moreover, the Group maintains a robust cash reserve (including of digital currencies), ensuring financial sustenance for its operational endeavours over the forthcoming several years.

The financial statements have been prepared on a going concern basis. CEX.IO Holding Ltd, Cyprus, the immediate parent company, and Mr O Lutskevych, the ultimate beneficial owner, have provided the company with an undertaking that for a period of at least 12 months from the date of approval of these financial statements, they will make available such funds as are needed by the company to enable it to meet its liabilities as and when they fall due. The ultimate beneficial owner has already provided two loans of £1million and \$1million respectively, during the year 2022 and further £4million long term loans for the first nine months of 2023. This together with the company's own working capital will, in the opinion of the directors, enable the company to continue in operational existence for the foreseeable future.

**CEX.IO LTD (Registered number: 08757996)**

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2022**

**2. ACCOUNTING POLICIES - continued**

**Turnover**

The company derives its turnover as commission and fees for digital asset transactional services, where users can buy and sell digital assets for a service fee. The company recognises turnover when the following criteria have been met: persuasive evidence of an arrangement exists, the fee is fixed or determinable, the service has been rendered and risk of loss has transferred to the customer, and collection is reasonably assured. Service is considered rendered upon purchase and transfer of the digital asset(s) ownership to the customer.

The company generates revenue from granting the use of its intellectual property, including a marketplace for digital assets, as well as providing compliance, finance, accounting, and customer support services. These services are billed in accordance with contracts based on invoices.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs are being amortised evenly over their estimated useful life of nil years.

**Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings and Plant & Machinery - 33%

Leasehold improvements - over the term of lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

**Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**CEX.IO LTD (Registered number: 08757996)**

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2022**

**2. ACCOUNTING POLICIES - continued**

**Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research is recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised to 'administrative expenses' on a straight line basis over their expected useful economic lives. Amortisation begins when the intangible asset is available for use, ie when it is in the location and condition necessary for it to be usable in the manner intended by management.

The expected useful economic life of development costs are estimated based on business plans which set out the development plan and time to market for the associated project.

If it is not possible to distinguish between the research phase and the development phase of an internal the expenditure is treated as if it were all incurred in the research phase only.

**Foreign currencies**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**Cryptocurrency**

Cryptocurrency assets, classified as current asset investments, are measured at fair value. Changes in fair value are recognised in 'other foreign exchange', within profit or loss. This policy was applied until 30 June 2022.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, call deposits, other short term highly liquid investments that are readily convertible to a known amount of cash. These were are subject to an insignificant risk of changes in value and commission and fee income earned but not withdrawn and included in client money accounts until 30 Jun 2022.

**Assets held on behalf of clients**

Following the transition to a new business model, as of the end of 2022, the company no longer holds client funds or assets, and has no clients outstanding liabilities.

**Capital and reserves**

Company's capital reserves comprises of:

- Called up share capital reserve representing the nominal value of the shares issued and
- Profit and loss account representing cumulative profits or losses, net of dividends paid and other adjustments.

**Equity Instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**CEX.IO LTD (Registered number: 08757996)**

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2022**

**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**Basic financial liabilities**

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**CEX.IO LTD (Registered number: 08757996)****Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2022****3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the group's accounting policies, which are described in this note 2, the following judgments and key estimates have been made by the directors;

**Depreciation and amortisation of tangible and intangible fixed assets**

The cost of tangible fixed assets is depreciated over its estimated useful economic life. Management estimates the useful lives of these tangible assets to vary. Changes in the expected level of usage and technological developments could impact on the useful economic lives and the residual values of these assets; therefore, future depreciation charges could be revised. The accounting policy of tangible fixed assets is described in note 2. The carrying amount of the group's tangible fixed assets in the balance sheet is disclosed in note 11 of the financial statements.

The capitalised costs of intangible assets are amortised over their estimated useful lives. Management expect these useful lives to vary based on advances in technology and future research and development. Where the useful life of an intangible asset cannot be accurately estimated, the asset is amortised over a maximum of 10 years in accordance with FRS102.

**Impairment of trade debtors and loans receivable**

The group reviews trade debtor balances for impairment and this is performed on a regular basis. Those balances which are considered to be recoverable remain in trade debtors and those which are not, are impaired and the impairment loss is recorded in the profit or loss. In making this judgment, the company evaluates, among other factors, the duration and the financial health of and short-term business outlook for the trade debtors, including factors such as industry and sector performance. The accounting policy of trade debtors is described in note 2. At the year end the carrying amount of trade debtors is stated in note 14.

**Impairment of investments in subsidiary undertakings and associated debtor balances**

Management reviews the carrying value of the investment in subsidiary undertakings and joint ventures for impairment every year. Judgement is used in assessing whether there has been a trigger event showing a potential decline in the value of the investment. These may include evidence of financial difficulty or significance in underperformance against expectations, or potential restrictions in its local market. If such a trigger is identified, a review for impairment is conducted, with the recoverable amount of the asset being determined based on value-in-use calculations using approved forecasts/budget at the period end date and discounted using the weighted average cost of capital. Intercompany receivables are also reviewed for investments. The surplus of the net asset investment over the value-in-use calculation is compared to the outstanding receivable and a provision is made for any shortfall.

**4. EMPLOYEES AND DIRECTORS**

	Year Ended 31.12.22	Period 1.12.20 to 31.12.21
	£	£
Wages and salaries	1,326,762	483,200
Social security costs	174,592	60,157
Other pension costs	9,713	5,065
	<u>1,511,067</u>	<u>548,422</u>

The average number of employees during the year was as follows:

	Year Ended 31.12.22	Period 1.12.20 to 31.12.21
Sales and support	2	10
Administration	14	17
	<u>16</u>	<u>27</u>

The average number of employees by undertakings that were proportionately consolidated during the year was NIL (2021 - NIL).

**CEX.IO LTD (Registered number: 08757996)****Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2022****4. EMPLOYEES AND DIRECTORS - continued**

	Year Ended 31.12.22 £	Period 1.12.20 to 31.12.21 £
Directors' remuneration	<u>160,203</u>	<u>154,123</u>

**5. OPERATING (LOSS)/PROFIT**

The operating loss (2021 - operating profit) is stated after charging/(crediting):

	Year Ended 31.12.22 £	Period 1.12.20 to 31.12.21 £
Other operating leases	1,256,803	563,042
Depreciation - owned assets	212,175	56,287
Development costs amortisation	10,220	3,486
Foreign exchange differences	3,234,622	(11,991,586)
Auditor's remuneration	<u>33,000</u>	<u>41,500</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	Year Ended 31.12.22 £	Period 1.12.20 to 31.12.21 £
Interest paid	<u>15,052</u>	<u>28,974</u>

**7. TAXATION****Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the year was as follows:

	Year Ended 31.12.22 £	Period 1.12.20 to 31.12.21 £
Current tax:		
UK corporation tax	-	1,068,247
Adjustment in respect of prior years	(797,571)	-
Foreign tax	<u>440</u>	<u>-</u>
Tax on (loss)/profit	<u>(797,131)</u>	<u>1,068,247</u>

**CEX.IO LTD (Registered number: 08757996)****Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2022****7. TAXATION - continued****Reconciliation of total tax (credit)/charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31.12.22 £	Period 1.12.20 to 31.12.21 £
(Loss)/profit before tax	<u>(12,316,257)</u>	<u>10,989,831</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(2,340,089)	2,088,068
Effects of:		
Expenses not deductible for tax purposes	2,860	9,929
Income not taxable for tax purposes	-	(102,048)
Capital allowances in excess of depreciation	(116,112)	-
Utilisation of tax losses	-	(552,329)
R&D tax credit in respect of prior years	(797,571)	(375,700)
Tax effect of loss on which no deferred tax asset recognised	23,609	327
Losses carried forward	2,429,732	-
Foreign taxation	<u>440</u>	<u>-</u>
Total tax (credit)/charge	<u>(797,131)</u>	<u>1,068,247</u>

**Tax effects relating to effects of other comprehensive income**

	31.12.22	
	Gross £	Net £
Currency translation difference	<u>(11,150)</u>	<u>(11,150)</u>
	1.12.20 to 31.12.21	
	Gross £	Net £
Currency translation difference	<u>(7,186)</u>	<u>(7,186)</u>

The company has unused tax losses for which no deferred tax asset has been recognised of £12,788,060 (2021: NIL).

**8. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

**9. ASSETS HELD ON BEHALF OF CLIENTS**

At the year end date, the company held £NIL (2021: £297,859,541) in cryptocurrency and £NIL (2021: £119,998,531) in cash on behalf of its clients. As these balances do not relate to the company's assets, they have been excluded from the financial statements.

On 29 June 2022, all assets held on behalf of clients in the amount of £1,255,975 were transferred to other companies under common control in line with the company's decision to cease operating as a crypto exchange.



**CEX.IO LTD (Registered number: 08757996)****Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2022****10. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2022 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	2,594,160	1,714,936
Later than 1 year and not later than 5 years	<u>156,899</u>	<u>1,008,426</u>
	2,751,059	2,723,362

**11. INTANGIBLE FIXED ASSETS****Group**

	Development costs £
<b>COST</b>	
At 1 January 2022	24,264
Additions	<u>4,910</u>
At 31 December 2022	<u>29,174</u>
<b>AMORTISATION</b>	
At 1 January 2022	8,962
Amortisation for year	<u>10,220</u>
At 31 December 2022	<u>19,182</u>
<b>NET BOOK VALUE</b>	
At 31 December 2022	<u>9,992</u>
At 31 December 2021	<u>15,302</u>

Management considers that net book value of the tangible and intangible assets is similar to carrying value and there is no impairment.

**CEX.IO LTD (Registered number: 08757996)****Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2022****12. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Improvements to property £</b>	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>					
At 1 January 2022	-	219,803	3,431	424,489	647,723
Additions	610,078	2,178	-	121,039	733,295
Reclassification/transfer	-	-	(3,431)	3,431	-
At 31 December 2022	<u>610,078</u>	<u>221,981</u>	<u>-</u>	<u>548,959</u>	<u>1,381,018</u>
<b>DEPRECIATION</b>					
At 1 January 2022	-	165,976	2,175	29,729	197,880
Charge for year	-	30,384	-	181,791	212,175
Reclassification/transfer	-	-	(2,175)	2,175	-
At 31 December 2022	<u>-</u>	<u>196,360</u>	<u>-</u>	<u>213,695</u>	<u>410,055</u>
<b>NET BOOK VALUE</b>					
At 31 December 2022	<u>610,078</u>	<u>25,621</u>	<u>-</u>	<u>335,264</u>	<u>970,963</u>
At 31 December 2021	<u>-</u>	<u>53,827</u>	<u>1,256</u>	<u>394,760</u>	<u>449,843</u>
<b>Company</b>					
	<b>Improvements to property £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Totals £</b>	
<b>COST</b>					
At 1 January 2022	-	3,431	424,489	427,920	
Additions	610,078	-	121,039	731,117	
Reclassification/transfer	-	(3,431)	3,431	-	
At 31 December 2022	<u>610,078</u>	<u>-</u>	<u>548,959</u>	<u>1,159,037</u>	
<b>DEPRECIATION</b>					
At 1 January 2022	-	2,175	29,729	31,904	
Charge for year	-	-	181,791	181,791	
Reclassification/transfer	-	(2,175)	2,175	-	
At 31 December 2022	<u>-</u>	<u>-</u>	<u>213,695</u>	<u>213,695</u>	
<b>NET BOOK VALUE</b>					
At 31 December 2022	<u>610,078</u>	<u>-</u>	<u>335,264</u>	<u>945,342</u>	
At 31 December 2021	<u>-</u>	<u>1,256</u>	<u>394,760</u>	<u>396,016</u>	

**CEX.IO LTD (Registered number: 08757996)****Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2022****13. FIXED ASSET INVESTMENTS****Company**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2022	178,999
Impairments	(129,254)
At 31 December 2022	<u>49,745</u>
<b>NET BOOK VALUE</b>	
At 31 December 2022	<u>49,745</u>
At 31 December 2021	<u>178,999</u>

The Company has 99% investment in CEX.IO Labs Ltd, which is domiciled in Ukraine.

**14. STOCKS**

	<b>Group</b>	
	31.12.22 £	31.12.21 £
Stocks	-	1,182
Finished goods	<u>861</u>	<u>-</u>
	<u>861</u>	<u>1,182</u>

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.22 £	31.12.21 £	31.12.22 £	31.12.21 £
Trade debtors	262,568	392,502	20,932	87,997
Amount owed by related parties	4,669,969	6,595,454	4,669,969	6,595,454
Other debtors	1,912,301	441,276	1,894,594	373,437
Bad debt provision	(243,514)	-	(243,514)	-
Tax	-	13,451	-	13,451
VAT	267,460	-	267,460	-
Prepayments and accrued income	<u>1,096,627</u>	<u>213,991</u>	<u>1,096,627</u>	<u>213,991</u>
	<u>7,965,411</u>	<u>7,656,674</u>	<u>7,706,068</u>	<u>7,284,330</u>

**16. CURRENT ASSET INVESTMENTS**

	<b>Group</b>		<b>Company</b>	
	31.12.22 £	31.12.21 £	31.12.22 £	31.12.21 £
Digital assets	<u>4,532,153</u>	<u>11,454,471</u>	<u>4,532,153</u>	<u>11,454,471</u>

During the year, there were disposal of assets of £6,922,318 (2021: additions (net of disposals) £4,033,968). The digital assets have been fair valued as per the price feed from the Coin Market Cap as at the year end.

**CEX.IO LTD (Registered number: 08757996)****Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2022****17. CASH AT BANK**

	<b>Group</b>		<b>Company</b>	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Corporate bank account	<u>615,086</u>	<u>3,093,699</u>	<u>594,223</u>	<u>2,963,375</u>

**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Trade creditors	1,787,618	2,322,339	1,558,021	1,948,782
Tax	640,669	1,441,822	640,669	1,451,690
Social security and other taxes	64,199	29,521	64,199	29,011
Other creditors	457,961	6,894	457,961	-
Amount owed to related parties	1,528,022	(269,000)	1,528,022	(269,000)
Interest payable	53,479	43,651	53,479	43,651
Short term loans	2,186,785	455,945	2,165,740	455,945
Accrued expenses	<u>266,010</u>	<u>-</u>	<u>266,010</u>	<u>-</u>
	<u>6,984,743</u>	<u>4,031,172</u>	<u>6,734,101</u>	<u>3,660,079</u>

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.22	31.12.21
			£	£
280,000	Ordinary	1	<u>500,000</u>	<u>500,000</u>

**20. RESERVES**

<b>Group</b>		Retained earnings £	Other reserves £	Totals £
At 1 January 2022		18,158,998	(16,814)	18,142,184
Deficit for the year		(11,517,879)		(11,517,879)
Currency translation difference		-	(11,150)	(11,150)
At 31 December 2022		<u>6,641,119</u>	<u>(27,964)</u>	<u>6,613,155</u>
<b>Company</b>				Retained earnings £
At 1 January 2022				18,117,112
Deficit for the year				<u>(11,523,682)</u>
At 31 December 2022				<u>6,593,430</u>

**CEX.IO LTD (Registered number: 08757996)**

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2022**

**21. RELATED PARTY DISCLOSURES**

Included within other creditors are loans from Oleksandr Lutskevych amounting to £335,044 (2021:£455,945). The loans incur interest at 2% per annum and at year end £53,479 (2021:£43,651) of accrued interest is included within creditors. (Note - 18)

During the year, the group has availed new loans from Oleksandr Lutskevych amounting to £1M and \$1M and balance payable as at year end was amounting to £1,830,696 (2021:NIL). The loans are availed interest free. These are included within creditors. (Note - 18)

During the year, the Group has received loan of £33,930 from Kolodiy D.M, director of CEX.Labs Ltd and balance payable at year end was £21,045 (2021: NIL) included within other creditors (Note - 18).

During the year, the Group has recharged service charges to CEX IO Limited (Glb), a company under common management of £689,312 (2021:£500,853) and balance receivable as at year end was £145,998 (2021: £500,853).

During the year, the Group has recharged service charges to CEX Overseas LTD, a company under common management of £5,060,060 (2021: £3,983,547) and balance receivable as at year end was £3,182,688 (2021: 4,052,303).

During the year, the Group has recharged service charges to CEX IO Corp., a company under common management of £1,175,259 (2021: £1,863,585) and balance receivable as at year end was £970,836 (2021: £2,016,725).

During the year, the Group has paid administrative expense on behalf of Decent Finance Ltd, a company under common management and balance receivable as at year end was £169,234 (2021: £133,127).

During the year, the Group has purchased service charges from CEX IO PTE Ltd, a company under common management of £34,043 (2021:£25,273) and balance payable as at year end was £NIL (2021: £25,573).

During the year, the Group has purchased service charges from CEX Overseas Ltd, a company under common management of £NIL (2021: £7,624,349) and balance payable as at year end was £346,611 (2021:NIL).

During the year, the Group has purchased service charges from CEX IO Corp, a company under common management of £1,415,525 (2021:NIL) and balance payable as at year end was £972,727 (2021: NIL).

During the year, the Group has purchased service charges from OM10 Management LTD, a company under common management of £67,072 (2021: £392,512) and balance payable as at year end was £183,516 (2021: £265,910).

**22. AUDITOR LIABILITY LIMITATION AGREEMENT**

An auditors' limitation of liability agreement has been approved by the members for the financial period ended 31 December 2022. The principal terms and conditions are as below:

- The agreement limits the amount of any liability owed to the Company by the auditors in respect of any negligence default, breach of duty or breach of trust, occurring in the course of audit of the Company's accounts and pursuant to this agreement the auditor may be guilty in relation to the Company.

- The agreement also stipulates the maximum aggregated amount payable in event of any of the circumstances stated above.

**23. POST BALANCE SHEET EVENTS**

There are no post balance sheet events requiring disclosure in respect to the year ended 31.12.2022.

**24. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is O Lutskevych.

The immediate parent company is CEX.IO Holding Ltd., domiciled in Cyprus.